



THE STATE TRADING CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

(CIN: L74899DL1956GOI002674)

Registered office: Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

Tel. No.: 011-23313177 Fax: 011-23701123, 23701191

E-mail: co@stc.gov.in Website: www.stc.gov.in

NOTICE OF 59TH ANNUAL GENERAL MEETING

Notice is hereby given that the 59th Annual General Meeting of The State Trading Corporation of India Limited will be held on Monday, the 28th September, 2015 at 3 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, 2015, and Statement of Profit & Loss for the year ended 31st March, 2015, together with the reports of the Directors and Auditors thereon and comments of the Comptroller & Auditor General of India in terms of Section 143 (6) of the Companies Act, 2013.
2. To appoint a Director in place of Shri Rajiv Chopra (holding DIN 06466326), who retires by rotation and being eligible, has offered himself for re-appointment.
3. 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 142 of the Companies Act, 2013 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 2015-16, as may be deemed fit by the Board."

Special Business

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Ajay Kumar Bhalla (holding DIN 00173920), who, on appointment by the President of India, joined the Board as an Additional Director w. e. f. 29.04.2015, 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."
5. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri Jitendra Kumar Dadoo (holding DIN 02481702), who, on appointment by the President of India, joined the Board as an Additional Director w. e. f. 06.08.2015, 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."

By order of the Board of Directors

Registered Office:

Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi - 110001
Dated: 13th August, 2015

sd/-

(R.K. Gogia)

Company Secretary
FCS 2889

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 ANNUAL GENERAL MEETING I.E. BY 3.00 P.M. on 26TH SEPTEMBER, 2015.
2. Relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 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 Monday, the 21st September, 2015 to Monday, the 28th September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
5. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company - M/s MCS Share Transfer Agents Limited: F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020; Phone Nos: 41406149 ; Fax: 41709881; email ID: admin@mcsregisters.com is also the depository interface of the Company with both NSDL and CDSL.
6. 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.
7. 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 Share Transfer Agent Limited, in respect of physical shares, if any, quoting their folio number.
8. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ` 39,376/- and ` 1,44,375/- being the unpaid and unclaimed dividend amount pertaining to Final Dividend, 2006-07 & Interim Dividend, 2007-08 on 20.11.2014 and 10.04.2015, respectively, to the Investor Education and Protection Fund of the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2006-07, as on the date of the 58th Annual General Meeting (AGM) held on 25th September, 2014, on the website of the IEPF viz. www.iepf.gov.in.

A separate reminder was also sent to those members having unclaimed dividends pertaining to Final Dividend, 2006-07 & Interim Dividend, 2007-08. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are,

therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrars and Share Transfer Agents, M/s MCS Share Transfer Agent Limited.

10. Pursuant to Section 124 of the Companies Act, 2013, 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. 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.
11. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014-15 is being sent in the permitted mode.
12. Electronic copy of the Notice of the 59th Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 59th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
13. Members may also note that the Notice of the 59th Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.stc.gov.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company Secretary's email id: cs@stc.gov.in
14. Voting through electronic means
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 59th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper or poll paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper or poll paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on 23rd September, 2015 (9:00 am) and ends on 27th September, 2015 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2015, may cast their vote by remote e-voting. The remote e- voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "STC India remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "REVEN" of The State Trading Corporation of India Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to rastogifcs3@gmail.com or cs@stc.gov.in with a copy marked to evoting@nsdl.co.in
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :
 - (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
 REVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN_____
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2015.

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 21st September, 2015, may obtain the login ID and password by sending a request at voting@nsdl.co.in or cs@stc.gov.in or RTA. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper or poll paper.
- XIII. Mr. Parveen Rastogi, Prop. M/s Parveen Rastogi & Co., Practicing Company Secretary (Membership No. 2883), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper or poll paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a Consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.stc.gov.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and the National Stock Exchange of India Limited.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.30 am to 5.30 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
16. 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.
17. 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.
18. In terms of Section 72 of the Companies Act, 2013 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. SH-13 in their own interest. Blank forms can be had from M/s MCS Share Transfer Agent 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.

19. 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 Share Transfer Agent Limited for consolidation.
20. 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.
21. 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 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

APPOINTMENT OF SHRI AJAY KUMAR BHALLA AS DIRECTOR

Shri Ajay Kumar Bhalla, IAS, Additional Secretary, Department of Commerce, Ministry of Commerce and Industry was appointed as Director on the Board of STC by the President of India vide Order No.11/36/2001 - FT (M&O) dated 29.04.2015. Accordingly, he joined the Board of as an Additional Director w. e. f. 29.04.2015 and designated as Part-time Official Director/Government Director. In terms of Section 161 of the Companies Act, 2013, he holds office upto conclusion of 59th Annual General Meeting of the Company and eligible for re-appointment. The Company has received necessary letter of consent from him under section 152(5) of the Companies Act, 2013. A brief resume of Shri Ajay Kumar Bhalla is given in the Annexure to Notice.

The Directors other than Shri Ajay Kumar Bhalla or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board of Directors considers that in view of the background and experience of Shri Ajay Kumar Bhalla, 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. 5

APPOINTMENT OF SHRI JITENDRA KUMAR DADOO AS DIRECTOR

Shri Jitendra Kumar Dadoo, IAS, Additional Secretary and Financial Advisor, Department of Commerce, Ministry of Commerce and Industry was appointed as Director on the Board of STC by the President of India vide Order No. 11/36/2001 – FT (M&O) dated 06.08.2015. Accordingly, he joined the Board of as an Additional Director w.e.f 06.08.2015 and designated as Part-time Official Director/Government Director. In terms of Section 161 of the Companies Act, 2013, he holds office upto conclusion of 59th Annual General Meeting of the Company and eligible for re-appointment. The Company has received necessary letter of

consent from him under section 152(5) of the Companies Act, 2013. A brief resume of Shri Jitendra Kumar Dadoo is given in the Annexure to Notice.

The Directors other than Shri Jitendra Kumar Dadoo or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

The Board of Directors considers that in view of the background and experience of Shri Jitendra Kumar Dadoo, 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.

By order of the Board of Directors

Registered Office:

Jawahar Vyapar Bhawan,
Tolstoy Marg, New Delhi - 110001
Dated: 13th August, 2015

sd/-

(R.K. Gogia)

Company Secretary
FCS 2889

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

Name	Shri Ajay Kumar Bhalla	Shri Jitendra Kumar Dadoo	Shri Rajiv Chopra
Date of Birth & Age	26.11.1960, 54 years	10.12.1957, 57 Years	10.07.1960, 54 Years
Date of Appointment	29.04.2015	06.08.2015	31.12.2012
Qualification	M.Sc.(Botany), M. Phil (Social Sciences) MBA	B.A.(Economics Hons.), LL.M , PG Diploma in Management	B.Sc. Engineering (Electrical), MBA(Marketing)
Expertise in specific functional area	Shri Ajay Kumar Bhalla, IAS is presently holding the position of Additional Secretary, Department of Commerce. He has over 30 years' experience of working in various senior positions in the Government of Assam – Meghalaya as well as in Government of India such as S.D.O, MD of State PSUs, Secretary in the States mainly in Transport, Planning and Programme Implementation, Home, Water Resources, Urban Development, Personnel and General Administration, Social Justice and Empowerment. He has also worked as Private Secretary to Union Minister of State for Health and Family Welfare, Deputy Secretary/ Director in Department of Mines, Director (Ports) and Joint Secretary (Ports) in the Department of Shipping, Joint Secretary and Additional Secretary in Ministry of Coal etc.	Shri Jitendra Kumar Dadoo, IAS is presently holding the position of Additional Secretary and Financial Advisor, Department of Commerce. He has over 30 years' experience of working in various senior positions in the Government of NCT of Delhi, Goa, Arunachal Pradesh and Union Territories of Daman, Diu and Dadra Nagar Haveli and Lakshadweep as well as in Government of India such as SDM, Administrator, Development Commissioner, Secretary to Governor of Goa, Additional Director and Joint Secretary(Education), Additional Commissioner Sales Tax, Joint Secretary(Health), Secretary, General Administration, Personnel, Labour and Press. He also worked as Joint Secretary, Department of Commerce, Counselor Coordination in the Embassy of India, Moscow, Director (Air Force), Director (Resettlement) and Director (International Cooperation) in the Ministry of Defence.	Shri Rajiv Chopra has more than 27 years of experience in various capacities in 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 various 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).
Directorship held in other companies	MMTC Limited	MMTC Limited	Nil
Memberships/ Chairmanships of Committees in other companies	Nil	Audit Committee of Board of Directors in MMTC Limited.	Nil
No. of Shares held	2	2	2
Relationship between Directors/Key Managerial Personnel Inter-se	None	None	None

THE STATE TRADING CORPORATION OF INDIA LIMITED

CIN : L74899DL1956GOI002674

Registered Office : Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

Tel. : 91 11 23313177, Fax : +91 11 23701123/23701191

E-mail : cs@stc.gov.in, Website : www.stc.gov.in

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD/PIN	NO. OF SHARE(S)

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 9.00 a.m. (IST) on September 23, 2015
End of e-voting	Upto 05.00 p.m. (IST) on September 27, 2015

- **The cut-off date (i.e. the record date) for the purpose of e-voting is 21st September, 2015.**
- **Please refer to the attached AGM Notice for instructions on E-Voting.**

----- TEAR HERE -----

THE STATE TRADING CORPORATION OF INDIA LIMITED

CIN : L74899DL1956GOI002674

Registered Office : Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

Tel. : 91 11 23313177, Fax : +91 11 23701123/23701191

E-mail : cs@stc.gov.in, Website : www.stc.gov.in

ATTENDANCE SLIP

Regd. Folio No. / DP ID - Client ID : _____

Name & Address of First/Sole Shareholder :

No. of Shares held :

I certify that I am a Member/ Proxy for the meeting of the Company.

I hereby record my presence at the 59th Annual General Meeting of The State Trading Corporation of India Limited on Monday, September 28, 2015 at 3.00 P.M. at Registered Office of the Corporation at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001.

Notes:

Signature of Member/Proxy

- a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- b) Member / Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

THE STATE TRADING CORPORATION OF INDIA LIMITED

CIN : L74899DL1956GOI002674

Registered Office : Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001

Tel. : 91 11 23313177, Fax : +91 11 23701123/23701191

E-mail : cs@stc.gov.in, Website : www.stc.gov.in

Form No. MGT-11 PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio / DP ID-Client ID No. :

Name of the Member(s) & Address :

I/We, being the member(s) of shares of the above named Company, hereby appoint

(1) Name :
Address:
E-mail id: Signature _____, or failing him;

(2) Name :
Address:
E-mail id: Signature _____, or failing him;

(3) Name :
Address:
E-mail id: Signature _____

as my/our proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 59th Annual General Meeting of The State Trading Corporation of India Limited to be held on the 28th day of September, 2015 at 3.00 p.m. at Registered Office of the Corporation at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional (✓)	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Balance Sheet as at 31 st March, 2015, and Statement of Profit & Loss for the year ended 31 st March, 2015, together with the reports of the Directors and Auditors thereon and comments of the Comptroller & Auditor General of India.		
2.	To appoint a Director in place of Shri Rajiv Chopra (holding DIN 06466326), who retires by rotation and being eligible, has offered himself for re-appointment.		
3.	To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditor(s) of the Company for the year 2015-16		
Special Business			
4.	Appointment of Shri Ajay Kumar Bhalla (holding DIN 00173920) as Part-time Official Director (Government Nominee Director)		
5.	Appointment of Shri Jitendra Kumar Dadoo (holding DIN 02481702) as Part-time Official Director (Government Nominee Director)		

Signed this----- day of----- 2015

Signature of Shareholder-----

Signature of Proxy holder(s) -----

Affix
revenue
stamp of
Re.1/-

Note : This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Annual Report 2014-15



Sailing Seven Seas



Business Beyond Boundaries



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' Values."*





Annual Report 2014-15



THE STATE TRADING CORPORATION OF INDIA LIMITED

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Shri Khaleel Rahim

FUNCTIONAL DIRECTORS

Shri M.M. Sharma (upto 30.06.2014)

Shri Manoj Mishra (upto 03.06.2015)

Shri Rajiv Chopra

Shri S.K. Sharma (from 16.07.2014)

PART-TIME OFFICIAL DIRECTORS (GOVERNMENT NOMINEES)

Shri Madhusudan Prasad (upto 24.02.2015)

Shri Rajani Ranjan Rashmi (from 24.02.2015 to 29.04.2015)

Shri Bhagwati Prashad Panday (from 16.06.2014 to 06.08.2015)

Shri J.K. Dadoo (from 06.08.2015)

Shri Ajay Kumar Bhalla (from 29.04.2015)

Smt. Anita Agnihotri (upto 16.06.2014)

PART-TIME NON-OFFICIAL DIRECTORS (INDEPENDENT DIRECTORS)

Shri Jayendra N. Shah (upto 17.04.2015)

Dr. (Smt.) B. Kinnera Murthy (upto 17.04.2015)

Shri Naresh Dayal (upto 09.07.2014)

Shri Proshanto Banerjee (upto 27.06.2014)

Prof. Ravindra H. Dholakia (upto 23.06.2014)

Shri S.C. Tripathi (upto 13.10.2014)

Shri Uday N. Abhyankar (upto 09.10.2014)

Shri S.C. Saraf (upto 27.03.2015)

STATUTORY AUDITORS

P. Jain & Company
Chartered Accountants
210, Arunachal Bhawan, 2nd Floor,
19, Barakhaba Road,
New Delhi 110001

SECRETARIAL AUDITOR

Chandrasekaran Associates
Company Secretaries
11-F, Pocket-IV, Mayur Vihar Phase-I,
Delhi 110091

COMPANY SECRETARY

Shri R.K. Gogia



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DIRECTORS' REPORT

The Board of Directors presents the 59th Annual Report on the business and operations of the Company and its Audited Statement of Accounts for the year ended March 31, 2015 together with the Auditors' Report and Comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

FINANCIAL RESULTS

The performance of the Company during the year 2014-15 vis-à-vis the previous year is summarized in the table below:

	2014-15	₹ Crore 2013-14
TURNOVER		
Exports	1,884	1,781
Imports	12,042	13,546
Domestic	471	47
GRAND TOTAL	14,397	15,374
FINANCIALS		
Profit Before Tax	31	(-)492
Profit After Tax	26	(-)492
DIVIDEND	—	—
Net Worth	1039	98

OPERATIONS AND BUSINESS PERFORMANCE

The Company achieved a turnover of ₹ 14,397 crore during the year 2014-15. The turnover was marginally lower than the previous year due to non-allocation of wheat from Central Pool stocks by the Govt. for exports that resulted into a decline of ₹1,684 crore in the turnover and changes in Govt. policies with regard to import of gold which led to a decline of ₹ 3,062 crore in the turnover vis-à-vis the previous year. The loss of turnover was, to a large extent, made good by undertaking exports to Iran and higher import of fertilizers in addition to other new initiatives like import of cashew, domestic sale of fertilizers and cardamom auctions.

DIVIDEND

The Board of Directors have not recommended any dividend for the year 2014-15 in view of a loss of ₹492 crore suffered by the Corporation in the preceding year and need to conserve cash for its business operations due to rising borrowing costs.

RESERVES

An amount of ₹ 37.73 Crore was available in the Reserves and Surplus of the Company as on 1st April 2014. During the year, the Company revalued its assets based on valuation by a professional agency so as to present the current market value of assets in the Balance Sheet. This

lead to an increase in the Reserves & Surplus by ₹ 914.25 crore. The Profit after Tax of ₹ 26.19 crore is being retained as surplus in the Balance Sheet. Accordingly, as on 31st March 2015, the Reserves and Surplus stood at ₹ 978.92 crore.

FOREIGN EXCHANGE EARNINGS/OUTGO

The total foreign exchange earnings of the Company by way of exports, trade margins, etc. during the year amounted to ₹ 274 crore while the foreign exchange outgo by way of imports and other expenses amounted to ₹ 11,178 crore.

HUMAN RESOURCE

Manpower

STC had 738 employees on its rolls as on 31.03.2015, which included 498 managers and 240 staff. With a view to optimally deploy the available manpower and to offer better career progression opportunities to the managers in the Local Cadre, the Company merged the Local managerial cadre with the All India managerial cadre w.e.f. 02.02.2015.

Recruitments

During the year, the Company recruited four Probationary Officers with MBA qualification in International Business. In addition, lateral recruitments were made to fill four senior positions.

Industrial Relations

The Corporation continued to maintain harmonious industrial relations during the year. No man days were lost. A new Promotion Policy for staff was signed between the Management and the Federation of STC Employees' Unions with a validity period of 10 years.

Recruitment of SC/ST/OBC

The Company has been implementing the directives and guidelines issued by the Government of India from time to time with regard to recruitment of SC/ST/OBC and differently abled candidates.

Human Resource Development

During the year, the Company continued to lay emphasis on training & development of its employees at various levels.

Four professional training programmes were especially formulated and approved in June 2014 for enhancing managerial effectiveness/skills through reputed institutes, namely, National Institute of Banking Studies and Corporate Management, Administrative Staff College of India and Institute of Public Enterprises. A total of 99

Managers participated in these programmes which had an in-built programme evaluation system. In all, the Company conducted 20 in-house management development programmes including a series of Training / Handholding programmes on implementation of new Performance Management System (PMS). A total of 343 employees benefitted from these training and learning initiatives.

The Company also nominated 91 employees for specialised training programmes organised by external agencies.

OFFICIAL LANGUAGE

In compliance with the Government's Policy on official language, continuous efforts were made for promoting the use of Hindi in day to day official work. Hindi Diwas and Rajbhasha Week/Fortnight were organised in the Corporate Office as well as Branch Offices of the Company. During these events, employees who had done exemplary work in Hindi were felicitated.

The Company was awarded the Rajbhasha Shield by the Ministry of Commerce & Industry in view of progressive use of Hindi in official work. The employees of the Company won prizes in various Hindi competitions organised by Town Official Language Implementation Committee (TOLIC).

