

Annual Report
2010-11

Business Beyond Boundaries



THE STATE TRADING CORPORATION OF INDIA LIMITED
(A Government of India Enterprise)



MISSION

“To emerge as one of the largest global trading companies with international standards of excellence nurturing a blend of quality, business ethics and proactive enthusiasm to enhance stakeholders’ value.”



Annual Report 2010-11



THE STATE TRADING CORPORATION OF INDIA LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Shri N.K. Mathur

FUNCTIONAL DIRECTORS

Shri N.K. Nirmal

Shri S.S. Roy Burman

Shri M.M. Sharma

Shri Khaleel Rahim

PART-TIME OFFICIAL DIRECTORS

(GOVERNMENT NOMINEES)

Shri P.K. Chaudhery

Dr. Sutanu Behuria (upto 10. 11. 2010)

Shri Saurabh Chandra (from 10.11.2010 to 15.12.2010)

Dr. Rajan Katoch (from 15.12.2010)

PART-TIME NON-OFFICIAL DIRECTORS

(INDEPENDENT DIRECTORS)

Dr. (Mrs.) B. Kinnera Murthy

Shri Jayendra N. Shah

Shri Proshanto Banerjee (from 28.06.2011)

Prof. Ravindra H. Dholakia (from 24.06.2011)

Shri Naresh Dayal (from 10.07.2011)

STATUTORY AUDITORS

Chandiok & Guliani
Chartered Accountants
C-44, Nizamuddin East
New Delhi - 110 013

COMPANY SECRETARY

Shri R.K. Gogia



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THE STATE TRADING CORPORATION OF INDIA LIMITED

JAWAHAR VYAPAR BHAWAN, TOLSTOY MARG, NEW DELHI-110 001

NOTICE

Notice is hereby given that the 55th Annual General Meeting of The State Trading Corporation of India Limited will be held on Thursday, the 29th September, 2011 at 3.00 P.M. at the Registered Office of the Corporation at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011, audited Profit & Loss Account for the year ended 31st March, 2011, together with the reports of the Directors and Auditors thereon and comments of the Comptroller & Auditor General of India in terms of Section 619 of the Companies Act, 1956.
2. To declare dividend on equity shares for the year 2010-11.
3. To appoint Director in place of Shri S.S. Roy Burman, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Shri M.M. Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
5. To authorize Board of Directors of the company to fix remuneration of the Statutory Auditors of the company in terms of the provisions of Section 224 (8) (aa) of the Companies Act, 1956 and to pass the following resolution, with or without modification(s), as an Ordinary Resolution :
"RESOLVED THAT the Board of Directors of the company be and is hereby authorized to decide and fix the remuneration of the Statutory/Branch Auditors of the Company for the financial year 2011-12, as may be deemed fit by the Board."

Special Business

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Rajan Katoch, who was appointed as an Additional Director by the President of India and joined the Board w.e.f. 15.12.2010, be and is hereby appointed as part-time official Director of the Company, liable to retire by rotation, on such terms, conditions and tenure as may be determined by the President of India from time to time."
7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Proshanto Banerjee, who was appointed as an Additional Director by the President of India and joined the Board w.e.f. 28.06.11, be and is hereby appointed as part-time non-official Director of the Company, liable to retire by rotation, on such terms, conditions and tenure as may be determined by the President of India from time to time."
8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Prof. R.H. Dholakia, who was appointed as an Additional Director by the President of India and joined the Board w.e.f. 24.06.11, be and is hereby appointed as part-time non-official Director of the Company, liable to retire by rotation, on such terms, conditions and tenure as may be determined by the President of India from time to time."
9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Naresh Dayal, who was appointed as an Additional Director by the President of India and joined the Board w.e.f. 10.07.11, be and is hereby appointed as part-time non-official Director of the Company, liable to retire by rotation, on such terms, conditions and tenure as may be determined by the President of India from time to time."

Registered Office:

Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi - 110001

Dated 2nd August, 2011

By Order of the Board of Directors
sd/-
(R.K.Gogia)
Company Secretary

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/herself and such proxy need not be a member of the company. Proxy Form duly completed should be deposited at the registered office of the company not less than 48 hours before the scheduled time of the meeting. Blank proxy form is enclosed at the end of the Annual Report.
2. Relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business, as set out above is annexed hereto.
3. Brief resume of the Directors seeking appointment/ re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto and forms part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 24th September, 2011 to Thursday, the 29th September, 2011 (both days inclusive) for the purpose of payment of dividend, if any, to be declared at this meeting.
5. The Board had recommended a dividend of Rs. 3/- per share at its meeting held on 24.06.2011. The Dividend, if approved by the Members at the said Annual General Meeting, will be paid before 28.10.2011 to the members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before Friday, the 23.09.2011 and the respective Beneficial Owners as at the close of business hours on Friday, the 23.09.2011 as per details thereof to be furnished by the depositories in case of shares kept electronically.
6. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company - M/s MCS Limited: F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone Nos: 41406149/50/51/52; Fax: 41709881; email ID: admin@mcsdel.com . M/s MCS Limited is also the depository interface of the Company with both NSDL and CDSL.
7. The Company has designated an exclusive e-mail ID called cs@stc.gov.in for redressal of shareholders'/ investors' complaints/grievances. In case of any queries/ complaints or grievances, members may write at the above e-mail address.
8. Members holding shares in electronic form may please note that the bank account details and 9 digits MICR Code of their Bankers, as noted in the records of their depository, shall be used for the purpose of remittance of dividend through Electronic Clearing Service (ECS), or for printing on dividend warrants wherever applicable.
9. Members are requested to immediately notify any change of address or updation of bank account particulars or other details to:
 - (i) their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - (ii) the Company at its Registered Office or its Registrar & Transfer Agent, M/s MCS Ltd., in respect of their physical shares, if any, quoting their folio number.
10. In order to avoid the incidence of fraudulent encashment of dividend warrants, the Members holding shares in physical form are requested to provide their Bank Account Number, Name and Address of the Bank/ Branch to the Company or M/s MCS Limited to enable them to incorporate the same in the Dividend Warrant.
11. Reserve Bank of India (RBI) is providing ECS facility for payment of dividend in select cities. Members holding shares in physical form and who are desirous of availing this facility may give the details of their bank account i.e. 9-digits MICR Code, alongwith photocopy of a cheque or a blank cancelled cheque relating to the designated bank account latest by 23.09.2011 to the Registrar and Share Transfer agents, M/s MCS Limited.
12. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid or unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the company are required to be transferred to the Investor Education & Protection Fund of the Central Government. After such transfer, members have no claim whatsoever on the amount. Therefore, Members who have not yet encashed their dividend warrant(s) are requested to make their claims to the company, without any delay.
13. Members desirous of obtaining any information/ clarification(s) concerning the accounts and operations of the Company or intending to raise any query are requested to forward the same at least 10 days before the date of the meeting to Company Secretary at the Registered Office of the Company, so that the same may be attended to appropriately.

14. Members, who are not able to encash their dividend warrants within the validity period, may write to the Company at its Registered Office, for revalidating the warrants or payment in lieu of such warrants in the form of demand draft.
15. In terms of Section 109 A of the Companies Act, 1956, nomination facility is available to individual shareholders. Members holding shares in physical form may nominate a person in respect of all the shares held by them whether singly or jointly. Members who hold shares in individual name are advised to avail the nomination facility by filing form No. 2 B in their own interest. Blank forms can be had from M/s MCS Limited or from the office of the Company on request. Members holding shares in dematerilised form may contact their respective DPs for registration of nomination.
16. Members are requested to:-
 - (i) **bring their copies of Annual Report and Attendance Slip duly completed and signed** at the meeting.
 - (ii) **quote their Folio/DP & client identification** No. in all correspondence with the Company/R&T Agent.
 - (iii) note that 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.
 - (iv) **note that the Corporate Members** intending to send their authorized representatives are required to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
 - (v) Avoid bringing brief case, bags, eatables, cell phones etc. as such items may be prohibited inside the meeting hall for security reasons.
 - (vi) note that no **gifts/coupons** will be distributed at the meeting.
17. Shareholders holding shares in physical form are invited to contribute to the cause of Green initiative by registering their email ID by submitting the E-COMMUNICATION REGISTRATION FORM inserted in the annual report

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6

APPOINTMENT OF DR. RAJAN KATOCH AS DIRECTOR

Dr. Rajan Katoch, IAS, Additional Secretary and Financial Adviser, Ministry of Commerce and Industry was appointed as an Additional Director and designated as part-time Official Director/ Government Director on the Board of STC by the President of India vide Order No.11/36/2001-FT(M&O) dated 7.12.2010. In terms of Section 260 of the Companies Act, 1956, he holds office up to 55th Annual General Meeting of the Company and is eligible for re-appointment. The Company has received necessary letter of consent from him under Section 264(1) of the Companies Act, 1956. A brief resume of Shri Rajan Katoch is given in the Annexure to Notice.

None of the Directors, except Dr. Rajan Katoch is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Dr. Rajan Katoch, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM NO. 7

APPOINTMENT OF SHRI PROSHANTO BANERJEE AS DIRECTOR

Shri Proshanto Banerjee was appointed as Additional Director and designated as part-time non-official Director by the President of India vide Order No. 14/13/97 - FT (ST) - VOL.IV dated 7/9.6.2011. In terms of Section 260 of the Companies Act, 1956, he holds office up to 55th Annual General Meeting of the Company and is eligible for re-appointment. The Company has received necessary letter of consent from him under Section 264(1) of the Companies Act, 1956. A brief resume of Shri Proshanto Banerjee is given in the Annexure to Notice.

