



**DIRECTORS' REPORT
&
ANNUAL ACCOUNTS
2003-04**

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THE STATE TRADING CORPORATION OF INDIA LTD.

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi - 110001



THE STATE TRADING CORPORATION OF INDIA LIMITED

BOARD OF DIRECTORS

CHAIRMAN-CUM-MANAGING DIRECTOR

Dr. Arvind Pandalai

DIRECTORS

Dr. T.S. Sagar

Shri Vijay Krishan

Shri K.K. Sood (From 12.05.2004)

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EX-OFFICIO DIRECTORS

Shri S.D. Kapoor (Upto 04.08.2004)

Shri Gopal K. Pillai (From 19.04.2004)

Shri S.K. Arora (From 28.08.2003 to 10.08.2004)

Shri A.N. Tiwari (Upto 28.08.2003)

Shri Vinay Bansal (Upto 19.04.2004)

Mrs. Asha Swarup (Upto 10.08.2004)

COMPANY SECRETARY

Shri A.K. Gupta



THE STATE TRADING CORPORATION OF INDIA LTD.

JAWAHAR VYAPAR BHAWAN, TOLSTOY MARG, NEW DELHI-110001

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the State Trading Corporation of India Ltd. will be held at 3.30 P.M. on Friday, the 24th September, 2004 at the Registered Office of the Corporation at "Jawahar Vyapar Bhawan", Tolstoy Marg, New Delhi-110001 to transact the following business :

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2004, the Balance Sheet as at that date and Directors' and Auditors' Reports thereon.
2. To declare dividend.
3. To ratify the appointment of Shri KK Sood as a whole-time Director (Marketing) of the Company by the President of India vide Ministry of Commerce OM No.1/6/2001-FT(ST) dated 11.5.2004 on the terms and conditions approved by the President of India.
4. To ratify the appointment of Shri Gopal K Pillai and Smt Asha Swarup as part time Directors of the Company.
5. To re-appoint Dr. TS Sagar, who retires by rotation at the AGM, as a whole-time Director of the Company on the terms and conditions approved by the President of India. Being eligible, he has offered himself for re-appointment as whole-time Director of the Company.
6. To re-appoint Shri Vijay Krishan, who retires by rotation at the AGM, as a whole-time Director of the Company on the terms and conditions approved by the President of India. Being eligible, he has offered himself for re-appointment as whole-time Director of the Company.
7. To fix the remuneration of Auditors to be appointed by the Comptroller and Auditor General of India under Section 619 of the Companies Act, 1956 for the financial year 2004-05.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Such proxy need not be a member of the company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting. The proxy form is enclosed at the end of Annual Report.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 17.09.2004 to 24.09.2004 (both days inclusive).
3. Members are requested to bring their copy of Annual Report and Attendance Slip at the Annual General Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Non-Resident Indian Shareholders are requested to inform the Company immediately :
 - a) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank.
 - b) The Change in the Residential Status on return to India for permanent settlement.
6. As per SEBI Guidelines, it has been made mandatory for all Companies to use the bank account details furnished by the depositories for distributing dividends and other cash benefits, etc. through Electronic Clearing Service to the investors wherever ECS and bank details are available. Accordingly the shareholders holding shares in Demat form should furnish the bank account details to their Depository Participants to avail the above facility.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

8. M/s. MCS Ltd. have been appointed as Registrar and Transfer Agents for carrying out its entire share related activities viz. Transfer/transmission/transposition/dematerialisation/rematerialisation/split/consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfers and allied activities with this agency only at the following address :

M/s. MCS Ltd.
Sri Venkatesh Bhawan
W-40, Okhla Industrial Area, Phase-II
New Delhi-110020
Tel. 011-26384909, Fax. 011-26384907, e-mail: mcsdel@vsnl.com

9. Members should notify change in their addresses, if any, specifying full address in block letters with Pin Code of their post offices, which is mandatory.
10. Members holding shares in identical order of names in more than one folio are requested to write to the company's Shares Department enclosing their Share Certificates to enable the company to consolidate their holdings in one folio.
11. Members seeking further information on the accounts or any other matter contained in the notice, are requested to write to the company at least 7 days before the meeting so that relevant information can be kept ready at the meeting.