VIGILANCE ACTIVITIES

With a view to create greater awareness amongst employees for eradication of corruption and maintenance of high standards of integrity, Vigilance Division of the Company took a number of steps during the year. As part of Vigilance Awareness Week, it organized a seminar on 'Combating Corruption – Technology as an Enabler', which was conducted by a senior CBI officer.

Training programmes were also organised on 'Combating Corruption – Role of Vigilance' and 'Management of Discipline & Departmental Proceedings'.

During the year, the Company also formulated an Anti-Fraud Policy to enforce controls and to aid in prevention and detection of frauds.

In addition to investigation of complaints and maintaining liaison with external agencies like CVC, CBI, MOC&I, etc., the Vigilance Division also conducted inspection of branch offices of the Company thereby bringing out areas for corrective/preventive action.

PERFORMANCE OF SUBSIDIARY COMPANY

STCL Ltd. (Formerly, Spices Trading Company Limited)

In view of extraordinary losses suffered by STCL leading to erosion of its net worth and remote possibility of its turnaround, the Union Cabinet had, in August 2013, decided to wind up STCL. Accordingly, a winding up petition was filed by STCL before the Hon'ble High Court of Karnataka. Also, a Voluntary Separation Scheme (VSS) was offered to all the employees of STCL, which was opted by 32 out of 42 eligible employees. At present, STCL has 14 employees including the Managing Director. However,

the winding up petition continues to be pending in the High Court of Karnataka due to objections by Banks.

As a result of the above developments, no business operations were undertaken by STCL during the year.

The Company incurred a loss of ₹ 410 crore during 2014-15 mainly on account of the interest accrued on outstanding loans and had a negative net worth of ₹ 2860 crore as on 31.03.2015.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As per the requirement of Clause 49(IV)(F) of the Listing Agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report forming part of the Annual Report of the Company is placed at Annexure I.

EXTRACT OF THE ANNUAL RETURN

As required under Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return pursuant to Section 92(3) of the Act is annexed to this report at Annexure II.

ANTI SEXUAL HARASSMENT POLICY

The Company has laid down an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received in this regard. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No sexual harassment complaints were received during the year 2014-15.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism has been put in place in the Company to provide information to citizens under the provisions of Right to Information (RTI) Act, 2005. For this purpose, the Company has, in line with the RTI Act, nominated Central Public Information Officers at all its Divisions at New Delhi and at Branch Offices across the country. For the convenience of public, a coordinating CPIO has also been nominated. First Appellate Authority has also been nominated for considering the appeals of information seekers against the orders of Public Information Officers.

DEPOSITS

The Company has not accepted any deposits from Public. Therefore, the requirement of Chapter V of the Companies Act, 2013 is not applicable to it.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year, the Company has not provided/given any loans, guarantees or made any investment as specified under section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 IN THE PRESCRIBED FORM

The Company has not entered into any contracts or arrangements with related parties as referred to in sub-section (1) of section 188 of the Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABILITY

In line with the Corporate Social Responsibility (CSR) Policy, the Company took up CSR projects during the year 2014-15 in the areas of skill development, health and promotion of art & culture. The projects were taken up after due deliberations by the Board level CSR Committee. Besides these, two projects having longer execution period relating to skill development and conservation of monument/heritage, got rolled over from the previous year.

As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, an annual report on Corporation's CSR activities in prescribed format is placed at Annexure III.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

The information required to be disclosed in accordance with the Companies (Accounts) Rules, 2014 is 'nil' as the Company is mainly engaged in trading activities.

FINANCIAL ACCOUNTING

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) and in compliance with all applicable Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) and provisions of the Companies Act, 2013.

ADEQUACY OF THE INTERNAL FINANCIAL CONTROLS

The Company has in place a well-established and efficient mechanism for internal financial controls. The Company has a well-defined delegation of powers (DOP), which lays down the financial powers available to various levels of company's executives. The DOP helps facilitate faster and prudent commercial decision-making by executives at various levels.

The Company has an Internal Audit Division, which is supported by an outside professional Chartered Accountant firm which conducts internal audit of company's corporate office as well as branches and suggests various preventive and corrective steps. The audit observations are periodically reviewed by the Management Audit Committee and the Audit Committee of the Board of Directors and necessary directions are issued wherever required.

NUMBER OF MEETINGS OF THE BOARD

During the financial year 2014-15, six meetings of the Board of Directors were held on the dates indicated below:

Meeting No.	Date of Meeting
593	06.05.2014
594	27.05.2014
595	12.08.2014
596	25.09.2014
597	12.11.2014
598	11.02.2015

The minimum and maximum interval between any two Board meetings was 20 days and 90 days respectively.

DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS

All the Part-time Non-official Directors (Independent Directors) have affirmed that they meet the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 for the financial year ending 31st March 2015.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION ETC.

STC being a Government company, the terms and conditions of appointment and remuneration of its whole-time functional Directors are determined by the Government through the Ministry of Commerce and Industry, the administrative ministry of the company. The non-executive part-time official Directors (Government nominees) do not draw any remuneration or sitting fee. The non-executive part-time non-official (Independent) Directors are paid a sitting fee of ₹ 20,000/- for each Board/ Committee meeting attended by them.

The eligibility criterion for appointment of Independent Directors is laid down by the Department of Public Enterprises of the Govt of India. The positive attributes expected to be exhibited by the Independent Directors are conveyed to them on their appointment and a declaration in the appropriate proforma is obtained from them every year to confirm that they continue to qualify as Independent Director.

ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As required under revised clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Nomination and Remuneration Committee (NRC) of Directors of the company has formulated the following criteria for evaluating the performance of Independent Directors:

- Commitment to Corporate Governance
- Rendering independent, unbiased opinion
- Adherence to ethical standards and code of conduct prescribed by Company
- Long term/ strategic perspective/ sound management practices
- Emphasis on systems and processes
- Improvement in quality of decision making
- Hygiene factors (Attendance etc.)

For performance evaluation of non-independent Directors, the NRC has prescribed the following criteria:

- Quality of Presentation of Agenda Notes
- Quality of discussion
- Follow up / action taken
- Monitoring
- Process improvement made in the system
- Enforcement of recoveries

The NRC of the Company, in its meeting, noted that benchmarks for evaluation of the performance of the Board should be set at the beginning of the year and the performance of the Board should be evaluated at the end of the year on the basis of those benchmarks. Since no benchmarks were set for evaluating the performance of the Board in the beginning of the year 2014-15, the performance evaluation of the Board for 2014-15 was not taken up by the NRC.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

A Risk Management Framework has been put in place to add objectivity to the process of risk assessment while taking a decision on accepting or rejecting a trade proposal. The Risk Management Framework measures the risk involved in a business proposal in the form of a total risk score which is weighed vis-à-vis available risk mitigation measures.

The Company has also developed a model for Enterprise Level Risk Assessment. In this model, risk assessment of all ongoing back-to-back trade transactions (involving financing or extending of L/C limits) will be carried out to arrive at the overall enterprise level risk. Further, the company has implemented an Anti-Fraud Policy in order to enforce controls and to aid in prevention and detection of frauds in the Company. The Policy intends to promote consistent legal and ethical organizational behavior by assigning responsibility for the development of controls, and providing guidelines for reporting and conduct of investigations of suspected fraudulent behavior.

CORPORATE GOVERNANCE

The Company believes that Corporate Governance is at the root of the shareholders value creation.

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges and Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises (DPE), Govt. of India, a report on Corporate Governance for the year 2014-15 forming part of this report is placed at Annexure IV. Shri Parveen Rastogi, Prop. M/s Parveen Rastogi & Co., Practicing Company Secretary have examined and certified your Company's compliance with respect to the conditions enumerated in revised Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance for CPSEs. The certificate forms part of this report and is placed at Annexure V. Management Reply on the comments of Practicing Company Secretaries is annexed to this Report.

The Company has got its Secretarial Audit for the financial year ended 31st March, 2015 conducted by Practicing Company Secretaries, M/s Chandrasekaran Associates and their report forms part of this Annual Report and is placed at Annexure VI. Management Reply on the comments of Secretarial Auditors is annexed to this Report.

In line with the best practices, your Company has made available all information of interest to its investors on the Company's corporate website, namely, www.stc.gov.in.

The Company has also put in place Whistle Blower Policy, which is also available on STC's website.

The Company has also put in place a Related Party Transactions Policy, which is also available on STC's website.

The Independent Directors of the Company held one separate meeting during 2014-15.

STATUTORY AUDITORS

M/s P. Jain & Company, Chartered Accountants were appointed as Statutory Auditors of the company for the financial year 2014-15 by the Comptroller & Auditor General of India (C&AG). Their report, along with replies of the Management, is attached and forms part of this report.

COMMENTS OF C&AG

The comments of C&AG under Section 143(6) of the Companies Act, 2013 on the accounts of the Corporation for the year 2014-15 and replies of the Management thereto are attached and form part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, in relation to Directors' Responsibility Statement, it is hereby confirmed that:

- (a) in preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting

standards have been followed along with proper explanation relating to material departures;

- (b) the directors have 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 and loss of the company for the year under review;
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors have prepared the annual accounts on a going concern basis for the year ended 31st March, 2015;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively;
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

BOARD OF DIRECTORS

Since the last Annual General Meeting, Shri Rajani Ranjan Rashmi, Additional Secretary, Department of Commerce, Ministry of Commerce and Industry, was appointed as Part-time Official Director on the Board of STC vice Shri Madhusudan Prasad w.e.f. 24.02.2015. Subsequently, Shri Ajay Kumar Bhalla, Additional Secretary, Department of Commerce, Ministry of Commerce and Industry was appointed as Part-time Official Director on the Board of STC vice Shri Rajani Ranjan Rashmi w.e.f. 29.04.2015.

Shri Jitendra Kumar Dadoo, AS&FA, DoC was appointed as Part-time Official Director on the Board of STC vice Shri Bhagwati Prasad Panday w.e.f. 06.08.2015.

The terms of five Independent Directors viz. Shri Uday N. Abhyankar, Shri S.C. Tripathi, Shri Subhash Chandra Saraf, Dr.(Smt.) B. Kinnera Murthy and Shri Jayendra N. Shah, expired on 09.10.2014, 13.10.2014, 27.03.2015, 17.04.2015 and 17.04.2015 respectively.

The Board places on record its deep appreciation for the valuable contributions made by Shri Madhusudan Prasad, Shri Bhagwati Prasad Panday and Shri Rajani Ranjan Rashmi as Part-time Official Directors and Shri Uday N. Abhyankar, Shri S.C. Tripathi, Shri Subhash Chandra Saraf, Dr.(Smt.) B. Kinnera Murthy and Shri Jayendra N. Shah as Part-time Non-official (Independent) Directors on the Board of the Corporation.

There is no Independent Director presently on the Board of STC. The Directors on the Board of STC are appointed by the President of India. Department of Commerce, Ministry of Commerce & Industry, GOI has been requested to appoint Independent Directors on STC Board. It is understood that necessary action in this regard is already underway.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Rajiv Chopra, Director (Marketing) would retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

As stipulated in the revised Clause 49 of the Listing Agreement with the stock exchanges, brief resumes of all Directors seeking appointment/ re-appointment are given in the notice convening the 59th Annual General Meeting of the Company.

KEY MANAGEMENT PERSONNEL

The Company has nominated its CMD, Director (Finance), Director (Marketing), Director (Personnel) and Company Secretary as key management personnel pursuant to Section 203 of the Companies Act, 2013.

CODE OF CONDUCT

Pursuant to the requirements of Clause 49 of the Listing Agreement and DPE guidelines on Corporate Governance for CPSEs, the Board Members and Senior Management Personnel have affirmed compliance to the Code of Conduct for the financial year ending 31st March 2015.

ACKNOWLEDGEMENT

The Board of Directors places on record its appreciation of the continued patronage and the confidence posed by business associates and customers during the year.

The Board expresses its gratitude for the continued co-operation and support provided by the Ministry of Commerce and Industry, various state governments, financial institutions, banks, railways, ports, regulatory and statutory authorities, shareholders, legal advisers and consultants from time to time.

The Board also acknowledges the constructive suggestions received from Comptroller & Auditor General of India, Statutory Auditors and Internal Auditors.

Last but not the least, the Board places on records its appreciation for the hard work and dedication of all the employees.

For and on behalf of Board of Directors

Sd/-
(Khaleel Rahim)
Chairman & Managing Director
DIN 02455606

New Delhi
Date : 13th August 2015

MANAGEMENT DISCUSSION & ANALYSIS REPORT

WORLD ECONOMIC OVERVIEW

Legacies of both the global meltdown and the euro zone crisis being still visible, world economy continued to grow moderately at 3.4 per cent in 2014, same as in 2013. Advanced economies grew at 1.8 per cent in 2014 vis-à-vis 1.4 per cent in 2013. However, a slowdown was witnessed in emerging markets and developing economies where the growth slowed down from 5 per cent in 2013 to 4.6 per cent in 2014. Despite the slowdown, emerging markets and developing economies still accounted for three-fourths of global growth in 2014.

The recovery in the United States seems to be stabilising with strong output and rising employment figures and economic growth touching 2.4 per cent in 2014. In Europe, the picture was mixed, with many countries recording stronger growth, while some others continued to suffer from weak growth driven by protracted internal demand, high unemployment, and financial fragmentation. With slight improvement in consumption supported by lower oil prices and higher net exports, Euro region grew at about 1 per cent vis-à-vis a negative growth rate last year. In Japan, growth was close to zero in 2014, reflecting weak consumption and plummeting residential investment.

Large economies in the emerging markets and developing economies such as China and CIS experienced a slowdown in 2014. China's growth fell from 7.8 per cent in 2013 to 7.4 per cent in 2014 mostly due to decline in investment growth and correction in real estate in the second half of 2014. The increase in geopolitical tensions, declining confidence, international sanctions and the repercussions of the oil price decline led to poor performance by Russian Economy which grew at only 0.6 per cent in 2014.

The year 2014 saw a substantial decline in the price of oil by almost 50 per cent during Jun.'14 to Dec.'14. The large fall in oil prices was driven by demand and supply factors. The year saw a steady rise in production in countries not belonging to OPEC, especially the United States and faster-than-expected recovery of production in some stressed OPEC producers like Iraq. The oil sector also witnessed some weakness in the demand for oil driven by improvements in energy efficiency.

The sharp fall in oil prices also led to a fall in commodity prices. Metal prices also fell due to slowing of demand growth in China and significant increases in the supply of most metals. Food prices declined mostly on account of favourable harvests. The overall commodity price index during 2014 declined by 6.1 per cent compared to 2013.

OVERVIEW OF INDIAN ECONOMY

India emerged as one of the fastest growing economies during 2014 recording a robust 7.2 per cent growth in

GDP rate. The year saw marked decline in inflation, and comfortable external position, helped by positive policies and lower global oil prices. The year also witnessed a sea change in the macroeconomic parameters and major policy reforms in the economy such as de-regulation of diesel prices, taxing energy products, replacing cooking gas subsidy by direct transfer on national scale, introducing reforms in the coal sector by allocation of coal blocks through auctions, increasing FDI caps in defence, etc.

The improvement came on the back of better performance in the industrial sector, stable growth in the services sector and a surprisingly resilient agriculture sector. Policy decisions on the environmental clearances and mining licenses helped prop up sentiments, while a push to some stuck projects aided the growth prospects. The growth in 2014-15 was largely driven by domestic demand as there was hardly any external support to growth in 2014-15. This is evident from a projected negative growth of 1.54 per cent in exports and a negative growth of 0.59 per cent in imports. The deceleration in imports owe substantially to the sharp decline in international oil prices leading to compressed oil import bill.

Growth rate in Gross Value Added (GVA) at basic prices in agriculture declined from 3.7 per cent in 2013-14 to 1.1 per cent in 2014-15, largely due to erratic monsoon affecting the summer crop.

The manufacturing sector maintained the growth momentum in 2014-15 registering a growth in GVA at basic prices of 6.8 per cent vis-à-vis 5.3 per cent in 2013-14.

The services sector continued to flourish with a growth of 10.6 per cent, higher than 9.1 per cent recorded in 2013-14. The growth in the services sector was mainly due to better performance in financial, real estate and professional services besides public administration, defence and other services. There was also good growth in trade, hotels, transport, communication and related services.

Within the mining sector, multiple clearances on the policy front helped, particularly in the case of coal production. Coal output rose despite the cancellation of 204 mining licenses, essentially showing the government's intent to bring down coal imports. Steel production suffered lower production volumes on account of a massive decline in global prices. Overall, core industries also performed better than the previous year with the industry sector growing by 5.9 per cent in 2014-15 as compared to 4.5 per cent in the previous year. Electricity production registered a growth of 9.6 per cent in 2014-15 as compared to 4.8 per cent in the previous year.

The inflation was at its lowest level in seven years with average inflation in CPI for industrial workers declining to 6.3 per cent during 2014-15 from 9.7 per cent in the preceding year.

Cumulative value of exports during 2014-15 was US\$ 309.6 billion as against US\$ 314.4 billion whereas cumulative value of imports stood at US\$ 447.5 billion as against US\$ 450.2 billion. Thus, both exports and imports declined respectively by 1.54 per cent and 0.59 per cent in 2014-15 compared to last year.

The foreign exchange reserves of the country reached an all time high of US\$ 341.4 billion as on March 27, 2015. The rupee had hit its rock bottom on August 28, 2013 at 68.83 per dollar. Since then, it appreciated nine per cent. The fortunes of the currency and reserves have changed, initially due to a few bold and innovative steps by Reserve Bank of India (RBI) and subsequently due to improving investor sentiments.