None of the Directors, except Shri Proshanto Banerjee is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Proshanto Banerjee, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM NO. 8

APPOINTMENT OF PROF. R.H. DHOLAKIA AS DIRECTOR

Prof. R.H. Dholakia was appointed as Additional Director and designated as part-time non-official Director by the President of India vide Order No. 14/13/97 - FT (ST) - VOL.IV dated 7/9.6.2011. In terms of Section 260 of the Companies Act, 1956, he holds office up to 55th Annual General Meeting of the Company and is eligible for re-appointment. The Company has received necessary letter of consent from him under Section 264(1) of the Companies Act, 1956. A brief resume of Prof. R.H. Dholakia is given in the Annexure to Notice.

None of the Directors, except Prof. R.H. Dholakia is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Prof. R.H. Dholakia, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

ITEM NO. 9

APPOINTMENT OF SHRI NARESH DAYAL AS DIRECTOR

Shri Naresh Dayal was appointed as Additional Director and designated as part-time non-official Director by the President of India vide Order No. 14/13/97 - FT (ST) - VOL.IV dated 7/9.6.2011. In terms of Section 260 of the Companies Act, 1956, he holds office up to 55th Annual General Meeting of the Company and is eligible for reappointment. The Company has received necessary letter of consent from him under Section 264(1) of the Companies Act, 1956. A brief resume of Shri Naresh Dayal is given in the Annexure to Notice.

None of the Directors, except Shri Naresh Dayal is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Naresh Dayal, it would be in the interest of the Company to appoint him as a Director of the Company. The Board recommends the resolution for your approval.

Registered Office:
Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi - 110001
Dated 2nd August, 2011

By order of the Board of Directors

sd/-
(R.K. Gogia)
Company Secretary

**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT IN FORTHCOMING
ANNUAL GENERAL MEETING
(in pursuance of Clause 49 of the Listing Agreement)**

Name	Shri S.S. Roy Burman	Shri M.M. Sharma	Dr. Rajan Katoch	Shri Proshanto Banerjee	Prof. R.H. Dholakia	Shri Naresh Dayal
Date of Birth & Age	15.02.1960 51 years	10.06.1954 57 years	03.02.1956 55 years	30.10.1947 63 years	02.04.1953 58 years	14.09.1949 61 years
Date of Appointment	01.05.2007	30.07.2008	15.12.2010	24.06.2011	24.06.2011	24.06.2011
Qualifications	B. Tech. (Engg.) MBA	BA, LLB, PG Diploma in Industrial Relations & Personnel Management	BA(Economics), MA(Economics) and Ph. D (Economics)	B. Tech (Chemical Engg.), Master in Management,	MA, Ph.D., Post-Doctoral Fellow (University of Toronto)	BA(Hons), MA(History), MS(Agriculture)
Expertise in specific functional areas	Shri Burman has an experience of over 30 years in exports of various engineering products, setting up turnkey projects in countries across Asia, Africa & Latin America and import of industrial raw materials. Prior to joining STC he served in PEC Ltd., for more than 26 years in different capacities.	Shri Sharma has an experience of over 32 years in managing issues concerning IR, Personnel Management and Law in Central PSUs. Prior to joining STC, he served in MTNL and NTC Limited in various capacities. He has been responsible for smooth conduct of administration and personnel activities, besides being member of Core Team, Instrumental in acquiring telecom business abroad while serving as GM in MTNL.	Dr. Katoch, is presently holding the position of Additional Secretary and Financial Adviser, Ministry of Commerce and Industry. He has 30 years experience of working at various levels in the State of Madhya Pradesh and the Government of India. He has worked in Land Revenue Management, Health and Family welfare, Industries, Finance, Energy, Power, Transport, Personnel & General Administration and Home departments in the state of Madhya Pradesh.	Shri Banerjee has an experience of over 37 years in Petroleum and Gas sector. He held senior management positions across marketing, operations, infrastructure & planning and information technology in the Indian Oil Corporation. He held the position of CMD, GAIL prior to his retirement.	Prof. R.H. Dholakia has about 33 years of experience of teaching Economics to different groups like students, executives, policy makers and senior Govt. Officers. He has carried out numerous consulting assignments in the private and public sector companies in India and has done work for international organizations like WHO, World Bank, UNDP, Hewlett Foundation, United Nations etc.	Shri Naresh Dayal is 1972 batch IAS Officer. He has an experience of over 37 years in various positions at State and National levels. Prior to his retirement, he held the position of Secretary, Ministry of Health and Family Welfare. He also held the position of Additional Secretary, Ministry of Environment and Forests, Principal Secretary, Home and Internal Security, Government of Uttar Pradesh etc.
Directorship held in other companies	Nil	Nil	MMTC Limited and India Trade Promotion Organization, New Delhi	West Bengal State Electricity Distribution Company Limited and Greater Kolkata Gas Supply Corporation Limited	PFC Limited and MPSEZ Limited	GSK Consumer Health Care Limited
Memberships/ chairmanship of Committees across all public companies	Nil	Nil	Chairman-Audit Committee, ITPO Member-Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee- MMTC	Nil	Member-Audit Committee, PFC Limited	Nil