



*Trading Arm of India*



2012 - 13

# ANNUAL REPORT



# **Annual Report 2012-13**





# THE STATE TRADING CORPORATION OF INDIA LIMITED

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## BOARD OF DIRECTORS

### CHAIRMAN & MANAGING DIRECTOR

Shri Khaleel Rahim (from 12.08.2013)

Shri J.S. Deepak (from 01.12.2012 to 12.08.2013)

### FUNCTIONAL DIRECTORS

Shri M.M. Sharma

Shri Khaleel Rahim (upto 11.08.2013)

Shri Manoj Mishra (from 15.10.2012)

Shri Rajiv Chopra (from 01.01.2013)

### PART-TIME OFFICIAL DIRECTORS (GOVERNMENT NOMINEES)

Shri Madhusudan Prasad

Mrs. Anita Agnihotri

### PART-TIME NON-OFFICIAL DIRECTORS (INDEPENDENT DIRECTORS)

Shri Jayendra N. Shah

Dr. (Mrs.) B. Kinnera Murthy

Prof. Ravindra H. Dholakia

Shri Proshanto Banerjee

Shri Naresh Dayal

Shri Uday N. Abhyankar

Shri S.C. Tripathi

Shri S.C. Saraf

### 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-110001

## NOTICE

Notice is hereby given that the 57th Annual General Meeting of The State Trading Corporation of India Limited will be held on Wednesday, the 25th September, 2013 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, 2013, and Statement of Profit & Loss for the year ended 31st March, 2013, 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 2012-13.
3. To appoint a Director in place of Shri Naresh Dayal, who retires by rotation and being eligible, has offered himself for re-appointment.
4. To appoint a Director in place of Shri R.H. Dholakia, who retires by rotation and being eligible, has offered himself for re-appointment.
5. To appoint a Director in place of Shri Uday N. Abhyankar, who retires by rotation and being eligible, has offered himself for re-appointment.
6. To appoint a Director in place of Shri S.C. Tripathi, who retires by rotation and being eligible, has offered himself for re-appointment.
7. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) 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 appointed by Comptroller and Auditor General of India for the financial year 2013-14, as may be deemed fit by the Board."

### Special Business

8. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Shri Manoj Mishra, who, on appointment by the President of India, joined the Board as an Additional Director w. e. f. 15.10.2012, be and is hereby appointed as Director (Finance) 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 Rajiv Chopra, who, on appointment by the President of India, joined the Board as an Additional Director w. e. f. 01.01.2013, be and is hereby appointed as Director (Marketing) 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."

By order of the Board of Directors

### Registered Office:

Jawahar Vyapar Bhawan  
Tolstoy Marg, New Delhi - 110001  
Dated : 13.08.2013

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. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS (48 HRS.) BEFORE THE TIME OF COMMENCEMENT 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 resumes of the Directors seeking appointment/ re-appointment as mandated under Clause 49 of the Listing Agreement with the Stock Exchanges are annexed hereto and form part of the Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 21st September, 2013 to Wednesday, the 25th September, 2013 (both days inclusive) for the purpose of payment of dividend, if any, to be declared at the said Annual General Meeting.
5. The Board had recommended a dividend of ₹ 2/- per share at its meeting held on 30.05.2013. The Dividend, if approved by the Members at the said Annual General Meeting, will be paid before 24.10.2013 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 20th September, 2013 and the respective Beneficial Owners as at the close of business hours on Friday, the 20th September, 2013 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 - 110020; 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, namely, 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-digit 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 Agents, M/s MCS Ltd., in respect of physical shares, if any, quoting their folio number.
10. Reserve Bank of India 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-digit MICR Code, alongwith photocopy of a cheque or a blank cancelled cheque relating to the designated bank account latest by 20th September, 2013 to the Registrar and Share Transfer Agents, M/s MCS Ltd.
11. 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 Ltd. for incorporation of the same on the dividend warrant.
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 any dividend warrant(s) issued earlier 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 dematerialised form may contact their respective DPs for registration of nomination.
16. Members holding physical shares in multiple folios in identical names are requested to send their share certificates to Company's Registrar and Share Transfer Agents, M/s MCS Limited for consolidation.
17. 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/Registrar & Share Transfer Agents.
  - (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) not bring brief case, bags, eatables, cell phones etc. as they are prohibited inside the meeting hall for security reasons.
  - (vi) note that no gifts/coupons will be distributed at the meeting.
18. Shareholders holding shares in physical form are invited to contribute to the cause of Green initiative by registering their e-mail ID by submitting E-COMMUNICATION REGISTRATION FORM inserted in the annual report.

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

##### **ITEM NO. 8**

##### **APPOINTMENT OF SHRI MANOJ MISHRA AS DIRECTOR (FINANCE)**

Shri Manoj Mishra was appointed as Director (Finance) by the President of India vide Order No. A-12022/11/2012-E. IV dated 10.10.2012. He joined the Board as an Additional Director w. e. f. 15.10.2012. In terms of Section 260 of the Companies Act, 1956, he holds office up to conclusion of 57th 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 Manoj Mishra is given in the Annexure to the Notice.