OPPORTUNITIES & THREATS

As per IMF, global growth is forecast at 3.5 per cent in 2015 and 3.8 per cent in 2016, with uneven prospects across the main countries and regions. Growth in emerging market economies is softening, reflecting an adjustment to diminished medium-term growth expectations and lower revenues from commodity exports. The outlook for advanced economies is showing signs of improvement, owing to the boost to disposable incomes from lower oil prices, continued support from accommodative monetary policy stances, and more moderate fiscal adjustment. The decline in oil prices could boost activity more than expected.

World Bank has projected growth in developing countries to gradually accelerate, rising from 4.4 per cent in the year 2014 to 4.8 per cent in 2015 and 5.4 per cent by 2017. Lower oil prices will contribute to diverging prospects for oil exporting and importing countries, particularly in 2015.

As per Economic Intelligence Unit, the real GDP growth of India will strengthen from an estimated 7 per cent in 2014-15 to 7.3 per cent in 2015-16. The revival of pending infrastructure projects will help growth to accelerate in 2015-16 & 2016-17. Strong fundamentals, notably high saving rates, rapid growth in the workforce, an expanding middle class and a further shift away from low-productivity agriculture, is expected to support economic growth. India's current account deficit may widen marginally as a proportion of GDP in 2015 to 1.4 per cent, from an estimated 1.3 per cent in 2014. The growth in imports resulting from the rollback of restrictions on gold imports is expected to be cushioned by a smaller oil-import bill, owing to lower global oil prices. During 2016-19, the current-account deficit as a proportion of GDP may average around 1.9 per cent as global oil prices start to rise. A strong growth in exports of services is expected.

The new Foreign Trade Policy (2015-20) notified by the GOI provides for higher level of incentives for export of agriculture products, which seeks to integrate with Make in India and Digital India initiative of the Government. The Government aims to increase India's export of merchandise and services from US \$ 465.9 billion in 2013-14 to US \$ 900 billion by 2019-20 and to raise India's share in world exports from 2 per cent at present to 3.5 per cent.

STC shall endeavour to make good use of every business opportunity coming its way to contribute to the projected growth in India's exports and overall share in world trade.

STC's PERFORMANCE

The Company achieved a turnover of ₹ 14,397 crore during the year 2014-15. The turnover was marginally lower than the previous year due to non-allocation of wheat from Central Pool stocks by the Govt. for exports that resulted in a decline of ₹ 1,684 crore in the turnover and changes in Govt. policies with regard to import of gold which led to a decline of ₹ 3,062 crore in the turnover vis-à-vis the previous year. The loss of turnover was, to a large extent, made good by undertaking exports to Iran and higher import of fertilizers in addition to other new initiatives like import of cashew, domestic sale of fertilizers and cardamom auction.

The performance of the Company during the year 2014-15 vis-a-vis the previous year is summarized below:

	(₹ Crore)	
	2014-15	2013-14
TURNOVER		
Exports	1,884	1,781
Imports	12,042	13,546
Domestic	471	47
Grand Total	14,397	15,374
FINANCIALS		
Trading Profit	102	183
Profit Before Tax	31	(-)492
Profit After Tax	26	(-)492
Dividend	—	—
Net Worth	1,039	98

SEGMENT-WISE PERFORMANCE & OUTLOOK

Exports

During the year, the Company achieved an export turnover of ₹ 1,884 crore, which is the highest export turnover recorded in the last six years.

The Company had entered into a long term contract with an Iranian Government company for export of 2.5 million MTs of steel plates/coils. During the year 2014-15, exports worth ₹ 1,689 crore were made to Iran against this contract.

The Company expects to shortly commence exports against contracts entered into with Iranian Railways for exports of 2.5 lakh MTs of rails during 2015-16.

Besides above, the Company exported agro-chemicals amounting to ₹ 34 crore and steel products worth ₹ 49 crore to various other buyers in Iran.

The Company is in advanced stages of discussion with various parties in Iran for export of railway wagons. Discussions are also underway for import of iron ore and export of iron ore pellets involving an Iranian Government company and another Indian public sector company. STC is also exploring opportunities of trade in the areas like exports of steel plates, seamless pipes, agro-commodities, gold jewellery, pharma products, engineering goods and import of urea, crude oil, LPG, natural gas, etc.

The Company exported wheat worth ₹ 90 crore during the 2014-15 against fulfilment of contracts of previous years. However, no fresh exports of wheat could be made due to GOI decision not to export any quantities of wheat out of Central Pool Stocks as against exports of ₹ 1,774 crore worth of wheat during 2013-14. The Company also exported small quantities of maize and rice during the year 2014-15.

Imports

The import turnover of ₹ 12,042 crore during 2014-15 was lower by 11 per cent vis-a-vis previous year mainly due to a substantial decline in imports of bullion. Major highlights of performance on import front are as under:

Bullion

In the recent years, Company's imports of bullion have seen a decline due to frequent changes in Government policies relating to import of gold. Also, with a number of Trading Houses having been allowed imports w.e.f. May 2014 and scrapping of 20:80 scheme w.e.f. November 2014, the competition increased leading to thin margins and decline in bullion imports by the company. Though, bullion continued to be the single largest item of import, its turnover decreased from ₹ 11,654 crore in 2013-14 to ₹ 8,592 crore in 2014-15.

Urea

The Company's turnover from import of urea increased to ₹ 2901 crore vis-à-vis ₹ 1495 crore in 2013-14 due to higher quantities of import made by the company on behalf of GOI.

Coal/Coke

The Company continued to successfully undertake import of coal/coke for private parties and supplied imported coal/coke worth ₹ 111 crore.

Edible Oils

During the year, company imported edible oils for small processing/ packaging units and effected sales worth

over ₹ 209 crore as compared to ₹ 69 crore in 2013-14. This included import sale of coconut oil undertaken as a canalizing agency of GOI.

Cashew

The Company entered into an MOU with Kerala State Cashew Development Corporation Ltd. (KSCDC), an enterprise of Kerala Government for import of raw cashew nuts and imported raw cashews worth ₹ 100 crore on their behalf.

Equipments/Instruments

The Company also imported various equipments/ instruments worth ₹ 33 crore on behalf of state governments/ departments as against ₹ 6 crore in previous year.

Domestic sales

As a result of many new initiatives, the domestic turnover of the Corporation saw a major upsurge and reached ₹ 471 crore during 2014-15 as against only ₹ 47 crore in the previous year.

The Corporation supplied imported coal worth ₹ 195 crore to Bharat Oman Refineries Ltd. (BORL) during the year 2014-15. The Corporation also entered into an arrangement with Tobacco Board under which it supplied fertilizers to tobacco growers in the states of Karnataka and Andhra Pradesh. During the 2014-15, a turnover of ₹ 98 crore was achieved by way of this arrangement.

During the year, the Corporation obtained license from Spices Board for conducting cardamom auctions and has been successfully conducting auctions at Bodinayakanur, Tamil Nadu since July 2014, thereby achieving a turnover of ₹ 80 crore.

During the year, STC successfully supplied rice valued at ₹ 55 crore to the Govt. of Pudducherry for distribution through PDS and also started, on a modest scale, sale of packaged drinking water and coffee in the domestic market under STC Brand.

PROFITABILITY

The Company earned a Profit Before Tax (PBT) of ₹ 31 crore during the year vis-à-vis a loss of ₹ 492 during 2013-14.

INTERNAL CONTROLS AND PROCEDURES

STC has a sound system of internal controls which ensures compliance with statutory requirements, regulations and various policies and guidelines of the Company. Besides Statutory Audit and Audit by the C&AG, regular and exhaustive internal audits are conducted through professional agencies in close coordination with STC's Internal Audit Division to ensure that a proper system of checks and balances is in place in the Company to take care that all the assets are safeguarded and protected against any possible loss and all the transactions are authorized, recorded and reported properly.

Internal Audit is conducted as per the Accounting Standards and Rules/policies formulated by the Company from time to time. Annual Audit Programme is approved by the Audit Committee of Directors. The observations/recommendations made by the auditing agencies are reported to Management Audit Committee and the Audit Committee of Directors along with a report on compliance of directions issued in the past. The quarterly financial statements as also reports of statutory and Government audit are reviewed by the Audit Committee of Directors before these are submitted to the Board of Directors.

The Company has a well-defined Delegation of Powers (DoP) in place, which lays down the powers for different managerial levels and Committees to facilitate faster decision making. The systems and procedures laid down by the Company ensure maximum transparency in all commercial deals. The various policies, procedures and guidelines are continuously reviewed and modified from time to time based on experience gained in the past transactions so as to improve the effectiveness of the systems of due diligence of associates and risk mitigation. A risk management framework has been put in place with the approval of Board of Directors to assess the risk involved in a trade proposal before it is approved. Also, a model for Enterprise Level Risk Assessment has been developed in terms of which risk assessment of all ongoing back-to-back trade transactions (involving financing or extending of L/C limits) will be carried out to arrive at the overall enterprise level risk.

The Company has a full-fledged Vigilance Division to oversee that the guidelines of the Government and the rules/procedures of the company are strictly adhered to/implemented in all matters. The Vigilance Division conducts inspection of Branch Offices of the Company and makes suggestions for taking corrective / preventive action.

WAY FORWARD

During the year 2015-16 the Company proposes to further enhance the businesses based on strengths developed by it in the recent past years.

The Company has already been supplying steel plates/coils to Iranian Govt. companies and various other buyers in Iran. These operations shall be diversified to export products like railway wagon, agro-products, pharma and engineering goods, etc. in the next financial year. The Company also expects to start exports of steel rails to Iranian Railways during the year 2015-16. Operations in other areas, namely, domestic cardamom auctions, supply of fertilizers to tobacco growers, import of raw cashew for processing on behalf of Kerala Govt. Undertaking, etc. shall also be expanded.

Besides above, the Company shall also lay renewed emphasis on developing businesses of items like bullion, edible oils, coal, equipment/instruments, etc.

The Company is confident of achieving a quantum jump in its turnover and profitability in coming financial year in view of most of the above plans being in advanced stages of implementation.

CAUTIONARY STATEMENT

Certain statements contained in this Annual Report may constitute forward-looking statements within the meaning of applicable laws and regulations. These statements are based on management's views and assumptions at the time information was prepared and involve known and unknown risks and uncertainties that could cause actual results or performance to differ materially from those expressed or implied in such statements made in this Annual Report. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

as on the Financial Year ended 31st March, 2015

(Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

- (i) CIN : L74899DL1956GOI002674
- (ii) Registration Date : 18.05.1956
- (iii) Name of the Company : The State Trading Corporation of India Limited
- (iv) Category/ Sub-category of the Company : Government Company
- (v) Address of the Registered Office and Contact Details : Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001
Tel.: 011-23313177 / 011-23701006 Fax- 01123701098
Email: cs@stc.gov.in
- (vi) Whether Listed Company : Yes
- (vii) Name, address, and contact details of Registrar and Share Transfer Agents : MCS Share Transfer Agent Ltd.
F-65, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi - 110020
Tel. No. 91-11-41406149/50/51/52
Fax: 91-41709881.
Website: www.mcsregistrars.com
e-mail: admin@mcsregisters.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and description of the main products/ services	NIC code of the Product/ service	% of total turnover of the Company
1.	Basic Precious metals like Gold and Silver	99611926	60
2.	Fertilizers	99611720	20
3.	Steel Products	99611925	12

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	STCL Limited	U85110KA1982GOI005013	Subsidiary	100%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	--	--	--	--	--	--	--	--	--
(b) Central Government	5,39,99,986	14	5,40,00,000	90.00	5,39,99,986	14	5,40,00,000	90.00	0
(c) State Governments	--	--	--	--	--	--	--	--	--
(d) Bodies Corporate	--	--	--	--	--	--	--	--	--
(e) Banks/ FI	--	--	--	--	--	--	--	--	--
(f) Any other	--	--	--	--	--	--	--	--	--

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	Sub Total A(1)	5,39,99,986	14	5,40,00,000	90.00	5,39,99,986	14	5,40,00,000	90.00	0
(2)	Foreign	--	--	--	--	--	--	--	--	--
(a)	NRIs- Individuals	--	--	--	--	--	--	--	--	--
(b)	Other Individuals	--	--	--	--	--	--	--	--	--
(c)	Bodies corporate	--	--	--	--	--	--	--	--	--
(d)	Banks/ FIs	--	--	--	--	--	--	--	--	--
(e)	Any Other	--	--	--	--	--	--	--	--	--
	Sub Total A(2)	--	--	--	--	--	--	--	--	--
	Total Shareholding of Promoter (A) = A(1) +A(2)	5,39,99,986	14	5,40,00,000	90.00	5,39,99,986	14	5,40,00,000	90.00	0
B.	Public Shareholding									
1.	Institutions									
(a)	Mutual Funds	7815	700	8515	0.0142	11408	700	12108	0.0202	42.20
(b)	Banks/ FIs	5750	--	5750	0.0096	5805	0	5805	0.0097	0.96
(c)	Central Govt.	--	--	--	--	--	--	--	--	--
(d)	State Govt.(s).	--	--	--	--	--	--	--	--	--
(e)	Venture capital Funds	--	--	--	--	--	--	--	--	--
(f)	Insurance Companies	1149320	--	1149320	1.9155	1149320	0	1149320	1.9155	0
(g)	FIs	80208	--	80208	0.1336	93110	0	93110	0.1552	16.09
(h)	Foreign Venture capital Funds	--	--	--	--	--	--	--	--	--
(i)	Others (Specify)	--	--	--	--	--	--	--	--	--
	Sub-Total B(1)	1243093	700	1243793	2.0730	1259643	700	1260343	2.1006	1.33
2.	Non-Institutions									
(a)	Bodies Corporate	1461200	--	1461200	2.4353	1534842	0	1534842	2.5581	5.04
(i)	Indian									
(ii)	Overseas	58,386	--	58,386	0.0973	69204	0	69204	0.1153	18.53
(b)	Individuals									
(i)	Individual Shareholders holding nominal share capital up to Rs. 1 Lakh	3109250	22,605	3131855	5.2198	3038117	22101	3060218	5.1004	(-)2.29
(ii)	Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh	97766	--	97766	0.1629	74393	0	74393	0.1240	(-) 23.91
(c)	Others (Trust and Foundations)	7000	--	7000	0.0117	1000	0	1000	0.0017	(-)85.71
	Sub-Total B(2)	4733602	22605	4756207	7.9270	4717556	22101	4739657	7.8995	(-)0.35
	Total Public Shareholding (B) = B(1) +B(2)	5976695	23305	6000000	10	5977199	22801	6000000	10.0000	0
C.	Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
	Grand Total (A+B=C)	59976695	23305	60000000		59988185	22815	60000000	100.0000	0

(ii) Shareholding of Promoters

Sl. No.	Shareholders' Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	President of India	5,39,99,986	90	0	5,39,99,986	90	0	0
2.	Shri Khaleel Rahim	2	-	0	2	-	0	0
3.	Shri Bhagwati Prasad Pandey	2	-	0	2	-	0	0
4.	Shri Rajani Ranjan Rashmi	0	-	0	2	-	0	0
5.	Shri J.S. Deepak	2	-	0	2	-	0	0
6.	Shri Manoj Mishra	2	-	0	2	-	0	0
7.	Shri Rajiv Chopra	2	-	0	2	-	0	0
8.	Shri S. K. Sharma	2	-	0	2	-	0	0
9.	Shri Madhusudan Prasad	2	-	0	0	-	0	0
	Total	5,40,00,000	90	0	5,40,00,000	90	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.	President of India	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	5,40,00,000	90	5,40,00,000	90
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)	5,40,00,000	90	5,40,00,000	90

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Life Insurance Corporation of India				
	At the beginning of the year	544790	0.9080	544790	0.9080
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)	544790	0.9080	544790	0.9080

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	The New India Assurance Company Limited						
	At the beginning of the year			535000	0.8917	535000	0.8917
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)			535000	0.8917	535000	0.8917
3.	The Oriental Insurance Company Limited						
	At the beginning of the year			40,936	0.0682	40,936	0.0682
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)			40,936	0.0682	40,936	0.0682
4.	Parveenchand Nahar						
	At the beginning of the year			33,100	0.0552	33,100	0.0552
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):			NA	NA	NA	NA
	At the End of the year (or on the date of separation, if separated during the year)			33,100	0.0552	33,100	0.0552
5.	Karvy Stock Broking Limited						
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/transfer /bonus/ sweat equity etc.)			26450	0.0441		
	Date	Increase/ Decrease	Reasons for Change				
	10/10/2014	5915	Purchase of shares			32365	0.0539
	17/10/2014	411	Purchase of shares			32776	0.0546
	Separated			29070	0.0485		
	9/1/2015	5685	Purchase of Shares			34755	0.0579
	23/1/2015	-845	Sale of Shares			33910	0.0565
	30/1/2015	-287	Sale of Shares			33623	0.0560
	6/2/2015	1445	Purchase of Shares			35068	0.0584
	Separated			31180	0.0520		
	20/3/2015	2148	Purchase of Shares			33328	0.0555
	31/3/2015	8	Purchase of Shares			33336	0.0556
	At the end of the year(or on the date of separation, if separated during the year)			33336	0.0556		

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	JM Financials Limited						
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g, Allotment/transfer /bonus/ sweat equity etc.)			20	0.0000		
	Date	Increase/ Decrease	Reasons for Change				
	20/2/2015	35500	Purchase of Shares			35520	0.0592
	Separated						
	At the end of the year(or on the date of separation, if separated during the year			NA	NA		
7	UWR Reality Private Limited						
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g, Allotment/transfer /bonus/ sweat equity etc.)			0	NA		
	Date	Increase/ Decrease	Reasons for Change				
	31/10/2014	200000	Purchase of Shares			200000	0.3333
	28/11/2014	-7613	Sale of shares			192387	0.3206
	30/1/2015	11543	Purchase of Shares			203930	0.3399
	20/2/2015	-2691	Sale of shares			201239	0.3354
	27/2/2015	-1000	Sale of shares			200239	0.3337
	At the end of the year(or on the date of separation, if separated during the year			200239	0.3337		
8.	Sanwaria Agro Oils Limited						
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g, Allotment/transfer /bonus/ sweat equity etc.)			40000	0.0667		
	Date	Increase/ Decrease	Reasons for Change				
	4/4/2014	20000	Purchase of Shares			60000	0.1000
	11/4/2014	11040	Purchase of Shares			71040	0.1184
	18/4/2014	-13371	Sale of shares			57669	0.0961
	25/4/2014	-24119	Sale of shares			33550	0.0559
	Separated						
				10000	0.0167		
	4/7/2014	94610	Purchase of Shares			104610	0.1744
	11/7/2014	18458	Purchase of Shares			123068	0.2051
	18/7/2014	22158	Purchase of Shares			145226	0.2420
	25/7/2014	38286	Purchase of Shares			183512	0.3059
	1/8/2014	61265	Purchase of Shares			244777	0.4080