By order of the Board of Directors



A.K. GUPTA
Company Secretary

DATED :1st September, 2004

NEW DELHI

DIRECTORS' REPORT

(Also incorporating Management Discussion and Analysis Report)

The Board of Directors has pleasure in presenting the 48th Annual Report on the working of the Corporation together with the audited statements of accounts for the year ended 31st March, 2004.

ECONOMIC ENVIRONMENT

The prolonged downturn of previous years, contributed by geo-political unrests, threat of terrorism and recession in the advanced countries, made way for an atmosphere of relative optimism for the world economy. The IMF has estimated the GDP growth for the world economy to be 3.2% in 2003 as against 3% in 2002.

Major factors, which contributed to this turn around in the global economy this year, were low inflation and interest rates, pick up in investment and industrial production, abundant liquidity and stable financial markets. This year witnessed an impressive rebound in the world trade, with the total world exports going up from US\$ 7917 billion in 2002 to US\$ 9228 billion in 2003.

While the major economies like the USA, EU, Japan etc. grew at a modest rate, Asia came out as the fastest growing region, mainly as a result of competitive exchange rates and revival of IT sector. Asia's rapid growth and current account surplus is making it less dependent on the world economy. China witnessed an exceptionally high growth rate of 9.1 percent, becoming the leader of Asia's growth.

The Indian economy, Asia's third largest, recorded a GDP growth rate of 8.2% in 2003-04 as against a paltry 4.0% in 2002-03. A rebound in the grain output aided by very good monsoons contributed a lot to this recovery in economy. The year 2003-04 gave a record food grain output of 211 million tonnes, a growth rate of 9.1% in agriculture sector, as against 174.2 million tonnes in previous year.

The exports performed well during 2003-04, being 17.3% higher at US\$ 61.8 billion than the value of exports during 2002-03. There was also a rise in the imports this year, stimulated by a rising rupee. The rupee appreciated by 10% in the last fiscal, the steepest increase occurring during 23rd–31st March this year, moving from Rs.45.09 to 43.35 per US\$.

India made imports worth US\$ 75.2 bn, an increase of 25% over the US\$ 60.2 bn imports in 2002-03. This has led to a deficit of US\$ 13.4 bn in trade balance account for the year 2003-04. But our forex reserves have increased from US\$ 85 bn last year (mid August, 2003) to US\$ 119.0 bn this year (mid August, 2004), and the fiscal deficit (as a % of annual GDP) has also decreased from 5.4 in 2002-03 to 4.8 in 2003-04.

The Corporation made best use of the positive international trading environment and was able to multiply its turnover by 3.5 times.

PERFORMANCE HIGHLIGHTS

The Corporation made landmark achievements during 2003-04, both in terms of turnover and profitability. The performance during the year vis-a-vis the previous year is summarised below:

	(Rs. Crores)	
	2002-03	2003-04
Turnover		
Exports	691	1192
Imports	1753	6978
Domestic	89	179
Grand Total	2533	8349
Financial		
Profit After Tax	-83	20
Dividend	6	7.5
Net Worth	259	286

REVIEW OF PERFORMANCE

TURNAROUND STAGED

In a major turnaround, the Corporation successfully earned a profit before tax (PBT) of Rs.26 crore as against a loss of Rs.83 crore suffered during the previous year. This became possible as a result of higher trading income, better management of treasury operations, optimum utilisation of resources and effective cost control measures.

HIGHEST EVER TURNOVER

During 2003-04, the Corporation recorded a turnover of Rs.8349 crore, surpassing all previous records. The turnover achieved was over three times the turnover in the previous year. The voluminous growth was as a result of a number of new trade initiatives undertaken during the year besides continued thrust on identified items of exports and imports.

RECORD EXPORTS

During the year, the exports by the Corporation aggregated to Rs.1192 crore - the highest export turnover in the history of the Corporation. Compared to the previous year, the exports were higher by 73%. The Corporation focussed on developing exports in its core strength of business, namely, agricultural commodities. As a result, the foodgrains exports went up to a record of Rs.1054 crore during 2003-04 as against Rs.650

crore in 2002-03. The Corporation explored many new markets and thus enlarged its customer base by exporting foodgrains to Bangladesh, Yemen, Malaysia, UAE, Madagascar, Poland, Comoros, Indonesia, Iran, Ivory Coast, Mozambique, Nigeria, Senegal, Vietnam, Oman, Taiwan, East & West Africa and Italy, etc.