None of the Directors, except Shri Manoj Mishra is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Manoj Mishra, it would be in the interest of the Company to appoint him as Director (Finance) of the Company. The Board recommends the resolution for your approval.

##### **ITEM NO. 9**

##### **APPOINTMENT OF SHRI RAJIV CHOPRA AS DIRECTOR (MARKETING)**

Shri Rajiv Chopra was appointed as Director (Marketing) by the President of India vide Order No. A-12022/10/2012-E. IV dated 31.12.2012. He joined the Board as an Additional Director w. e. f. 01.01.2013. In terms of Section 260 of the Companies Act, 1956, he holds office up to conclusion of 57th 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 Rajiv Chopra is given in the Annexure to the Notice.

None of the Directors, except Shri Rajiv Chopra is interested or concerned in the resolution.

The Board of Directors considers that in view of the background and experience of Shri Rajiv Chopra, it would be in the interest of the Company to appoint him as Director (Marketing) of the Company. The Board recommends the resolution for your approval.

By order of the Board of Directors

##### **Registered Office:**

Jawahar Vyapar Bhawan,  
Tolstoy Marg, New Delhi - 110001  
Dated : 13.08.2013

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



## DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT (in pursuance of Clause 49 of the Listing Agreement)

Name	Shri Manoj Mishra	Shri Rajiv Chopra	Shri Naresh Dayal	Prof. R.H. Dholakia	Shri Uday N. Abhyankar	Shri S.C. Tripathi
Date of Birth & Age	29.11.1961, 51 years	10.07.1960, 52 Years	14.09.1949, 63 years	02.04.1953, 60 years	21.11.1943, 69 years	01.01.1946, 67 years
Date of Appointment	10.10.2012	31.12.2012	24.06.2011	24.06.2011	29.09.2011	29.09.2011
Qualification	B.Com. (Hons.), ACMA	B.Sc. Engineering (Electrical), MBA(Marketing)	BA(Hons), MA (History), MS(Agriculture)	MA, Ph.D., Post-Doctoral Fellow (University of Toronto)	BA and MA (Mathematics and Economics) Tripos, Trinity College, Cambridge University, England	Master's Degree in Science (Physics – Spl. in Electronics) from Allahabad University, LLB, Diploma in Development (Cantab.), AIMA Diploma in Management.
Expertise in specific functional area	Shri Manoj Mishra is a member of the Institute of Cost Accountants of India and has over 27 years of professional experience in the area of financial management including resource mobilization from domestic and international markets, project monitoring and Corporate Governance. Prior to his appointment as Director (Finance) in STC, he held the position of Chief General Manager (Finance) in STC. He was also holding additional charge of the post of Director (Finance) of the company from December 13, 2011 to October 14, 2012. Before joining STC he held various positions in Krishak Bharati Co-operative Limited (KRIBHCO).	Shri Rajiv Chopra has more than 27 years of experience in various capacities in the fields of management and engineering with the leading organizations such as NHPC, Power Grid and MMTC. While working with NHPC and Power Grid, Shri Chopra was instrumental in Planning, Design and implementation of extra high voltage projects associated with interconnected high voltage transmission systems as well as consultancy jobs for various utilities. In MMTC, he handled important portfolios such as Import of Cement, Development of Gomia Coal block, Feasibility analysis of Solar Project in coordination with Govt. of Rajasthan and Supply of 12.5 Million MT imported thermal coal to NTPC power stations in a period of 11 months (2010-11).	Shri Naresh Dayal is 1972 batch retired 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.	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 Abhyankar joined the IFS in 1967 and retired as Special Adviser to the President of the International Fund for Agriculture Development (IFAD) at the UN D2 rank. He has extensive and varied experience in the Government of India and in international organizations in management, bilateral and multilateral diplomacy and economic and political analysis.	Shri Tripathi joined the IAS in 1968 and retired as Secretary to the Govt. of India, Ministry of Petroleum and Natural Gas on 31.12.2005. He has held important positions in Government both at the state and central level. He spent nearly 20 years in finance and industry sector at Chief Executive/ Secretary level in the state and at Chief Executive/ Jt. Secy./ Addl. Secy/ Secretary level at Central Govt. and in representative capacity at international levels.

(Contd.)

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

Name	Shri Manoj Mishra	Shri Rajiv Chopra	Shri Naresh Daval	Prof. R.H. Dholkia	Shri Uday N. Abhyankar	Shri S.C. Tripathi
Directorship held in other companies	in STCL Limited (a wholly owned Subsidiary of STC)	Fertilizer Association of India	GSK Consumer Health Care Limited	Adani Enterprises Limited Union Bank of India Air India	Nil	Indus Ind Bank Limited, Reliance Capital Asset Management Limited, IL&FS Infrastructure Corporation Limited, IL&FS Energy Development Company Limited, Gammon Infrastructure Projects Limited, Kailash Health Care Limited, and Motherson Sumi System Limited.
Memberships/ Chairmanship of Committees in other companies	Nil	Nil	Member - Shareholders Grievance Committee, GSK Consumer Health Care Limited	Member-Audit Committee, Adani Enterprises Limited	Nil	Member - Audit Committee in all the above-stated Companies.
No. of Shares held	2	2	Nil	Nil	Nil	Nil