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	8/8/2014	19626	Purchase of Shares			264403	0.4407
	14/8/2014	22257	Purchase of Shares			286660	0.4778
	22/8/2014	34238	Purchase of Shares			320898	0.5348
	29/8/2014	142178	Purchase of Shares			463076	0.7718
	5/9/2014	-60651	Sale of shares			402425	0.6707
	12/9/2014	-5030	Sale of shares			397395	0.6623
	19/9/2014	23711	Purchase of Shares			421106	0.7018
	30/9/2014	-204217	Sale of shares			216889	0.3615
	10/10/2014	6057	Purchase of Shares			222946	0.3716
	5/12/2014	15000	Purchase of Shares			237946	0.3966
	12/12/2014	9268	Purchase of Shares			247214	0.4120
	9/1/2015	8700	Purchase of Shares			255914	0.4265
	23/1/2015	15000	Purchase of Shares			270914	0.4515
	30/1/2015	1763	Purchase of Shares			272677	0.4545
	31/3/2015	200000	Purchase of Shares			472677	0.7878
	At the end of the year(or on the date of separation, if separated during the year			472677	0.7878		
9.	UAC Commodities Private Limited						
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer /bonus/ sweat equity etc.)			608974	1.0150		
	Date	Increase/ Decrease	Reasons for Change				
	4/4/2014	16329	Purchase of shares			625303	1.0422
	11/4/2014	-4206	Sale of shares			621097	1.0352
	18/4/2014	-46500	Sale of shares			574597	0.9577
	25/4/2014	-25000	Sale of shares			549597	0.9160
	9/5/2014	-1117	Sale of shares			548480	0.9141
	16/5/2014	-55000	Sale of shares			493480	0.8225
	23/5/2014	-151109	Sale of shares			342371	0.5706
	30/5/2014	-42666	Sale of shares			299705	0.4995
	6/6/2014	-57067	Sale of shares			242638	0.4044
	13/6/2014	-36395	Sale of shares			206243	0.3437
	20/6/2014	172230	Purchase of shares			378473	0.6308
	4/7/2014	3127	Purchase of shares			381600	0.6360
	11/7/2014	29453	Purchase of shares			411053	0.6851
	25/7/2014	6353	Purchase of shares			417406	0.6957
	1/8/2014	-50000	Sale of shares			367406	0.6123
	22/8/2014	-20000	Sale of shares			347406	0.5790

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	29/8/2014	-150000	Sale of shares			197406	0.3290
	24/10/2014	205270	Purchase of shares			402676	0.6711
	31/10/2014	-202037	Sale of shares			200639	0.3344
	28/11/2014	-5000	Sale of shares			195639	0.3261
	12/12/2014	4226	Purchase of shares			199865	0.3331
	9/1/2015	-10500	Sale of shares			189365	0.3156
	30/1/2015	10530	Purchase of shares			199895	0.3332
	20/2/2015	-20000	Sale of shares			179895	0.2998
	27/2/2015	-5072	Sale of shares			174823	0.2914
	At the end of the year(or on the date of separation, if separated during the year			174823	0.2914		
10.	Religare Securities Private Limited						
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/transfer /bonus/ sweat equity etc.)			13580	0.0226		
	Date	Increase/ Decrease	Reasons for Change				
	4/4/2014	110329	Purchase of shares			123909	0.2065
	11/4/2014	-24042	Sale of shares			99867	0.1664
	18/4/2014	-53440	Sale of shares			46427	0.0774
	25/4/2014	-2116	Sale of shares			44311	0.0739
	2/5/2014	-1099	Sale of shares			43212	0.0720
	9/5/2014	70147	Purchase of shares			113359	0.1889
	16/5/2014	7095	Purchase of shares			120454	0.2008
	23/5/2014	-33413	Sale of shares			87041	0.1451
	30/5/2014	-1594	Sale of shares			85447	0.1424
	6/6/2014	7171	Purchase of shares			92618	0.1544
	13/6/2014	-18949	Sale of shares			73669	0.1228
	Separated						
				24366	0.0406		
	1/8/2014	20878	Purchase of shares			45244	0.0754
	8/8/2014	-5136	Sale of shares			40108	0.0668
	14/8/2014	59	Purchase of shares			40167	0.0669
	Separated						
	At the end of the year(or on the date of separation, if separated during the year			NA	NA	NA	NA

Sl. No.				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	M V SCIF Maritius						
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. Allotment/transfer /bonus/ sweat equity etc.)			71708	0.1195		
	Date	Increase/ Decrease	Reasons for Change				
	4/4/2014	1604	Purchase of Shares			73312	0.1222
	11/4/2014	5614	Purchase of Shares			78926	0.1315
	2/5/2014	1604	Purchase of Shares			80530	0.1342
	9/5/2014	5614	Purchase of Shares			86144	0.1436
	16/5/2014	13644	Purchase of Shares			99788	0.1663
	23/5/2014	1604	Purchase of Shares			101392	0.1690
	30/5/2014	5632	Purchase of Shares			107024	0.1784
	6/6/2014	5600	Purchase of Shares			112624	0.1877
	13/6/2014	20800	Purchase of Shares			133424	0.2224
	20/6/2014	-27	Sale of shares			133397	0.2223
	30/6/2014	-4035	Sale of shares			129362	0.2156
	4/7/2014	4830	Purchase of Shares			134192	0.2237
	11/7/2014	-805	Sale of shares			133387	0.2223
	18/7/2014	-4025	Sale of shares			129362	0.2156
	25/7/2014	4025	Purchase of Shares			133387	0.2223
	8/8/2014	-3224	Sale of shares			130163	0.2169
	14/8/2014	-4836	Sale of shares			125327	0.2089
	22/8/2014	-5642	Sale of shares			119685	0.1995
	30/9/2014	-7715	Sale of shares			111970	0.1866
	10/10/2014	-7380	Sale of shares			104590	0.1743
	17/10/2014	-3280	Sale of shares			101310	0.1689
	24/10/2014	-4926	Sale of shares			96384	0.1606
	31/10/2014	-272	Sale of shares			96112	0.1602
	14/11/2014	560	Purchase of Shares			96672	0.1611
	21/11/2014	-296	Sale of shares			96376	0.1606
	5/12/2014	1692	Purchase of Shares			98068	0.1634
	12/12/2014	813	Purchase of Shares			98881	0.1648
	19/12/2014	-2427	Sale of shares			96454	0.1608
	31/12/2014	-15910	Sale of shares			80544	0.1342
	9/1/2015	2219	Purchase of Shares			82763	0.1379
	13/2/2015	2031	Purchase of Shares			84794	0.1413
	24/3/2015	-3622	Sale of shares			81172	0.1353
	31/3/2015	684	Purchase of Shares			81856	0.1364
	At the end of the year(or on the date of separation, if separated during the year			81856	0.1364		

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12.	Indira Securities Pvt. Limited					
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer /bonus/ sweat equity etc.)		11557	0.0667		
	Date	Increase/ Decrease	Reasons for Change			
	18/4/2014	22226	Purchase of shares		33783	0.0563
	25/4/2014	5927	Purchase of shares		39710	0.0662
	2/5/2014	-5170	Sale of shares		34540	0.0576
	7/5/2014	-58	Sale of shares		34482	0.0575
	16/5/2014	1516	Purchase of shares		35998	0.0600
	Separated					
	At the end of the year(or on the date of separation, if separated during the year		NA	NA	NA	NA
13.	Panav Advisors Limited					
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer /bonus/ sweat equity etc.)		0	NA		
	Date	Increase/ Decrease	Reasons for Change			
	23/5/2014	59624	Purchase of Shares		59624	0.0994
	30/5/2014	-15649	Sale of Shares		43975	0.0733
	Separated					
	At the end of the year(or on the date of separation, if separated during the year		NA	NA	NA	NA
14.	Nirmal Bang Securities Pvt. Limited					
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. Allotment/transfer /bonus/ sweat equity etc.)		3127	0.0052		
	Date	Increase/ Decrease	Reasons for Change			
	16/5/2014	46340	Purchase of Shares		49467	0.0824
	23/5/2014	65233	Purchase of Shares		114700	0.1912
	30/5/2014	30231	Purchase of Shares		144931	0.2416
	Separated				144931	0.2416
	At the end of the year(or on the date of separation, if separated during the year		NA	NA	NA	NA

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
15.	Krypton Investment Company Limited					
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g, Allotment/transfer /bonus/ swaet wquity etc.)		0	0.0000		
	Date	Increase/ Decrease	Reasons for Change			
	13/6/2014	94918	Purchase of Shares		94918	0.1582
	22/8/2014	-34918	Sale of Shares		60000	0.1000
	29/8/2014	-16000	Sale of Shares		44000	0.0733
	Separated					
	At the end of the year(or on the date of separation, if separated during the year		NA	NA	NA	NA
16.	Religare Finvest Limited					
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g, Allotment/transfer /bonus/ swaet wquity etc.)		700	0.0012		
	Date	Increase/ Decrease	Reasons for Change			
	18/7/2014	40977	Purchase of Shares		41677	0.0695
	30/9/2014	262034	Purchase of Shares		303711	0.5062
	10/10/2014	10000	Purchase of Shares		313711	0.5229
	24/10/2014	-200000	Sale of shares		113711	0.1895
	14/11/2014	40000	Purchase of Shares		153711	0.2562
	21/11/2014	20001	Purchase of shares		173712	0.2895
	28/11/2014	1	Purchase of Share		173713	0.2895
	5/12/2014	-1	Sale of share		173712	0.2895
	12/12/2014	18456	Purchase of shares		192168	0.3203
	19/12/2014	1	Purchase of share		192169	0.3203
	31/12/2014	20000	Purchase of shares		212169	0.3536
	20/2/2015	-1	Sale of share		212168	0.3536
	27/2/2015	100	Purchase of shares		212268	0.3538
	20/3/2015	4952	Purchase of shares		217220	0.3620
	At the end of the year(or on the date of separation, if separated during the year		217220	0.3620		
17.	Baalakh Holdings Private Limited		31278	0.0521	31278	0.0521
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g, Allotment/transfer /bonus/ swaet wquity etc.)					
	Separated					
	At the end of the year(or on the date of separation, if separated during the year		NA	NA	NA	NA

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
18.	National Insurance Company Limited		28594	0.0477	28594	0.0477
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g, Allotment/transfer /bonus/ sweat wquity etc.)					
	Separated					
	At the end of the year(or on the date of separation, if separated during the year		NA	NA	NA	NA
19.	Dwirek Kalyanji Raj		28300	0.0472	28300	0.0472
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g, Allotment/transfer /bonus/ sweat equity etc.)					
	Separated					
	At the end of the year(or on the date of separation, if separated during the year		NA	NA	NA	NA
20	IL and FS Securities Services Limited					
	Date wise Increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g, Allotment/transfer /bonus/ sweat wquity etc.)		0	NA		
	Date	Increase/ Decrease	Reasons for Change			
	20/6/2014	36500	Purchase of Shares		36500	0.0608
	Separated					
				12500	0.0208	
	17/10/2014	33500	Purchase of shares		46000	0.0767
	Separated					
				28000	0.0467	
	19/12/2014	13000	Purchase of shares		41000	0.0683
	27/3/2014	3291	Purchase of shares		44291	0.0738
	31/3/2014	-565	Sale of shares		43726	0.0729
	At the end of the year(or on the date of separation, if separated during the year		43726	0.0729		

(V) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Khaleel Rahim, Chairman and Managing Director				
	At the beginning of the year	2	0	2	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	2	0	2	0
2	Shri Manoj Mishra, Director (Finance)				
	At the beginning of the year	2	0	2	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	2	0	2	0
3.	Shri Rajiv Chopra, Director (Marketing)				
	At the beginning of the year	2	0	2	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	2	0	2	0
4.	Shri S.K. Sharma, Director (Personnel)				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): 20/09/2014	2	0	2	0
	At the End of the year	2	0	2	0
5.	Shri R.K. Gogia, Company Secretary				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,41,26,47,651	---	---	10,41,26,46,651
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	10,41,26,47,651	---	---	10,41,26,46,651
Change in Indebtedness during the financial year				
• Addition	83,88,92,708	---	---	83,88,92,708
• Reduction				
Net Change(+)	83,88,92,708	---	---	83,88,92,708
Indebtedness at the end of the financial year				
i) Principal Amount	11,25,15,40,359	---	---	11,25,15.40,359
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	11,25,15.40,359	---	---	11,25,15.40,359

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Shri Khaleel Rahim	Shri M. M. Sharma	Shri Manoj Mishra	Shri Rajiv Chopra	Shri S. K. Sharma	
1.	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,71,728	8,07,860	25,62,001	25,52,299	17,55,596	1,02,49,484
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	6,69,805	5,60,070	4,07,923	2,85,516/-	1,79,749	21,03,063
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	---	---	---	---	---	
2.	Stock Option	NA	NA	NA	NA	NA	NA
3.	Sweat Equity	NA	NA	NA	NA	NA	NA
4.	Commission - as % of profit - others, specify ...	NA	NA	NA	NA	NA	NA
5.	Others, please specify	4,33,203	1,03,206	3,84,068	3,82,603	2,64,058	15,67,138
	Total (A)	36,74,736	14,71,136	33,53,992	32,20,418	21,99,403	1,39,19,685
	Ceiling as per the Act	NA	NA	NA	NA	NA	NA

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Directors								Total Amount
		Smt. B. Kinnera Murthy	Shri Jayendra N. Shah	Shri Naresh Dayal	Shri Proshanto Banerjee	Shri R.H. Dholakia	Shri S. C. Tripathi	Shri U.N. Abhyankar	Shri S.C. Saraf	
3.	Independent Directors	1,90,000	1,70,000	10,000	30,000	30,000	50,000	30,000	1,40,000	6,50,000
	• Fee for attending board committee meetings • Commission • Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	1,90,000	1,70,000	10,000	30,000	30,000	50,000	30,000	1,40,000	6,50,000
4.	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Fee for attending board committee meetings • Commission • Others, please specify									
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	1,90,000	1,70,000	10,000	30,000	30,000	50,000	30,000	1,40,000	6,50,000
	Total Managerial Remuneration	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

Sl. No.	Particulars of Remuneration	Key Managerial Personnel					Total
		Shri Khaleel Rahim, CEO	Shri Manoj Mishra CFO	Shri Rajiv Chopra, Director (Marketing)	Shri S.K. Sharma, Director (Personnel)	Shri R.K. Gogia Company Secretary	
1.	Gross salary						
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,71,728	25,62,001	25,52,299	17,55,596	17,95,522	1,12,37,146
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	6,69,805	4,07,923	2,85,516	1,79,749/-	51,638	15,94,631
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---	---	---	---	---
2.	Stock Option	---	---	---	---	---	---
3.	Sweat Equity	---	---	---	---	---	---
4.	Commission - as % of profit - others, specify...	---	---	---	---	---	---
5.	Others, please specify	4,33,203/-	3,84,068/-	3,82,603/-	2,64,058/-	2,54,801/-	17,18,713/-
	Total	36,74,736	33,53,992	32,20,418	21,99,403	21,01,961	1,45,50,490

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding of offenses	Authority (RD/ NCLT/ Court)	Appeal made, if any (give details)
A. Company					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. Directors					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. Other Officers in default					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

ANNUAL REPORT ON CSR ACTIVITIES

1.(a) Brief outline of the company's CSR policy

STC adopts the following commitments for CSR:

- i. Corporate Social Responsibility and Sustainability is a company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner. Stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and non-government organizations, local communities, environment and society at large.
- ii. Corporate Social Responsibility and Sustainability is essentially a way of conducting business responsibly.
- iii. STC will undertake the CSR and Sustainability activities for execution with the approval of the Competent Authority (Board of Directors/ Board Level Committee on CSR) as per delegation of power made in this regards by the Board of Directors. In case, due to exceptional situation/ circumstances, a project is taken up for execution with the approval of management, ex post facto approval shall be obtained in the next Board meeting itself.

1.(b) Overview of projects/programs proposed to be undertaken during the FY 2015-16:

The net profit of the Corporation for the FY 2012-13 was Rs. 17.95 Cr. The Corporation had posted losses of Rs. 492.20 Cr in the FY 2013-14. The net profit of the Corporation for the FY 2014-15 is Rs. 26.19 Cr. Therefore, average net profit of the company for the last three financial years is Nil. Since the average net profit of the company for the last three financial years is Nil, the prescribed CSR expenditure as per CSR Rules provided in the Companies Act, 2013 is Nil for the FY 2015-16. Thus, no CSR budget allocation is envisaged for the year 2015-16. In view of the Nil budget position, CSR projects for the year 2015-16 have not been proposed.

1.(c) The weblink to the Corporation's CSR SD Policy, Process & Procedures is as under:

http://stc.gov.in/WriteReadData/CSRPOLICY_24042014.pdf

2. The composition of CSR Committee of Board of Directors in STC as on 31.03.2015 was as follows:

- | | | |
|---|---|------------------------------|
| • Dr.(Mrs) B.Kinnera Murthy, Independent Director | - | Chairperson of the Committee |
| • Sh. Manoj Mishra, Director (Finance) | - | Member |
| • Sh. S.K. Sharma, Director (Personnel) | - | Member |

3. Average net profit of the company for the last three financial years

The net profit of the Corporation for the FY 2011-12 and 2012-13 was Rs. 16.47 Cr and Rs. 17.95 Cr respectively. The Corporation had posted losses of Rs. 492.20 Cr in the FY 2013-14. Therefore, average net profit of the company for the last three financial years was Nil.