During the year, the Corporation was able to revive exports of sugar after a gap of many years and exported sugar worth over Rs.50 crore to Indonesia. In another notable achievement, the Corporation exported Galvanised Corrugated/Plain Steel Roofing Sheets worth Rs.49 crore to Sri Lanka.

HIGHEST IMPORT TURNOVER

The import turnover of the Corporation also showed an unprecedented growth and reached an all time high of Rs.6978 crore - almost four times the import turnover in the previous year. Bullion was the largest single item in the import basket, with import sales of Rs.5544 crore. However, even excluding bullion, the import turnover of Rs. 1434 crore during 2003-04 was over 5 times of such turnover in 2002-03.

The Corporation was able to expand its import operations in other areas as well. It effected record sales of edible oils (on commercial account) amounting to Rs. 549 crore as against only Rs.171 crore during 2002-03. During the year, the Corporation also undertook imports of vanaspati under Indo-Nepal Treaty of Trade and achieved a turnover of Rs.196 crore by way of such imports. Import sales of superior kerosene oil increased from Rs. 42 crore in 2002-03 to Rs.78 crore during 2003-04.

In its efforts to emerge as a leading player in hydro-carbons, the Corporation arranged import sales of hydro-carbons (such as Lam Coke, Coal, Bitumen) worth Rs. 276 crore. A beginning was also made in the imports of metals (such as Iron Ore, HR Coils, HR Steel Billets) and minerals (such as Lead Ore, Lead Concentrate) and a turnover of Rs. 39 crore was achieved. Import of fertilisers on commercial account, which the Corporation undertook for the first time, accounted for a turnover of Rs. 263 crore. Pulses, with sales worth Rs. 25 crore, was another major item of import during the year.

DOMESTIC SALES DOUBLED

The domestic sales of the Corporation also doubled from Rs.89 crore in 2002-03 to Rs.179 crore during 2003-04. Major items of domestic trading were metals, edible oils, pulses, coarse grains and tea.

FOREIGN EXCHANGE EARNINGS/OUTGO

The total foreign exchange earnings of the Corporation by way of exports, service margin, etc. during the year amounted to Rs.825.83 crore while the foreign exchange

outgo by way of imports and other expenses amounted to Rs. 6589.79 crore.

DIVIDEND

The Corporation has already paid an interim dividend of 20% for 2003-04 on its capital as per the decision of the Board of Directors in its meeting held on 27.01.2004. The Board recommends an additional dividend of 5% thus taking the total dividend payment for the year 2003-04 to 25%.

MOU RATING

In view of overall improvement in the performance of the Corporation, for the first time ever since STC started signing MOUs with the Government in the year 1988-89, the performance of the Corporation is likely to be rated as "EXCELLENT" in terms of MOU : 2003-04.

RECOGNITIONS EARNED

Performance of the Corporation received recognition from various quarters. The major ones are listed below:

The Corporation ranked 86th among India's Top 500 companies by Dun & Bradstreet, the world's leading providers of Business Information Services, which releases its Top 500 rankings in many countries across the globe. The Corporation was awarded a plaque in recognition of its commitment and vision.

According to a study carried out by M/s. Motilal Oswal Securities Ltd., a leading research broker, the Corporation has ranked 42nd in terms of wealth creation. The rank has been accorded on the basis of rate of wealth creation during the period 1998-2003.

The Corporation achieved a record discharge rate of 31,050 MT in a single day at Kandla Port in the unloading of Coking Coal. This feat of the Corporation has been recorded by the Kandla Port Trust in its annals of achievements.

The Corporation was assigned 26th rank in terms of sales and 277th rank in terms of market capitalisation among India's Top 500 Companies by Economic Times.