4. Prescribed CSR expenditure

Since the average net profit of the company for the last three financial years is Nil, the prescribed CSR expenditure as per CSR Rules provided in the Companies Act, 2013 was Nil.

5. Details of CSR spent for the financial year

(a) Total amount to be spent for the financial year

In view of 4. above, the Corporation was not mandated to allocate CSR funds for FY 2014-15. However, to keep the spirit of CSR alive, the Corporation had allocated Rs. 39.70 Lakhs towards CSR & Sustainability initiatives for the FY 2014-15. In addition to this, ₹ 5 Lakh was carried forward as unspent fund from previous year.

(b) Amount unspent, if any

To be finalised on completion of on-going projects.

5.(c) Manner in which the amount spent during the financial year is detailed below:

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where project or program was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Skill Development programme for weaker sections of society for enhancing employability	Skill development/ Income generation	Sunder Nagri slum area, Delhi (covering 40 beneficiaries)	Rs. 1.25 Lakhs	Direct: Rs. 1 Lakh Overheads: Nil	Rs. 1 Lakh	Through Implementing agency: NGO Bal Aarogya, Mayur Vihar, Delhi.
2	Providing Community health facilities in a notified backward district	Health	Oddanchatram, Dindigul district, Tamil Nadu	Rs. 6 Lakhs	Direct: Rs. 5 Lakhs Overheads: Rs. 0.49 Lakhs	Rs. 5.49 Lakhs	Through Implementing agency: NGO Anugraha Drishtidaan Mayur Vihar, Delhi
3	Promotion of art & culture- scholarship assistance/ training to 5 persons each for classical music and painting	Promotion of art/ culture/heritage	New Delhi (covering total of 14 beneficiaries)	Rs. 4 Lakhs	Direct: Rs. 3.50 Lakhs Overheads: Nil	Rs. 3.50 Lakhs	Through Implementing agencies: Gandharva Mahavidyalaya, DDU Marg, New Delhi & Lalit Kala Academi, Delhi
4	Construction of Toilet Complex	Health	Prembari Pul, near Wazirpur, New Delhi	Rs. 29.25 Lakhs	Direct: Rs.23.12 Lakhs*	Rs. 2.31 Lakhs	Through Implementing agency: NGO M/s Sulabh International, Okhla
5**	Recreational and informative books in Braille for visually challenged children	Skill Development	Vishakhapatnam	Rs. 5 Lakhs	Direct: Rs. 5 Lakhs*	Rs. 4 Lakhs	Through Implementing agency: NGO LV Prasad Eye Institute, Hyderabad
6***	For preservation of monument/heritage (Conservation of Jai Prakash Yantra at Jantar Mantar, New Delhi)	Promotion of art/ culture/heritage	Jantar Mantar, New Delhi	Rs. 22 Lakhs	Direct: Rs. 22 Lakhs Overheads: Nil	Rs. 15 Lakhs	Through Implementing agency: Archaeological Survey of India, New Delhi

*The project(s) is yet to be completed, thus the final cost cannot be indicated at this stage

**Project deferred from FY 2013-14

*** Ongoing project from FY 2013-14

6. The Corporation was not mandated to allocate CSR funds for FY 2014-15. In spite of that, the Corporation had allocated a CSR budget of Rs. 39.70 Lakhs towards CSR initiatives.

7. CSR Committee's responsibility statement

It is hereby confirmed that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Sd/-
(Khaleel Rahim)
(Chairman & Managing Director)
DIN 02455606

Sd/-
(Manoj Mishra)
(Director-Finance)
DIN 06408953

Sd/-
(S.K. Sharma)
(Director-Personnel)
DIN 06942536

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is essentially an ethos which guides and directs the management of a company in handling its affairs in the best interest of all the stakeholders and promotes fairness, transparency and integrity.

The Clause 49 of the Listing Agreement with the Stock Exchanges deals with Corporate Governance requirements. Also the Department of Public Enterprises (DPE) of the Government of India has issued Guidelines on Corporate Governance which are applicable to all Central Public Sector Enterprises (CPSEs) so as to achieve the highest standards of fairness, transparency, trust, integrity, responsibility and accountability with a strong emphasis on ethical and professional conduct.

STC believes that Corporate Governance is not a mere legal compliance but rather a prerequisite to maximize value for all stakeholders. It strives to adopt such corporate practices that are based on transparency and proper disclosures and ensure accountability of the persons in key positions thereby benefiting investors, customers, creditors, employees and the society at large.

As a first step towards Corporate Governance, the Company has laid down desirable codes and policies such as Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy, Anti-Fraud Policy, Related Party Transactions Policy etc.

The internal control systems and their adequacy is overseen by the Audit Committee so as to bring transparency in decision making. A consolidated compliance report of all laws applicable to the Company is periodically put up to the Board.

The Company adheres to good corporate practices and constantly strives to improve the same.

1. BOARD OF DIRECTORS

1.1 The Company is managed by the Board of Directors, which formulates strategies and policies, oversees their implementation and also reviews Company performance periodically. Board of Directors is at core of the Company's corporate governance practices and oversees how the management serves and protects the long term interest of the stakeholders.

1.2 Composition

STC being a Government Company, all its Directors are appointed by the President of India, through the Ministry of Commerce & Industry. Articles of Association of the Company stipulate that the number of Directors shall not be less than four and more than sixteen. As on 31st March, 2015, there were eight Directors on the Board comprising Chairman & Managing Director, three whole time Functional Directors, two part-time official Directors, who are the Government nominees and two part-time non-official Directors (Independent Directors). All the Directors except CMD and Independent Directors are liable to retire by rotation. At least one third of the Directors retire every year and if eligible, qualify for reappointment.

Apart from CMD and Functional Directors, who receive directors' remuneration, other Directors of the Board do not have any material pecuniary relationship or transactions with the Company, its promoters or its subsidiary, which in judgment of the Board may affect independence of Directors.

1.3 Board Meetings

The meetings of the Board are generally held at the registered office of the Company and are convened by giving appropriate advance notice after approval of the Chairman of the Board. The Board of STC meets regularly at least once in a quarter. The meetings of the Board are conducted as per a structured agenda and members of the Board have complete access to all information of the Company and are also free to recommend inclusion of any subject matter in the agenda for discussion. Detailed agenda containing the management reports and other explanatory statements are circulated in advance amongst the members of the Board for facilitating meaningful, informed and focussed decisions at the meetings. Where it is not practicable to circulate any document or the agenda note for a particular item of business, the same is tabled with the approval of Chairman of the Board. Senior officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

1.3.1 Attendance:

The details of the Directors with regard to their category, directorship in other companies, membership / chairmanship in committees of the boards of other companies as well as attendance at Board Meetings/Annual General Meeting during 2014-15 are as follows:

Name & Designation	No. of Board Meetings held during the tenure	No. of Board Meetings attended	Whether attended last AGM held on 25.09.2014	As on 31.03.2015	
				No. of Directorships in other Public Limited Companies	Memberships/ Chairmanship in Committees of the Boards of other companies
Functional Directors					
Shri Khaleel Rahim Chairman and Managing Director	6	6	Yes	2	Nil
Shri M.M. Sharma Director (Personnel) (Up to 30.06.2014)	2	2	NA	NA	NA
Shri Manoj Mishra Director (Finance)	6	6	Yes	1	Nil
Shri Rajiv Chopra Director (Marketing)	6	6	Yes	Nil	Nil
Shri S.K. Sharma Director (Personnel) (w.e.f. 16.07.2014)	4	4	Yes	Nil	Nil
Part-time official Directors - Government Nominee					
Shri Madhusudan Prasad, Special Secretary, DoC	6	4	No	NA	NA
Smt. Anita Agnihotri, Special Secretary and Financial Adviser, DoC	2	0	NA	NA	NA
Shri Bhagwati Prasad Pandey, Additional Secretary and Financial Advisor, DoC (w.e.f. 16.06.2014)	4	2	No	3	1
Shri Rajani Ranjan Rashmi, Additional Secretary, DoC	0	0	NA	2	1
Part-time Non-Official Directors - Independent Directors					
Dr. (Mrs.) B. Kinnera Murthy	6	5	Yes	Nil	Nil
Shri Jayendra N. Shah	6	5	Yes	–	–
Prof. R.H. Dholakia	2	2	NA	NA	NA
Shri Proshanto Banerjee	2	2	NA	NA	NA
Shri Naresh Dayal	2	1	NA	NA	NA
Shri Uday N. Abhyankar	4	2	Yes	NA	NA
Shri S.C. Tripathi	4	3	No	NA	NA
Shri S.C. Saraf	6	3	No	NA	NA

Notes:

- The Company being a Government Company, all Directors are appointed by the President of India.
- Directors are not per se related to each other.
- Directors do not have any pecuniary relationships or transactions with the Company except receipt of remuneration by CMD and functional directors from the Company.
- The Directorships/ Committee Membership are based on the latest disclosures received.
- Only Chairmanship/ Membership of the Audit Committee and Shareholders' and Investors' Grievance Committee of public limited companies are taken into account.
- None of the Directors is a member of more than 10 Committees or Chairman of more than 5 Committees, across all the Companies in which he/ she is a Director.

1.3.2 Details of Board Meetings

During the financial year 2014-15, 6 (Six) meetings of the Board were held, the details of which are as below:

Sr. No.	Meeting No.	Date of Board Meeting
1.	593	06.05.2014
2.	594	27.05.2014
3.	595	12.08.2014
4.	596	25.09.2014
5.	597	12.11.2014
6.	598	11.02.2015

The minimum and maximum interval between any two Board meetings was 20 days and 90 days respectively.

1.4 Changes in the Board of Directors

Since the last Annual General Meeting, Shri Rajani Ranjan Rashmi, Additional Secretary, Department of Commerce, Ministry of Commerce and Industry was appointed as Part-time Official Director on the Board of STC vice Shri Madhusudan Prasad w.e.f. 24.02.2015. Subsequently, Shri Ajay Kumar Bhalla, Additional Secretary, Department of Commerce, Ministry of Commerce and Industry was appointed as Part-time Official Director on the Board of STC vice Shri Rajani Ranjan Rashmi w.e.f. 29.04.2015.

Shri Jitendra Kumar Dadoo, AS&FA, DoC was appointed as Part-time Official Director on the Board of STC vice Shri Bhagwati Prasad Panday w.e.f. 06.08.2015.

The terms of appointment of Shri Uday N. Abhyankar, Shri S.C. Tripathi, Shri Subhash Chandra Saraf, Dr.(Smt.) B. Kinnera Murthy and Shri Jayendra N. Shah, Independent Directors expired on 09.10.2014, 13.10.2014, 27.03.2015, 17.04.2015 and 17.04.2015 respectively.

The Board places on record its deep appreciation for the valuable contributions made by Shri Madhusudan Prasad, Shri Bhagwati Prasad Panday and Shri Rajani Ranjan Rashmi, Part-time Official Directors and Shri Uday N. Abhyankar, Shri S.C. Tripathi, Shri Subhash Chandra Saraf, Dr.(Smt.) B. Kinnera Murthy and Shri Jayendra N. Shah as Part-time Non-official (Independent) Directors on the Board of the Corporation.

2. RESUME OF DIRECTORS PROPOSED TO BE APPOINTED/ RE-APPOINTED

The brief resume of Directors retiring by rotation and seeking re-appointment indicating nature of their experience in specific functional areas, names of Companies in which they hold directorship and membership/ chairmanship of Boards/ Committees are appended to the notice calling the Annual General Meeting.

3. BOARD COMMITTEES

The Company has the following Committees of the Board:

3.1 Audit Committee

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013, revised Clause 49 of the Listing Agreement and the Guidelines on Corporate Governance for CPSEs issued by DPE in May, 2010. The Audit Committee is responsible for the effective supervision of the financial reporting processes to ensure proper disclosure of financial statements, their credibility, compliance with the accounting standards, stock exchanges and other legal requirements, reviewing internal control systems, reviewing findings of internal audit and ensuring follow up action on significant findings, and reviewing quarterly, half yearly and yearly accounts.

The Audit Committee re-constituted by the Board in its 595th meeting held on 12th August, 2014 comprised three Independent Directors and one Part-time Official Director (Govt. Nominee), one of the Independent Directors being the chairperson of the Committee. Company Secretary is the Secretary of the Committee. All the members of the Committee have requisite financial and management experience.

Besides the above, Director (Finance) and Head of Internal Audit are permanent invitees to the meetings. Representatives of Internal Auditors and Statutory Auditors are invited to attend and participate in the meetings. Functional Directors, Executives of Finance and other departments are invited on need basis.

Chairperson of the Audit Committee was present at the AGM of the Company held on 25th September, 2014. With the expiry of tenure of some Directors on the Board, the Audit Committee was re-constituted by the Board in its meeting held on 06.05.2015.

3.1.1 Attendance:

Member	No. of Meetings held during the tenure	No. of Meetings Attended
DR. (Mrs.) B. Kinnera Murthy, Chairperson	4	3
Shri Jayendra N. Shah	4	3
Smt. Anita Agnihotri, SS & FA, DoC	1	0
Shri Bhagwati Prasad Pandey, AS & FA, DoC	3	1
Shri Proshanto Banerjee	1	1
Prof. R.H. Dholakia	1	1
Shri Subhash Chandra Saraf	2	2

Details of Audit Committee Meetings:

During the financial year 2014-15, 4 (Four) meetings of Audit Committee were held. The details of Audit Committee meetings held during the year are as follows:

Sr. No.	Meeting No.	Date of the Audit Committee Meeting
1.	68	27.05.2014
2.	69	12.08.2014
3.	70	12.11.2014
4.	71	11.02.2015

3.2 Nomination and Remuneration Committee

The Remuneration Committee was re-named as Nomination and Remuneration Committee and reconstituted by the Board on 12.08.2014 comprising three Independent Directors viz. Dr. (Mrs.) B. Kinnera Murthy, Chairperson and Shri Jayendra N. Shah and Shri Subhash Chandra Saraf, as members. Director (Personnel) and Director (Finance) are the permanent invitees to this Committee.

The term of reference of the Nomination and Remuneration Committee is as per Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

STC being a Government company, terms and conditions of appointment and remuneration of whole-time Functional Directors including CMD are determined by the Government through administrative ministry, the Ministry of Commerce and Industry. Non-Executive part-time official Directors (Government nominees) do not draw any remuneration or sitting fee. Non-executive part-time non-official Directors (Independent Directors) are paid sitting fees of ₹20,000/- for each Board/ Committee meeting attended by them.

During the year, one meeting the Nomination and Remuneration Committee was held which was attended by all the members.

3.2.1 Directors' Remuneration:

Remuneration of Directors' for the year ended 31.03.2015 was as follows:

(a) Functional Directors: (₹ lakh)

Sr. No.	Names	Salary incl. DA	Other benefits & perks	Performance Related Pay	Contribution to PF and other funds	Total
1.	Shri Khaleel Rahim	25.72	6.69	–	4.33	36.74
2.	Shri M. M. Sharma	8.08	4.54	1.06	1.03	14.71
3.	Shri Manoj Mishra	25.62	4.01	0.07	3.84	33.54
4.	Shri Rajiv Chopra	25.52	2.85	–	3.83	32.20
5.	Shri S.K. Sharma	17.56	1.80	–	2.64	22.00

(b) Part-time Non-Official Directors/ Independent Directors

Non-Executive non-official Directors are paid sitting fees at the rate of ₹20,000/- for attending each meeting of the Board/ Committee thereof. Details of Sitting fees paid during the year under review are as follows:-

Sr. No.	Names	Sitting Fees (excluding Service Tax) (₹)
1.	Dr.(Mrs.) B. Kinnera Murthy	1,90,000/-
2.	Shri Jayendra N. Shah	1,70,000/-
3.	Shri Naresh Dayal	10,000/-
4.	Shri Proshanto Banerjee	30,000/-
5.	Prof. R.H. Dholakia	30,000/-
6.	Shri S.C. Tripathi	50,000/-
7.	Shri Uday N. Abhyankar	30,000/-
8.	Shri S.C. Saraf	1,40,000/-

3.2.2 Stock Options

The Company has not issued any Stock Options to its Directors/ Employees.

3.2.3 Equity Shares held by Directors

Except as stated hereunder, none of the Directors hold any equity shares in the Company as per the declarations made by them:

Sr. No.	Name of the Directors	No. of shares held
1.	Shri Khaleel Rahim	2
2.	Shri Rajani Ranjan Rashmi	2
3.	Smt. Bhagwati Prasad Pandey	2
4.	Shri S.K. Sharma	2
5.	Shri Manoj Mishra	2
6.	Shri Rajiv Chopra	2

The above shares are held by the Directors in their official Capacity.

3.3 Stakeholders Relationship Committee:

The Company has a "Stakeholders Relationship Committee" at the Board level to deal with various matters relating to redressal of grievances of the shareholders' including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee is headed by Shri Rajani Ranjan Rashmi, Additional Secretary, MOC, Part-time Official Director/ Government Nominee. Shri Manoj Mishra, Director (Finance) and Shri Rajiv Chopra, Director (Marketing) are the other members of the Committee.

There were no major complaints/ grievance during the year and no investor complaints were pending as on 31.03.2015. The Company Secretary is also the Secretary to the Stakeholders Relationship Committee.

During the year 2014 - 15, two meetings of the Committee were held on 16th July, 2014 and 11th February, 2015. The attendance details are as under:

Name of Member	No. of Meetings held during the tenure	No. of Meetings Attended
Shri Madhusudan Prasad, Additional Secretary, DoC - Chairman	2	1
Shri Manoj Mishra, Director (Finance)	2	2
Shri Rajiv Chopra, Director (Marketing)	2	2

3.3.1 Compliance Officer

Shri R.K. Gogia, Company Secretary is the Compliance Officer. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and the regulatory authorities for governance matters.