OPPORTUNITIES & THREATS

With the Indian economy already on a high growth path, the National Foreign Trade Policy recently announced by the Govt. promises a push in exports and holds a lot of opportunity for STC to expand its business. The thrust areas identified for exports by the Govt., namely, agricultural commodities, leatherware, textiles, food products, etc. already form part of the Corporation's trade basket. The Corporation can now make best use of the Govt. policy to make headway in reviving its businesses in textiles, leatherware, food products, etc. and at the same time strengthen its business in agricultural commodities further. Abolition of service tax on exports by the Govt. will definitely help boost exports.

In fact, the Corporation can gain a lot more due to the Multi Fibre Arrangement of the WTO coming to an end on 1.1.2005 when the entire textile trade will go off-quota. Also, as per the Peace Clause, under the WTO umbrella of Agreements, which expired on 1st Jan 2004, no action could be taken against the agriculture subsidising countries so long as they were complying with the Agreement on Agriculture reduction commitments on domestic support and export subsidies. Under such situations, competitive producers like India, who do not subsidize agriculture, lag behind in the international markets. With the end of such a clause, India is expected to gain in terms of market access and profitability in exports of sugar, wheat, rice, cotton and dairy products.

However, certain international factors may hamper the growth prospects for India and thereby STC's trade. Especially China's overheated economy, the phenomenal rise in the price of crude oil and USA's fiscal deficits are some of the threats that are a matter of concern. Rising inflation is another serious cause of concern.

Unpredictable export surplus of agricultural commodities can also hamper the Corporation's exports. The delayed and deficient monsoon in many parts of the country may have a widespread impact on the foodgrain exports.

OUTLOOK

With continuous spurt in the business activities of the Corporation, the year ahead holds a lot of promises for the Corporation. Keeping in view the strengths of the Corporation, following areas of core competence have been identified:

- Agro exports, mainly foodgrains, castor oil, coffee, cashew, tea, etc.
- Agro imports, mainly edible oils, pulses.
- Precious metals imports, viz. gold and silver.
- Hydro-carbons imports, mainly SKO, coal, coke, bitumen, naptha.
- Minerals, metals and fertilisers.
- Manufactured Products - exports and imports.

In addition to expansion of trade in the areas of core competence as mentioned above, the Corporation is planning to enter into many new ventures with a view to further improve its turnover and profitability in the coming years.

Proposals are afoot to enter into joint venture operations with an international supplier of edible oils for undertaking import, refining, packaging and retail sale of edible oil in STC's brand. Joint arrangements are also proposed in the areas of import of coal/coke for steel production and also in bullion imports.

The Corporation has signed a Memorandum of Understanding (MoU) with the Department of Commerce, Ministry of Commerce & Industry for the year 2004-05, as per which, the total turnover of the Corporation for 2004-05 has been projected at Rs.6750 crore. While export turnover is projected at Rs.800 crore, the import turnover has been projected at Rs.5830 crore.

The Corporation is constantly on the look out to turn every business opportunity coming its way to its maximum advantage. Keeping this objective in mind, STC keeps undertaking fresh initiatives to generate additional turnover and profitability. Some such initiatives undertaken by it recently include the following :

- An MOU has been signed with India Household and Healthcare Ltd. (IHHL) - the sole licensee LG Care, Korea in India. Under the MOU, STC will import LG Care, FMCG products like detergents, soaps, shampoos, tooth pastes, cleaning products, hair gels etc. at different ports for distribution all over India by IHHL.
- Additional supply-chain arrangements have been finalised with leading bullion suppliers and bankers to facilitate procurement of bullion for customers.
- Fresh credit-lines have been secured from leading Banks for discounting LC's being established by the Corporation from various Indian Banks. This will also be useful in expanding import business of the Corporation.

The Corporation has already achieved a turnover of Rs.3540 crore during the first quarter of the year 2004-05 i.e. Apr.-Jun.'04, which amounts to 52% of the full year target. As such, the Corporation is confident of achieving a much higher turnover during 2004-05 with good profitability than what has been projected in the MOU.

DISINVESTMENT

As appearing in the various news items from time to time and as the shareholders may already be aware, no formal decision seems to have been taken by the new Government so far with regard to disinvestment of its shareholding in the Corporation's equity.