3.3.2 Redressal of Investors' Grievances

The Company addresses all complaints, suggestions and grievances of the investors expeditiously and usually resolves the issues within 7-10 days except in case of dispute over facts or other legal constraints.

No request for share transfer is pending beyond 30 days except those that are disputed or sub-judice. All requests for de-materialization of shares are likewise processed and confirmation communicated to investors and Depository Participants within 10 working days.

During the year, a total of 65 complaints/ queries/ correspondence were received and replied/ attended to the satisfaction of the shareholders. There was no complaint pending as on 31st March, 2015.

3.3.3 Settlement of Grievances

Investors may register their grievances in the manner stated below:

Sl. No.	Nature of Complaint	Contact Office	Action to be taken
1.	For Shares in Physical form – Change of address, status, Bank account, Mandate, ECS mandate, transfer/ transmission of shares, bonus shares etc.	M/s. MCS Share Transfer Agents Ltd. F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel. No. 91-11-41406149/50/51/52 Fax: 91-41709881 Website: www.mcsregistrars.com e-mail: admin@mcsregistrars.com	Letter on plain paper stating the nature of complaint, Folio No., lodging of original shares and other documents/ instruments as the case may be.
2.	For Shares in Demat form- Change of address, status, Bank account, Mandate, ECS mandate etc.	Concerned Depository Participant (DP) where shareholder is maintaining his/her account.	As per procedure prescribed by the DP.
3.	Dividend from Financial year 2007-08 (Final) to 2012-13 and renewal of individual dividend warrants	Company Secretary, The State Trading Corporation of India Limited, Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001 Phone: 23703177 e-mail :cs@stc.gov.in	Letter on plain paper stating the nature of complaint, Folio No./ DPID, client ID, and other documents/ instruments as the case may be. Members are requested to apply for renewal of individual dividend warrants or issue of duplicate warrants for the final dividend 2007-08 (Final) before 28.10.2015 and 2008-09 (Interim) before 20.03.2016. The unpaid dividend amount for the year 2007-08 (final) and 2008-09(Interim) will be transferred on or before 27.11.2015 and 19.04.2016 respectively by the Company to the Investor Education & Protection Fund (IEPF) set up by Govt. of India and no claim will lie neither against IEPF nor against the Company.

3.4 CSR Committee of Directors

Board in its meeting held on 12.08.2014 re-constituted the CSR Committee comprising three Directors viz. Dr. (Smt.) B. Kinnera Murthy, Independent Director as Chairperson, Shri Manoj Mishra, Director (Finance) and Shri S.K. Sharma, Director (Personnel) as members. The terms of reference of the Committee include formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on such activities and monitoring the implementation of Corporate Social Responsibility Policy of the Company from time to time.

During the year, one meeting of the above Committee was held on 25th September, 2014, which were attended by all the members.

3.5 Separate Meeting of Independent Directors

Pursuant to the Provisions of Section 149(6) read with Schedule IV to the Companies Act, 2013, a separate meeting of the Independent directors was held during the year to inter-alia review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors and to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

During the year, one separate meeting of the Independent Directors was held on 26th March, 2015, which were attended by all the Independent Directors, who were on the Board of STC on that date.

4 CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT.

The Company is committed to conducting its business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. A code of conduct was adopted by the Board for Board Members and Senior Executives in line with the model code of conduct for Board Members and Senior Management stipulated in the Guidelines on Corporate Governance for CPSEs issued by DPE. A copy of the Code has been placed on the Company's website: www.stc.gov.in.

All the Members of the Board and other Key Executives have confirmed compliance with the Code of Conduct for the year under review. A declaration as follows has been signed by Chairman & Managing Director:

"I hereby confirm that the Company has obtained from the members of the Board and Key Executives affirmation that they have complied with the Code of Conduct for Directors and Senior Management during the financial year 2014-15.

Sd/-
(Khaleel Rahim)
CMD

4.1 CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board has approved the Code of Conduct for Prevention of Insider Trading in dealing with securities of STC. The objective of the Code is to prevent purchase and/ or sale of shares of the Company on the basis of unpublished price sensitive information. Under this Code, all Directors and employees are prohibited to deal in the Company's shares during the closing of Trading Window and other specified period(s). To deal in securities beyond specified limit, permission of Compliance Officer is required. All Directors and employees are required to disclose related information periodically as stipulated in the Code. The Code has been circulated to all Directors and Employees and has been hosted on the Company website.

4.2 CEO/ CFO CERTIFICATION

In terms of revised Clause 49(IX) of the Listing Agreement, the certification by the CEO/CFO on the financial statements and internal controls relating to financial reporting for the year 2014-15 was submitted to the Board on 25.05.2015 and is annexed to this report.

5 SUBSIDIARY COMPANY:

The Company has one wholly owned unlisted subsidiary Company, STCL Limited. The said subsidiary is a Board managed company with its Board having the rights and obligations to manage the Company in the best interest of its stakeholders. The Directors on the Board are appointed by the President of India through Administrative Ministry, Ministry of Commerce and Industry. The present composition of the Board is as follows:

- (i) Chairman STC - Part-time Chairman of the Board
- (ii) Director - FT(ST) , Department of Commerce, Ministry of Commerce and Industry, Government of India – Part-time Official Director/ Government Director
- (iii) Director (Finance) STC - Part-time Director
- (iv) Managing Director – STCL (Whole-time)

The performance of the subsidiary is reported to the Board every quarter. However, as per decision of the Union Cabinet, STCL has filed a winding up petition in the High Court of Karnataka.

6 ANNUAL GENERAL MEETINGS

The Annual General Meetings of the Company are held at the Registered Office of the Company i.e. Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001. The details of such meetings held during the last three years are as under:

Nature of Meeting	Financial Year	Date and Time
Annual General Meeting	2013-14	25.09.2014 - 3.00 P.M.
Annual General Meeting	2012-13	25.09.2013 - 3.00 P.M.
Annual General Meeting	2011-12	27.09.2012 - 12.00 Noon

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting.

No Special Resolution had been passed at last three year's Annual General Meetings.

6.1 POSTAL BALLOT

During the year 2014-15, the Corporation had sought the approval of the Shareholders to two Special Resolutions through Postal Ballot wherein e-voting facility was also offered to shareholders. A Postal Ballot Notice dated 30th June, 2014 was issued to all the Shareholders pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The following resolutions had been passed by the members of the Company through voting by way of postal ballot including e-Voting:

Resolution No.	Type of Resolution	Description
1.	Special Resolution	Approval under Section 180(1)(c) of the Companies Act, 2013 to borrow up to an overall limit of ₹2,500 crore
2.	Special Resolution	Approval under Section 180(1) (a) of the Companies Act, 2013 for Creation of mortgage and / or charge on all or any of the movable and / or immovable properties of the Company.

The Company had appointed Shri Parveen Rastogi, Proprietor, M/s Parveen Rastogi & Co, Practicing Company Secretary for conducting the process of Postal Ballot in fair and transparent manner. The Scrutinizer had submitted his report dated 26th August, 2014 to Shri Khaleel Rahim, Chairman and Managing Director of the Company which had been duly accepted by him. Based on the said report the following results were announced by the Chairman and Managing Director of the Company on 27th August, 2014 at the Registered Office of the Company. The results of the Postal Ballot are given as under:

Resolution no.	No. of Shares Held	No. of Votes Polled	% of votes polled on outstanding Shares	No. of Votes in Favour	No. of Votes Against	% of Votes in Favour On Votes Polled	% of Votes Against On Votes Polled
	(1)	(2)	(3)={ (2)/ (1)*100 }	(4)	(5)	(6)	(7)
1. Power to borrow up to an overall limit of ₹2,500 crore	6,00,00,000	#5,41,71,098	90.285%	5,41,69,394	1,704	99.997%	0.003%
2. Creation of mortgage and / or charge on all or any of the movable and / or immovable properties of the Company.	6,00,00,000	#5,41,69,507	90.280%	5,41,68,068	1,439	99.997%	0.003%

Excludes Invalid Votes represented by 2563 Shares

Accordingly, the aforesaid resolutions for which postal ballot was conducted had been approved by the shareholders with requisite majority.

7 DISCLOSURES

- During the year, there were no transactions of material nature with the Directors or the Management or the subsidiary or relatives that had potential conflict of interest with the company.
- The details of “Related Party Disclosures” have been disclosed at serial no. 52 in the Notes Forming Part of Accounts in the Annual Report.
- The applicable accounting standards have been followed in the preparation of financial statements along with proper explanation relating to material departures.
- None of the non-official part-time Directors had any pecuniary relationship or transactions with the Company during the financial year ending 31st March, 2015.
- No items of expenditure have been debited in the books of accounts, which are not for the purpose of business. No expenses, which are personal in nature, have been incurred for the Board of Directors and top management.
- There has been no instance of non-compliance by the Company on any matter related to capital markets, during the last three years. No penalties or strictures have been imposed by SEBI, the Stock Exchange or any Statutory Authority on the Company.
- The Company has complied with the mandatory requirements of revised Clause 49 of the Listing Agreement except in-adequate number of Independent Directors on the Board towards the later part of the year.
- Directors are nominated on training programmes organized by DPE & SCOPE from time to time.

8 MEANS OF COMMUNICATION

- **Quarterly/Annual Results:** The Company regularly intimates un-audited as well as audited financial results to the stock exchanges immediately after these are approved by the Board. These financial results are normally published in the leading English and vernacular dailies having wide circulation across the country. The results are also displayed on the web site of the Company www.stc.gov.in. The results are not sent individually to the shareholders.
- **Limited Review Reports:** “Limited Review” reports of the unaudited financial results for the respective quarter(s) obtained from statutory auditors of the Company are filed with the Stock Exchange(s) from time to time.
- **News Release:** The official news releases are displayed on the Company’s website www.stc.gov.in
- **Website:** The Company’s website www.stc.gov.in contains a separate section where the shareholders information is available. Full Annual Report, Shareholding Pattern and Corporate Governance Report etc. are also available on the website in a user friendly manner.
- **Annual Report:** Annual Report containing inter-alia, Audited Accounts, Directors’ report, Management Discussion and Analysis (MD&A) Report, Auditors’ Report, Corporate Governance Report including information for the Shareholders and other important information is circulated to the members and others entitled thereto.

9 SHAREHOLDERS’ INFORMATION

9.1 Forthcoming AGM – Date, Time and Venue

The Annual General Meeting for the Financial Year ending 31st March, 2015 is scheduled to be held on 28th September, 2015 at 3:00 P.M. at 4th Floor Annexe, Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001.

9.2 Financial Calendar:

Adoption of Quarterly results for the quarter ending	Last date for adoption of Financial Results
June 30, 2015	15 th August, 2015
September 30, 2015	15 th November, 2015
December 31, 2015	15 th February, 2016
March 31, 2016 (Audited)	30 th May, 2016

9.3 Book Closure Period:

The Register of Members shall remain closed from 21.09.2015 to 28.09.2015 (both days inclusive) for the purpose of Annual General Meeting and Dividend, if any.

9.4 Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges:

Name, address and contact details	Security Code	Type of Security
The Bombay Stock Exchange Limited (BSE) P.J. Towers, Dalal Street, Mumbai - 400 001 Telephone: 022-22721233/4 Fax: 022-22723121/3719/2037/2039 E-mail: info@bseindia.com Website: www.bseindia.com	512531	Equity
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. 1, G- Block, Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051. Telephone: 022-26598100-8114 Fax: 022-26598237/38 E-mail: cc_nse@nse.co.in Website: www.nseindia.com	STCINDIA-EQ	Equity

9.5 Listing Fee

The Annual Listing Fee for the listed equity shares pertaining to the year 2015-16 has been paid to the concerned Stock Exchanges.

9.6 Payment of Annual Custody Fee to NSDL and CDSL

Stock code: INE655A01013

The Company has not yet received Annual Custody Fee bill from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2015-16 based on the Folio/ISIN positions as on 31.03.2015. The same will be paid in due course on receipt of the bill.

9.7 Stock Market Data: High/ Low during each month in last financial year

Month	National Stock Exchange			Bombay Stock Exchange		
	High (₹)	Low (₹)	Volume (in no. of Shares)	High (₹)	Low (₹)	Volume (in no. of Shares)
April'14	217.30	177.55	1,31,59,558	217.40	178.00	47,66,083
May' 14	247.50	181.80	1,32,04,838	247.65	181.20	49,48,783
June' 14	241.70	211.00	65,89,914	242.00	211.50	32,13,187
July'14	236.00	195.60	34,80,683	235.80	195.75	29,56,523
August'14	233.90	196.00	44,52,341	234.00	196.05	21,61,615
September'14	223.20	193.00	30,15,757	223.00	193.95	11,06,729
October'14	211.60	185.05	20,27,619	211.40	185.20	6,39,221
November'14	213.50	193.10	19,44,607	213.70	192.25	6,85,302
December'14	208.60	175.60	23,35,201	208.40	175.25	6,90,345
January'15	195.90	178.00	17,47,518	195.70	178.50	5,39,110
February'15	198.00	167.05	27,18,620	198.00	166.30	7,50,366
March'15	185.80	140.00	15,51,316	185.90	140.00	4,67,519

Source: Web-sites of BSE and NSE

9.8 Share Transfer System

M/s MCS Share Transfer Agents Limited is the Registrar and Share Transfer Agent (RTA) for the physical shares. MCS Share Transfer Agents Limited is also the depository interface of the Company with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The shares of the company are traded compulsorily in dematerialized form. Shares received for transfer in physical form are normally processed within a period of 30 days from the date of lodgment of valid share transfer deed along with share certificate. A Share Transfer Committee comprising of two whole time Directors and the Company Secretary is empowered to approve the transfers. No transfer was pending as on 31.03.2015.

Pursuant to the Clause 47-C of the Listing Agreement, certificates from practicing Company Secretary confirming due compliance of share transfer formalities by the Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 are sent to Stock Exchanges on quarterly basis.

In addition, as part of the Capital Integrity audit, a Secretarial Audit Report for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is also submitted to the Stock Exchanges.

Shareholding Pattern as on 31st March, 2015

Category	No. of Shareholders	No. of Shares held	Percentage of Shareholding
President of India (Government of India)	8	5,40,00,000	90.0000
Mutual Funds/ UTI	4	12,108	0.0202
Financial Institutions/ Banks	1	5,805	0.0097
Insurance Companies	4	11,49,320	1.9155
Foreign Institutional Investors	3	93,110	0.1552
Bodies Corporate	630	15,35,842	2.5597
Indian Public	26,733	31,34,611	5.2244
Non Resident Indians	182	69,204	0.1153
Total	27,565	6,00,00,000	100.0000

9.9 Top 10 Shareholders as on 31st March, 2015

Sr. No.	Name	No. of Shares held	% of total shares
1.	President of India (Government of India)	5,40,00,000	90.0000
2.	Life Insurance Corporation of India Limited	5,44,790	0.9080
3.	The New India Assurance Company Limited	5,35,000	0.8917
4.	Sanwaria Agro Oils Ltd	4,72,677	0.7878
5.	UWR Reality Private Limited	2,00,239	0.3337
6.	UAC Commodities Private Limited	1,74,823	0.2913
7.	MV SCIF Mauritius	81,856	0.1364
8.	IL and FS Securities Services Limited	43,726	0.0729
9.	The Oriental Insurance Company Limited	40,936	0.0682
10.	Karvy Stock Broking Limited	33,336	0.0556

9.10 Distribution of Shareholding by Size as on 31st March, 2015

Category (No. of Shares)	Number of shareholders	% of Shareholding	Total number of Shares	% of Shareholders
1-500	18,52,730	3.0879	26,357	95.6177
501-1000	5,50,177	0.9170	702	2.5468
1001-2000	4,44,329	0.7405	293	1.0629
2001-3000	2,11,486	0.3525	84	0.3047
3001-4000	1,40,342	0.2339	40	0.1451
4001-5000	1,37,858	0.2298	30	0.1088
5001-10000	2,14,094	0.3568	28	0.1016
10001-50000	4,39,883	0.7331	23	0.0834
50001-100000	81,856	0.1364	1	0.0036
100001 and above.	5,52,27,245	93.2121	7	0.0254
Total	6,00,00,000	100.0000	27,565	100.0000

9.11 Geographical Distribution of Shareholders as on 31st March, 2015

Sr. No.	City	No. of Shareholders	% to Total Shareholders	No. of Shares	% to Total Shareholders
1.	Ahmedabad	1,712	6.211	3,10,906	0.518
2.	Bengaluru	663	2.405	97,037	0.162
3.	Chennai	948	3.439	2,08,793	0.348
4.	Delhi	5,422	19.670	5,44,84,481	90.807
5.	Hyderabad	427	1.549	96,382	0.161
6.	Jaipur	465	1.687	80,221	0.134
7.	Kanpur	163	0.591	19,824	0.033
8.	Kochi	74	0.268	14,043	0.023
9.	Kolkata	1,162	4.215	2,20,156	0.367
10.	Mumbai	3,676	13.337	20,63,417	3.439
11.	Patna	70	0.254	16,079	0.027
12.	NCR other than Delhi	759	2.753	78,455	0.131
13.	Others	12,024	43.621	23,10,206	3.850
	Total	27,565	100.000	6,00,00,000	100.000

9.12 Corporate Benefits

Dividend History:

Year	Interim/ Final	Rate (%)	Per Share (₹)	Amount (₹ in lakh)
2008-09	Interim	25	2.50	1500.00
	Final	22.50	2.25	1350.00
2009-10	Interim	25	2.50	1500.00
	Final	22.50	2.25	1350.00
2010-11	Final	30	3.00	1800.00
2011-12	Final	20	2.00	1200.00
2012-13	Final	20	2.00	1200.00
2013-14			Nil	

9.13 Transfer of Unpaid/ Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

During the year, amounts of ₹39,376/- and ₹1,44,375/- pertaining to unclaimed/unpaid final dividend for the year 2006-07 and interim dividend for the year 2007-08 respectively were transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. This is in accordance with the Section 124 of the Companies Act, 2013 requiring transfer of dividend remaining unclaimed and unpaid for a period of 7 years from the due date to the IEPF.