SUBSIDIARIES

SPICES TRADING CORPORATION LIMITED (STCL)

At present, the Corporation has only one subsidiary company, namely, STCL, which has its Head Office in Bangalore. STCL undertakes export, import and domestic trading in spices. The total turnover of STCL grew by 41% from Rs.223 crore in 2002-03 to Rs.315 crore in 2003-04. Exports went up by 64% over the previous year.

STCL achieved a PBT of Rs.3.71 crore and has paid a dividend of 30% to STC.

TEA TRADING CORPORATION OF INDIA LTD (TTCI)

Pursuant to the Govt. decision, the entire shareholding of STC in TTCI has been transferred to Projects & Equipment Corporation (PEC), another public sector undertaking under the Ministry of Commerce, at a notional price of Rs.1- w.e.f. 28.04.2003.

PERSONNEL

The Corporation had a manpower of 951 as on 31.3.2004. This included 366 managers and 585 staff.

Industrial Relations

The industrial relations remained cordial throughout the year. The Management continued its endeavour to motivate the employees for better results.

Human Resources Development

With a view to widen the outlook of the employees and sharpen their skills by providing them on-the-job training, a total of 23 employees were nominated for various training programmes such as information technology, leadership, finance and marketing.

During the year, two of the Corporation's employees were selected for training by the Commonwealth Secretariat in Singapore.

Recruitment of SC/ST and OBC Candidates

The Corporation has been implementing the policies and guidelines issued by the Government of India from time to time with regard to recruitment of SC/ST and OBC candidates. During the year under review, in all two candidates were appointed on compassionate grounds, out of which one belongs to SC category.

OFFICIAL LANGUAGE

The Corporation continued to make exemplary contribution in propagating and implementing the Official Language Policy of the Government in all its offices. In recognition of the same, the Corporation was awarded the coveted Rajbhasha Shield (1st Prize) for the year 2003-04 by the Ministry of Commerce. During the year, the Corporation made its website bi-lingual. The Corporation thus dedicatedly continues to achieve the targets set for Rajbhasha related spheres.

During the year, the Parliamentary Committee on Official Language visited STC's Branch offices at Ahmedabad, Bangalore and Mumbai and appreciated the work being done in Hindi in these branches.

The Corporation celebrates Hindi Divas and conducts Hindi workshops regularly. All employees are encouraged to increasingly make use of Hindi in their day-to-day work and are awarded for outstanding achievements. Departmental Official Language Committee has been monitoring

implementation of Government's Official Language Policy in STC as announced from time to time by the Government.

INTERNAL CONTROLS AND PROCEDURES

The Corporation has a proper system of checks and balances in place. Besides Statutory Audit and Audit by CAG, the functions of the Corporation are also subjected to an Internal Audit. With a view to further improve the internal audit system, the task of internal audit has been assigned to professional agencies with effect from the financial year beginning April'04. The Corporation has a well-defined Delegation of Powers in force, which lays down the powers at each stage of managerial cadre to help facilitate faster commercial decisions. The various systems and procedures of the Corporation have been laid down in such a manner that maximum transparency is ensured in all commercial deals. The Corporation has a full-fledged Vigilance Division to oversee that the guidelines of the Government are strictly adhered to/implemented in all matters requiring transparency of operations.

VIGILANCE ACTIVITIES

The Vigilance Division of the Corporation has performed the following vigilance functions during the year :

- * Vigilance Awareness Week was observed during 3rd November to 7th November, 2003, with a view to create greater vigilance awareness among the employees. The Vigilance Awareness Week commenced with the administering of pledge to all employees of the Corporation and was followed by a Seminar on "Preventive Vigilance in PSUs" held at STC's Corporate Office. Different programmes relating to Vigilance Awareness were also organised in STC's Branch Offices on this occasion.
- * Investigated complaints received from various agencies/sources.
- * Handled the departmental inquiries having a vigilance angle.
- * Maintained constant liaison with the various agencies for ensuring Preventive Vigilance and provided detailed inputs to regulatory agencies as per statutory requirements.
- * Conducted inspection of some of the Branch Offices of the Corporation thereby bringing to the attention of the management various aspects for taking corrective/preventive action.