The unclaimed/ unpaid final dividend for the FY 2007-08 and interim dividend for FY 2008-09 which is due for transfer to IEPF, should be claimed by the members before 28.10.2015 and 20.03.2016 respectively, after which no claim shall lie against the Fund/ Company in respect of said amount. The due dates of transfer of unpaid/ unclaimed dividend to IEPF for the different financial years are as under:

Sr. No.	Year	Type of Dividend	Dividend Rate (%)	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
1.	2007-08	Final	30	28.10.2015	27.11.2015
2.	2008-09	Interim	25	20.03.2016	19.04.2016
		Final	22.50	30.10.2016	29.11.2016
3.	2009-10	Interim	25	25.03.2017	24.04.2017
		Final	22.50	01.11.2017	01.12.2017
4.	2010-11	Final	30	03.11.2018	03.12.2018
5.	2011-12	Final	20	02.11.2019	02.12.2019
6.	2012-13	Final	20	31.10.2020	30.11.2020

Members, who have not yet encashed their dividend warrant may approach the Registrars and Share Transfer Agents/ Company for issuance of demand draft upon completion of necessary formalities in this behalf in lieu of such warrant.

9.14 Dematerialization of Shares and Liquidity

Description	No. of Shareholders	Shares	% of Equity
CDSL	16,661	5,55,11,748	92.53
NSDL	10,001	44,59,437	7.43
PHYSICAL	903	22,815	0.04
Total	27,565	6,00,00,000	100.00

The shares of the company are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March, 2015, 5,99,77,185 equity shares forming 99.96 % of the shareholding, stood dematerialized.

10. OUTSTANDING GDRs/ADRs/ WARRANTS OR CONVERTIBLE INSTRUMENTS

No GDRs/ADRs/ Warrants or Convertible Instruments have been issued by the Company.

11. ADDRESSES FOR SHAREHOLDERS' CORRESPONDENCE

These have been given at 3.3.3 above.

12. RISK MANAGEMENT

A Risk Management Framework has been instituted to add further objectivity to the process of risk assessment while considering trade proposals. The Risk Management Framework measures the risk involved in a business proposal in the form of a total risk score which is weighed vis-à-vis available risk mitigation measures. An Enterprise level Risk Assessment system has also been put in place.

13. WHISTLE BLOWER POLICY

Clause 49 (II) (F) of the Listing Agreement provides that a listed company shall establish a vigil mechanism for directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Also, in terms of Clause 8 of the DPE Guidelines on Corporate Governance for CPSEs issued in 2010, Company may establish a mechanism for employees to report to the management concerns

of unethical behavior etc. Accordingly, the Company has framed a Whistle Blower Policy with the approval of the Board and the same has been implemented w. e. f. 10th May, 2012.

A suitable mechanism has been put in place to protect the whistle blowers from any kind of harm or harassment.

14. COMPLIANCE CERTIFICATE FROM AUDITORS

A Certificate from the Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is annexed to the Directors' Report forming part of the Annual Report (Annexure V). The Certificate has also been forwarded to the Stock exchanges where the securities of the Company are listed.

15. ADOPTION OF NON-MANDATORY REQUIREMENTS OF CLAUSE 49

The Company is examining the implementation of non-mandatory requirements, wherever possible.

16. GUIDELINES ON CORPORATE GOVERNANCE BY DPE

The Board of Directors of STC has adopted Guidelines on Corporate Governance, 2010 for CPSEs issued by Department of Public Enterprises (DPE) on mandatory basis as the Board approved policy on Corporate Governance.

17. SECRETARIAL AUDIT REPORT

Secretarial Audit was got conducted from M/s Chandrasekran Associates, Company Secretaries confirming compliance to the applicable provisions of the Companies Act, 2013, Listing Agreement, SEBI guidelines, DPE guidelines and all other related rules and regulations relating to Capital Market. The Certificate issued by the Secretarial Auditors confirming all compliances was noted by the Board and forms part of the Directors' Report (Annexure VI).

DECLARATION BY THE CEO AND CFO UNDER CLAUSE 49(IX) OF THE LISTING AGREEMENT

To the Board of Directors of The State Trading Corporation of India Ltd.

We, Khaleel Rahim, Chief Executive Officer & Chairman & Managing Director, and Manoj Mishra, Chief Financial Officer & Director (Finance), certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31.03.2015 and that to the best of our knowledge and belief :
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that :
- i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - ii) There has not been significant changes in accounting policies during the year except those disclosed in the notes to the financial statements; and
 - iii) There has not been any instances during the year of significant fraud except to the extent disclosed in notes to the accounts, of which we had become aware and the involvement therein, if any, of the management or an employee having significant role in the company's internal control system over financial reporting.
- .

Sd/-

(Khaleel Rahim)

Chief Executive Officer and
Chairman & Managing Director

Sd/-

(Manoj Mishra)

Chief Financial Officer and
Director (Finance)

Place : New Delhi

Date : 25.05.2015

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

The State Trading Corporation of India Limited

We have examined the compliance of the conditions of Corporate Governance by The State Trading Corporation of India Limited for the year ended 31st March, 2015 as stipulated in revised Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedure and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by DPE except clause 49 of the listing agreement in respect to the required no. of Independent Directors.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date : 28.05.2015

Place: New Delhi

For Parveen Rastogi & Co.
Company Secretary

Sd/-
Parveen Rastogi
CP No. 2883
Membership No. 4764

Management's Reply to Practicing Company Secretary's Comments on Corporate Governance

Practicing Company Secretary's Comments	Management's Reply
we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by DPE except clause 49 of the listing agreement in respect to the required no. of Independent Directors.	<p>STC is a Government Company. As per Article 79(4)(a) of the Articles of Association of the Company, the President of India have the right to nominate any person for appointment as a Director of the Company.</p> <p>In order to fulfill the requirement of the number of Independent Directors as per the Provisions of Section 149 of the Companies Act, 2013, Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance, the Company has already taken up the matter with the Department of Commerce, Ministry of Commerce and Industry, Government of India for appointment of requisite number of Non-Executive/Independent Directors on the Board of the Company.</p>

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

The Members,
The State Trading Corporation of India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The State Trading Corporation of India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by The State Trading Corporation of India Limited ("the Company") for the financial year ended on March 31, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
 - 1. The Customs Act, 1962
 - 2. Reserve Bank of India Guidelines on Import of Gold by Nominated Banks
 - 3. Policy and Guidelines prescribed by Directorate General of Foreign Trade.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. Not applicable for financial year 2014-15
- (ii) The Listing Agreements entered into by the Company with The National Stock exchange India Limited (NSE Limited) and BSE Limited:

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has not complied with the provision of section 149 of the Companies Act 2013, read with clause 49 of the Listing Agreement in respect to the Independent Directors.

We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to the above mentioned observations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events / actions that having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Sd/-

Rupesh Agarwal
Partner

For Chandrasekaran Associates
Company Secretaries
Membership No. A16302
Certificate of Practice No. 5673

Date: 27.05.2015

Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

The Members

The State Trading Corporation of India Limited

Jawahar Vyapar Bhawan,

Tolstoy Marg, New Delhi -110001

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date:27.05.2015

Place: New Delhi

Sd/-

Rupesh Agarwal

Partner

For Chandrasekaran Associates

Company Secretaries

Membership No. A16302

Certificate of Practice No. 5673

Management's Reply to Secretarial Auditor's Comments

Secretarial Auditor's Comments	Management's Reply
The Company has not complied with the provision of section 149 of the Companies Act 2013, read with clause 49 of the Listing Agreement in respect to the Independent Directors.	<p>STC is a Government Company. As per Article 79(4)(a) of the Articles of Association of the Company, the President of India have the right to nominate any person for appointment as a Director of the Company.</p> <p>In order to fulfill the requirement of the number of Independent Directors as per the Provisions of Section 149 of the Companies Act, 2013, Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance, the Company has already taken up the matter with the Department of Commerce, Ministry of Commerce and Industry, Government of India for appointment of requisite number of Non-Executive/Independent Directors on the Board of the Company.</p>

Sd/-
(R.K. Gogia)
 Company Secretary
 FCS 2889

Sd/-
(Khaleel Rahim)
 Chairman & Managing
 DIN 02455606

Highlights: Ten Years at a Glance

PARTICULARS	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Operating Results										
Sales										
Exports	1,884.27	1,781.02	1,563.49	344.32	491.93	1,503.79	2,131.88	4,002.06	2,927.17	1,094.56
Imports	12,041.81	13,545.80	17,015.28	29,961.20	18,938.22	19,049.10	16,315.54	10,773.24	10,692.46	5,493.27
Domestic	471.13	47.16	119.73	138.78	554.69	955.76	1,338.42	998.82	715.64	537.41
Total	14,397.21	15,373.98	18,698.50	30,444.30	19,984.84	21,508.65	19,785.84	15,774.12	14,335.27	7,125.24
Profits										
Trading	101.64	182.84	118.53	89.73	177.87	144.55	113.06	194.25	167.42	99.56
Before tax	31.40	(492.38)	14.42	17.80	79.63	170.93	144.87	176.51	122.72	56.69
After tax	26.19	(492.20)	17.95	16.47	56.43	106.95	78.51	124.45	88.28	38.95
Overheads (Note 1)	131.76	159.87	134.04	126.29	145.52	131.73	149.31	100.21	98.08	62.28
Interest Outgo (Net)	(55.74)	(30.04)	(69.88)	(69.57)	18.43	(137.70)	(184.30)	(73.13)	(67.40)	(31.31)
Dividend	–	–	12.00	12.00	18.00	28.50	28.50	28.50	18.00	15.00
Net Worth										
Share Capital	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	30.00	30.00
Reserves	978.92	37.73	529.93	621.98	619.46	583.94	510.29	464.89	403.77	335.14
Less : Revaluation Reserve	897.51									
Total	141.41	97.73	589.93	681.98	679.46	643.94	570.29	524.89	433.77	365.14
Bank Borrowings	1,304.14	1,287.80	1,505.39	2,030.32	1,549.09	2,467.85	2,377.32	1,098.66	894.83	202.73
Working Capital (Note 2)										
Inventories	5.50	0.97	43.50	543.71	1,313.75	567.01	1,463.74	647.62	561.18	330.12
Trade Receivables	2,425.25	1,968.44	2,289.11	3,454.85	4,507.94	6,610.96	5,558.53	5,783.80	2,521.23	1,694.19
Other (Net)	(2,108.23)	(1,841.76)	(2,111.53)	(3,826.51)	(3,718.43)	(4,197.57)	(4,176.51)	(4,983.23)	(1,920.49)	(1,598.72)
Total	322.52	127.65	221.08	172.05	2,103.26	2,980.40	2,845.76	1,448.19	1,161.92	425.59
Capital Employed	1,038.71	97.42	589.62	681.67	676.43	640.91	567.25	434.17	343.05	274.42
Significant Ratios										
Trading Profit : Sales (%)	0.71	1.19	0.63	0.29	0.89	0.67	0.57	1.23	1.17	1.40
Profit Before Tax : Sales (%)	0.22	(3.20)	0.08	0.06	0.40	0.79	0.73	1.12	0.86	0.80
Profit Before Tax : Networth (%)	22.20	(503.82)	2.44	2.61	11.72	26.54	25.40	33.63	28.29	15.53
Sales : Capital Employed (Times)	13.86	157.81	31.71	44.66	29.54	33.56	34.88	36.33	41.79	25.96
Inventories : Sales (%)	0.04	0.01	0.23	1.79	6.57	2.64	7.40	4.11	3.91	4.63
Trade Receivables : Sales (%)	16.85	12.80	12.24	11.35	22.56	30.74	28.09	36.67	17.59	23.78
Overheads : Sales (%)	0.92	1.04	0.72	0.41	0.73	0.61	0.75	0.64	0.68	0.87

Note 1 : Overheads excludes rent related expenditure for 2014-15, 2013-14, 2012-13 & 2011-12

Note 2 : Excludes Non Current Items as per revised Schedule VI for 2014-15, 2013-14, 2012-13 & 2011-12

INDEPENDENT AUDITORS' REPORT

To the Members of

The State Trading Corporation of India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **THE STATE TRADING CORPORATION OF INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of Company's seven branches at Ahmedabad, Bangalore, Bhopal, Chennai, Hyderabad, Kolkata and Mumbai.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a) Reference is invited to note no.18.1 relating to contracts of scraps, where transactions of purchases and sales and recoveries had not taken place in terms of contracts. Pending outcome of legal steps initiated for recovery, full provision of ₹ 87.39 Crore was made in earlier year. However, the Company is successful in getting Arbitration Award of Rs 110.00 Crore in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending in this case before Hon'ble High Court, New Delhi.
- b) Reference is invited to note no. 19.1, regarding long term trade receivable ₹ 568.44 Crore on account of export of pharma product to foreign buyer on back to back basis. As there is default in the payment against export bills

by the buyers which have ultimately gone into liquidation, litigation process have been initiated by the Company as well as by Indian Associates and their bankers. A claim of ₹ 527.86 Crore has been admitted by the liquidator. There is however corresponding credit balance of Rs 568.44 Crore under trade payables. Management does not anticipate any liability on this account.

- c) Reference is invited to note no. 22.1, regarding trade receivable of ₹ 122.46 Crore due from Jhagadia Copper Limited. The Company is under Liquidation. The entire amount is secured by pledge of stocks to the Company (procured under advance license with export obligation). Financial impact of the same cannot be ascertained at this stage.
- d) Reference is invited to note no 22.2, regarding long term trade receivable of ₹ 1640.53 Crore due from one of the business associates who have stopped operation of their plant due to extreme volatility of prices. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the Company by 10.11.2012. During the year, the business associate remitted an amount of ₹ 33 crore and has sought more time for payment. The same was not agreed by the Company and case for enforcement of decree was filed before the Hon'ble Supreme Court and decree was noted to be final. The management is hopeful of full recovery.
- e) Reference is invited to note no. 25.1, regarding claims recoverable include ₹ 2.72 crore towards carrying costs for delayed lifting of pulses by State Governments. Claim for the same was lodged during the year 2011-12 and the same is being followed up with the State Governments. Since, there is credit balance available with the Company, no provision is considered necessary.
- f) Reference is invited to note no. 45(b), regarding contingent liability of ₹ 82.57 crore payable to foreign supplier as per arbitral award, for which the Company has filed appeal in the Hon'ble Delhi High Court and simultaneously lodged the claim with Ministry of Consumer Affairs as transaction was under taken on their behalf. In view of the above no provision is considered necessary.
- g) Reference is invited to note no.19.2, regarding long term trade receivable of ₹ 788.47 Crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balance of ₹ 342.18 Crore are available, leaving net receivable of ₹ 446.29 Crore. Actions against the business associate have been initiated. The matter is being pursued legally and company is hopeful of recovery. As a measure of abundant caution full provision of ₹ 446.29 Crore being net receivable, has been made.
- h) Reference is invited to note no. 19.5, regarding long term trade receivable of ₹ 59.23 crore recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of the Company. The party has paid an amount of ₹ 19.50 crore during the current year. However, upon non-payment of entire overdue, the Company resorted to sale of the pledged stocks to another party and an amount of ₹ 33.65 crore was received as advance payment up to 31.03.2015 from the buyer against sale. Hence, no provision is considered necessary.
- i) Reference is invited to note no. 19.8, regarding long term trade receivable of ₹ 58.55 Crore due from one of the business associates for goods sold in earlier years. The entire balance overdue is secured by pledge of stocks in favour of the Company. In current year payment of ₹ 5 Crore received from the party. The company has invoked risk sale clause of the agreement and floated tender for sale of pledged stocks. The management is hopeful of the full recovery.
- j) Reference is invited to note no. 19.10, regarding long term trade receivable of ₹ 10.21 crore recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolien under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by the Company except the outstanding balance of ₹ 10.21 crore pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED, Govt. of Maharashtra for recovery. The management is hopeful of the full recovery.
- k) Reference is invited to note No. 47 & 48 relating to Pending reconciliation/confirmation of balances in parties accounts, claims recoverable, advances and current liabilities and consequential adjustment that may arise on reconciliation.

Our opinion is not modified in respect of these matters.

Other Matter

We did not audit the financial statements/information of seven branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of ₹ 1439.32 crore as at 31st March, 2015 and total revenues of ₹ 4897.55 crore for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors and management replies to the observations of the branch auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our observations, reports received from branch auditors in respect of branches not visited by us, and explanations received from management, we give in the Annexure 'A' statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit except certain old records/information at Mumbai branch, legal case details at Ahmedabad branch and balance confirmation of parties as mentioned in para no. (k) above under Emphasis of Matters.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by the branch auditors have been sent to us alongwith management replies to the observations of the branch auditors and have been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (f) On the basis of the written representations received from the directors appointed during financial year 2014-15 at the time of appointment and further confirmed by the Company none of the directors are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act. Prior to 1-4-2014 in terms of Notification no GSR 829(E) dt. 21-10-2013 issued by Department of Company Affairs, Government of India, the provisions of section 274(1)(g) of Companies Act, 1956 were not applicable to the Company.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note No. 18.1, 19.1 to 19.10, 22.1, 22.2, 25.1, 45 & 46 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except a sum of ₹ 24750/- as referred in note no. 6.2 to the financial statements.
3. The Company has not complied with the provisions of section 149 of the Companies Act, 2013, read with clause 49 of the listing agreement in respect to Independent Directors.
4. As required by C&AG of India through directions issued under Section 143(5) of the Act, we give a report in the attached Annexure 'B'.