LISTING

The shares of the Corporation are listed on National Stock Exchange, Delhi and Mumbai Stock Exchange and the annual listing fees for the financial year 2004-05 have been paid.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Particulars of employees as required under section 217(2A) of the Companies Act, 1956 are given in a separate statement, which is annexed to and forms part of this report as Annexure-'A'.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance code as stipulated under the Listing Agreements executed with the Stock Exchanges. A separate section on Corporate Governance, along with a certificate from the Auditors confirming the compliance is annexed as Annexure-'B' and forms part of this report.

AUDITORS' REPORT

The report of the statutory auditors along with comments of the Management, wherever necessary, are annexed.

COMMENTS OF C&AG

The comments of C&AG under section 619 (4) of the Companies Act, 1956 on the accounts of the Corporation for the year 2003-04 along with C&AG's review of the accounts are also submitted herewith.

DIRECTORS' RESPONSIBILITY STATEMENT

As stipulated under section 217 (2AA) of the Companies Act, 1956, your Directors state:

- * That in preparation of annual accounts for the year ended March 31, 2004, the applicable accounting standards have been followed alongwith proper explanations relating to material departures.
- * That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- * That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- * That the Directors had prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

Since the last AGM, the following were appointed as Directors on the Board of STC w.e.f. the dates indicated against each one of them:

Sh. S.K. Arora, Additional Secretary & Financial Advisor Ministry of Commerce & Industry (Ex-Officio Director)	28.8.2003
Sh. Gopal K. Pillai, Additional Secretary Ministry of Commerce & Industry (Ex-Officio Director)	19.4.2004
Sh. K.K. Sood (Whole time Director)	12.5.2004
Smt. Asha Swarup, Additional Secretary & Financial Advisor Ministry of Commerce & Industry (Ex-Officio Director)	10.8.2004

The following have ceased to be part time Directors of the Corporation w.e.f. the dates indicated against each one of them:

Sh. A.N. Tiwari	28.08.2003
Sh. Vinay Bansal	19.04.2004
Sh. S.D. Kapoor	04.08.2004
Sh. S.K. Arora	10.08.2004

The Board places on record its deep appreciation for their valuable contributions as Members of the Board.

In terms of provisions of article 79 (2) of the Articles of Association regarding retirement of Directors by rotation, Dr. T.S. Sagar, Director (Marketing) and Shri Vijay Krishan, Director (Finance) shall retire at the AGM and being eligible for re-appointment, have offered themselves for re-appointment.

ACKNOWLEDGEMENT

The Directors are pleased to place on record their appreciation of the contribution made by the officers and staff at all levels for their commendable teamwork and dedicated and whole-hearted efforts made during the year. The Directors thank various business associates for their continued patronage and the confidence posed by them. The Directors gratefully acknowledge the valuable assistance and guidance received from various Ministries, Ministry of Commerce in particular, and various other Departments of Government of India. The Directors express their appreciation for the services rendered by the Statutory Auditors, Banks, Customs, Income Tax. The Directors also take this opportunity to thank the Shareholders for their continued co-operation and confidence.

For and on behalf of Board of Directors

Sd/-

(DR. ARVIND PANDALAI)
Chairman-cum-Managing Director

Place : New Delhi

Date : 01 September, 2004

Annexure 'A' to the Directors' Report**INFORMATION REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AS AMENDED AND FORMING PART OF DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2004****(A) Employed throughout the financial year and in receipt of remuneration not less than Rs. 24,00,000/- in aggregate for the year 2003-2004.**

S.No.	Name of employee	Designation & nature of duties	Age as on 31.3.2004	Remuneration (Rs.)	Nature of employment	Qualification	Date of joining STC	Total experience (years)	Last employment held in
1	2	3	4	5	6	7	8	9	10

..... NIL

(B) Employed for part of financial year 2003-04 and in receipt of remuneration not less than Rs. 2,00,000/- per month.

S.No.	Name of employee	Designation & nature of duties	Age as on 31.3.2004	Remuneration (Rs.)	Nature of employment	Qualification	Date of joining STC	Total experience (years)	Last employment held in
1	2	3	4	5	6	7	8	9	10
1.	R.L. Harija	Executive	60	7,98,400/-	Regular	MA (Maths)	16.4.70	33 years	DRDO

AMOUNT SHOWN IN COLUMN NO. 5 DOES NOT INCLUDE V.R.S. EX-GRATIA.