For P. Jain & Company
Chartered Accountants
Firm Regn. No.000711C

Sd/-
Pankaj Jain
Partner

Place : New Delhi
Date : 28th May, 2015

M. No. 097279

ANNEXURE 'A' TO INDEPENDENT AUDITOR'S REPORT

(Re: The State Trading Corporation of India Limited Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except that updation of fixed assets register with respect to addition made in the new premises at Chennai Branch.
(b) The fixed assets were physically verified by the management during the year except physical verification of fixed assets at Corporate Office, which is under process. We have been informed that no material discrepancies were noticed on such physical verification wherever done.
2. (a) As explained to us, verification of inventories undertaken by the Company through surveyor from time to time. In respect of the goods in the custody of third parties, certificate is obtained from the Clearing & Handling Agents or the warehousing corporation or from the concerned parties. In our opinion, the verification of goods like coal, wheat, copper etc. is not by actual weighment, but by actual receipt and dispatch without accounting for losses due to handling /obsolete / non- moving stock. In respect of stock of Wheat 1925.780 MTs at Kandla Port lying since the year 2004-05 as there was no confirmation of the quality and quantity available, the value of the same is being taken as nil at Ahmedabad Branch.
(b) In our opinion, though the procedures for physical verification is in place and instructions & guidelines are issued from time to time for verification of stock/inventories, but the same be followed strictly for materials which are handled by and are in custody of third parties. The Ahmedabad Branch auditor has reported that the management has not laid down proper guidelines with regard to the periodicity and procedure for verification which is necessary to strengthen its control over materials.
(c) The Company is not maintaining any separate stock register. However, transaction-wise-stock details are compiled for control over the stock and necessary details are obtained from the custodian of stock viz., Port Authorities, Warehouse of Business Associates. Discrepancies, wherever noticed on verification have been properly dealt with, except in case of stock of wheat at Kandla as mentioned in Para 2(a) above in our report.
3. As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clauses (iii)(a)&(b) of paragraph 3 of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. On the basis of our examination and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system during the course of the audit. However, internal control system regarding review, realization of advances and other claims and reconciliation of balance of sundry debtors and creditors require strengthening. The deficiencies/weakness in implementing the internal control system i.e. no specific authorization level to make modifications in the entries prepared in the system reported at Chennai Branch. The internal control system for the purchase and sale of inventory, services and fixed assets need to be strengthened, considering the size of the branch and the nature of its business at Ahmedabad Branch.
5. The Company has not accepted any deposits from the public during the year and consequently, the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and rules framed there under are not applicable to the Company. However certain old amount are outstanding in advances from customers/credit balance in customer account which as explained to us is immaterial and is subject to reconciliation and adjustment, if any.
6. As informed by the management, the Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act for the Company.
7. (a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have been generally regularly deposited with the appropriate authorities. There were no undisputed amounts payables in respect of the aforesaid dues which were outstanding as at 31st March, 2015 for a period of over six months from the date they became payable.

- (b) According to the information and explanations given to us, there are following disputed statutory dues aggregating ₹ 68.53 crore on account of Income tax, ₹ 2159.91 crore on account of Sales tax/VAT and ₹ 15.25 crore on account of Service tax.

Name of the statute	Nature of dues	Amount (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax				
INCOME TAX ACT	Income Tax	4.07	2009-10	ITAT, Delhi
INCOME TAX ACT	Penalty	2.58	2009-10	CIT(A), Delhi
INCOME TAX ACT	Income Tax	50.22	2010-11	CIT(A), Delhi
INCOME TAX ACT	Income Tax	6.19	2011-12	CIT(A), Delhi
INCOME TAX ACT	Income Tax	5.47	2012-13	CIT(A), Delhi
Sales Tax				
TNGST/AST/CST (Chennai Branch)	Sales Tax (incl. penalty)	0.84	1974-75, 1975-76, 1986-87, 1987-88, 1989-90 & 1991-92	Hon'ble Madras High Court
Central Sales Tax Act (Chennai Branch)	Central Sales Tax	0.01	1987-88	Appellate Tribunal
Bihar Sales Tax Act (Kolkata Branch)	Sales Tax	0.02	1981-82	Sales Tax Appellate Tribunal
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.07	1981-82	Assessing Officer
Orrisa Sales Tax Act (Kolkata Branch)	Sales Tax	0.01	1988-89	Commissioner (Appeals), Orrissa
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.02	1993-94 to 1995-96	Hon'ble Assam High Court
Central Sales Tax Act (Kolkata Branch)	Central Sales Tax	0.23	2003-04	Joint Commissioner, Sales Tax
Delhi VAT Act	Sales Tax	1017.43	2006-07	Special Commissioner VAT
Delhi VAT Act	Sales Tax	0.34	2007-08	DVAT, Appellate Tribunal
Delhi VAT Act	Sales Tax	0.02	2010-11	Sales Tax Officer
Maharashtra Sales Tax Act	Sales Tax	140.17	1992-93, 1996-97 & 2000-01	Maharashtra Sales Tax Tribunal
Maharashtra Sales Tax Act	Sales Tax	1000.75	1993-94, 2002 to 2007 & 2010-11	Joint Commissioner Sales Tax
Service Tax				
Finance Act, 1994 (Kolkata Branch)	Service Tax	7.29	2005-06 to 2006-07	CESTAT
Finance Act, 1994	Service Tax	7.96	2007-08 to 2013-14	Commissioner Service Tax

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules there under has been transferred to such fund within time except a sum of ₹ 24750/-, as referred in note no. 6.2 to the financial statements.

8. The company has no accumulated losses at the end of financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. Based on our audit procedure and the information and explanations given by the management, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

10. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. According to the information and explanations given to us, no term loan has been obtained by the Company during the year except renewal of existing working capital term loan of ₹ 216.28 crore for another two years.
12. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For P. Jain & Company
Chartered Accountants
Firm Regn. No.000711C

Place : New Delhi
Date : 28th May, 2015

Sd/-
Pankaj Jain
Partner
M. No. 097279

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of The State Trading Corporation of India Limited (Standalone) for the year 2014-15 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

Sl. No.	Area Examined	Observation/Finding																		
1	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	As informed to us no communication were received for disinvestment in the Company from Department of Dis-investment.																		
2	Please report whether there are any cases of waiver/write off of debts/loans/ interest etc., if yes, the reasons there for and amount involved.	Sundry debtors recoverable to the extents of Rs 14.16 crore were written off during the year. These were old cases and as explained chances of recovery was very less.																		
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	<p>In our opinion, though the procedures for physical verification is in place and instructions & guidelines are issued from time to time for verification of stock/inventories but the same is not being followed strictly for all materials which are handled by and are in custody of third parties.</p> <p>The Company is not maintaining any separate stock register. However, transaction-wise-stock details are compiled for control over the stock and necessary certificate/details are obtained from the custodian of stock viz., Port Authorities, Warehouse of Business Associates. Discrepancies, wherever noticed on verification have been properly dealt with, except in case of stock of wheat at Kandla. The verification of goods like coal, wheat, copper etc. is not by actual weighment, but by actual receipt and dispatch without accounting for losses due to handling / obsolete/ non- moving stock.</p>																		
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>Age-wise outstanding list of legal & arbitration cases are as under</p> <table><thead><tr><th>Year</th><th>No. of Cases</th></tr></thead><tbody><tr><td>2015</td><td>11</td></tr><tr><td>2014</td><td>23</td></tr><tr><td>2013</td><td>10</td></tr><tr><td>2012</td><td>18</td></tr><tr><td>2011</td><td>12</td></tr><tr><td>2010</td><td>9</td></tr><tr><td>2009</td><td>24</td></tr><tr><td>Prior to 2009</td><td>45</td></tr></tbody></table>	Year	No. of Cases	2015	11	2014	23	2013	10	2012	18	2011	12	2010	9	2009	24	Prior to 2009	45
Year	No. of Cases																			
2015	11																			
2014	23																			
2013	10																			
2012	18																			
2011	12																			
2010	9																			
2009	24																			
Prior to 2009	45																			
		<p>Reasons for the pendency of legal cases is that cases are being taken up by the Hon'ble Court as per the procedure and turn fixed. Legal expenses are being incurred as per the policy and approval of the appropriate authority.</p> <p>The above age-wise analysis of legal cases does not include details of Mumbai & Ahmedabad Branch as the same were not received.</p>																		

BALANCE SHEET AS AT 31ST MARCH, 2015

(Amount in ₹ Crore)

PARTICULARS	Note No.	As at 31st March, 2015	As at 31st March, 2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's funds			
(a) Share capital	1	60.00	60.00
(b) Reserve & Surplus	2	978.92	37.73
(c) Money received against share warrants	3	–	–
(2) Share application money pending allotment	4	–	–
TOTAL (1+2)		1,038.92	97.73
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	176.28	–
(b) Other long term liabilities	6	1,167.06	1,153.22
(c) Long-term provisions	7	101.47	100.12
TOTAL (3)		1,444.81	1,253.34
(4) Current Liabilities			
(a) Short-term borrowings	8	1,127.86	1,287.80
(b) Trade Payables	9	726.46	304.36
(c) Other current liabilities	10	305.02	352.65
(d) Short-term provisions	11	15.86	16.42
TOTAL (4)		2,175.20	1,961.23
Total		4,658.93	3,312.30
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	12	959.55	62.39
(ii) Intangible Assets	13	–	0.04
(iii) Capital Work In Progress	14	0.39	0.86
(iv) Intangible Assets under development	15	–	–
Total (a)		959.94	63.29
(b) Non-Current investments	16	0.21	0.31
(c) Deferred tax assets (net)	17	73.01	73.01
(d) Long-term loans and advances	18	16.38	25.82
(e) Other non-current assets	19	1,111.67	1,060.99
TOTAL (1)		2,161.21	1,223.42
(2) Current Assets			
(a) Current investments	20	–	–
(b) Inventories	21	5.50	0.97
(c) Trade receivables	22	2,425.25	1,968.44
(d) Cash and cash equivalents	23	6.51	58.13
(e) Short-term loans and advances	24	38.98	34.19
(f) Other current assets	25	21.48	27.15
TOTAL (2)		2,497.72	2,088.88
Total		4,658.93	3,312.30

Significant Accounting Policies

44

Other Notes

45-57

Notes referred to above form an integral part of accounts.
As per our report of even date attached

FOR P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Place : New Delhi
Dated : 28.05.2015

Sd/-
(KHALEEL RAHIM)
Chairman & Managing Director

Sd/-
(B R DHAWAN)
Chief General Manager - Finance

Sd/-
(MANOJ MISHRA)
Director - Finance

Sd/-
(R. K. GOGIA)
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Amount in ₹ Crore)

PARTICULARS		Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
I.	Revenue from operations	26	14,494.01	15,448.63
II.	Other income	27	241.53	208.91
III.	Total Revenue (I+II)		14,735.54	15,657.54
	Expenses-			
	a) Cost of Materials consumed	28	0.05	0.16
	b) Purchases of stock-in -Trade	29	14,388.61	15,214.10
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(4.42)	42.49
	d) Employee benefits expense	31	100.41	133.08
	e) Finance costs	32	157.78	154.41
	f) Depreciation and amortisation expense	33	20.02	4.36
	g) Other expenses	34	39.49	35.83
IV.	Total expenses (a+b+c+d+e+f+g)		14,701.94	15,584.43
V.	Profit before exceptional and extraordinary items and tax (III-IV)		33.60	73.11
VI.	Exceptional items - Debit/(Credit)	35	3.31	565.63
VII.	Profit before extraordinary items and tax (V-VI)		30.29	(492.52)
VIII.	Extraordinary items	36	–	–
IX.	Prior period adjustment net - (Debit)/Credit	37	1.11	0.14
X.	Profit before tax (VII-VIII+IX)		31.40	(492.38)
XI.	Tax expense:			
	(1) Current tax (MAT)	38	9.81	–
	(2) Tax relating to earlier years		(0.79)	(0.18)
	(3) MAT credit entitlement		(3.81)	–
	(4) Deferred tax	39	–	–
	Total Tax Expense (XI)		5.21	(0.18)
XII.	Profit(loss) for the period from continuing operations (X-XI)		26.19	(492.20)
XIII.	Profit (loss) from discontinuing operations	40	–	–
XIV.	Tax expense of discontinuing operations	41	–	–
XV.	Profit (loss) from discontinuing operations after tax (XIII-XIV)		–	–
XVI.	Profit (Loss) for the period (XII +XV)		26.19	(492.20)
XVII.	Earning per equity share			
	(1) Basic (in ₹)	42	4.36	(82.03)
	(2) Diluted (in ₹)	43	4.36	(82.03)
	Significant Accounting Policies	44		
	Other Notes	45-57		

Notes referred to above form an integral part of accounts.
As per our report of even date attached

FOR P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)

Partner
M. No. 097279

Place : New Delhi
Dated : 28.05.2015

Sd/-
(KHALEEL RAHIM)
Chairman & Managing Director

Sd/-
(B R DHAWAN)
Chief General Manager - Finance

Sd/-
(MANOJ MISHRA)
Director - Finance

Sd/-
(R. K. GOGIA)
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(Amount in ₹ Crore)	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX & EXTRAORDINARY ITEMS	30.29	(492.52)
ADJUSTMENT FOR:		
-Interest on working capital loans	139.30	153.32
-Depreciation	20.02	4.36
-Net write back of advances	10.97	104.47
-Income/Expenditure relating to let out property	(17.82)	(16.30)
-Loss on sale of asset	0.01	0.08
-Liabilities written back	(7.77)	(18.29)
-Profit on sale of assets	(0.00)	(0.02)
-Net Write off assets	0.01	0.00
-Provision for investment	0.10	144.82
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	175.11	(264.91)
ADJUSTMENT FOR:		
-Trade and other receivables	(505.60)	823.32
-Inventories	(4.53)	42.53
-Trade and other payables	366.45	(408.91)
CHANGES IN WORKING CAPITAL	31.43	192.03
Income Tax Paid	(7.76)	(3.81)
CASH FLOW BEFORE PRIOR PERIOD ITEMS	23.67	188.22
Prior Period Adjustment	0.69	0.14
NET CASH GENERATED/USED IN OPERATING ACTIVITIES (A)	24.37	188.36
B CASH FLOW FROM INVESTING ACTIVITIES:		
-Purchase of Fixed Assets	(1.28)	(9.85)
-Sale of Fixed Assets	0.02	0.13
-Let out properties (Net)	17.82	16.30
NET CASH FROM INVESTING ACTIVITIES (B)	16.57	6.58

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	(Amount in ₹ Crore)	
	For the year ended 31st March, 2015	For the year ended 31st March, 2014
C CASH FLOW FROM FINANCING ACTIVITIES :		
-Dividend paid (including Dividend Tax)	–	(14.04)
-Increase in working capital loan(net)	46.75	(217.59)
-Interest paid	(139.30)	(153.32)
NET CASH FROM FINANCING ACTIVITIES (C)	(92.55)	(384.95)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(51.62)	(190.00)
Reconciliation of cash & cash Equivalents		
Closing cash & bank balances as per Balance Sheet	6.51	58.13
Opening cash & bank balances as per Balance Sheet	58.13	248.14
Cash & Bank balances as per Cash Flow Statement	(51.62)	(190.00)

Significant accounting policies

44

Other Notes

45-57

Notes referred to above form an integral part of accounts.
As per our report of even date attached

Notes referred to above form an integral part of accounts.
As per our report of even date attached

FOR P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

Sd/-

(PANKAJ JAIN)

Partner
M. No. 097279

Place : New Delhi
Dated : 28.05.2015

Sd/-

(KHALEEL RAHIM)

Chairman & Managing Director

Sd/-

(B R DHAWAN)

Chief General Manager - Finance

Sd/-

(MANOJ MISHRA)

Director - Finance

Sd/-

(R. K. GOGIA)

Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

(Amount in ₹ Crore)

NOTE NO. 1 SHARE CAPITAL

	As at 31st March 2015	As at 31st March 2014
I) Authorized Share Capital		
200,000,000 Equity Shares having face value of ₹10/- each	200.00	200.00
II) Issued, Subscribed & Fully Paid up		
60,000,000 Equity shares having face value of ₹10/- each	60.00	60.00

III) Details of Bonus Issue during the preceding five years :

-----NIL-----

IV) Equity shares issued and subscribed do not enjoy any differential rights

V) Reconciliation of no. of shares :

Class of share capital	Opening as at 01.04.2014	issued during the year	Shares bought back during the year	Closing as at 31.03.2015
Equity share of ₹10/- each	6,00,00,000	–	–	6,00,00,000
Previous Year	6,00,00,000	–	–	6,00,00,000

VI) Details of Share holders holding more than 5% shares

S. No.	Name	31.03.2015 No. of shares held	31.03.2014 No. of shares held	31.03.2015 % of shares held	31.03.2014 % of shares held
1	Govt. of India	5,40,00,000	5,40,00,000	90.00	90.00

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 2 RESERVE & SURPLUS

Particulars	Balance as at 01.04.2014	Additions	Deductions/ Appropriation	Balance as at 31.03.2015
Capital Reserve	1.00	—	—	1.00
Bonus Reserve*	—	—	—	—
Exchange Fluctuation Reserve	6.50	—	—	6.50
Revaluation Reserve (Refer Note no. 12.3)	—	914.25	16.74	897.51
General Reserve	30.23	16.74	—	46.97
Surplus	—	26.94	—	26.94
Total	37.73	957.93	16.74	978.92
Previous Year	529.93	(55.46)	436.74	37.73

	2014-15	2013-14
2.1 Details of Addition to Surplus		
Current year profit after tax	26.19	(492.20)
Transfer from Export/Import Contingency Reserve	—	388.00
Transfer from General Reserve	—	48.74
Transfer to Retained Earnings on account of depreciation as per Co's Act 2013	0.75	—
Transfer from Bonus Reserve*	—	—
	26.94	(55.46)
2.2 Details of Deduction/Appropriation from Surplus		
Proposed Dividend	—	—
Tax on Dividend	—	—
Transfer to General Reserve	—	—
Transfer to Export/Import Contingency Reserve	—	—
Transfer to Bonus Reserve*	—	—
	—	—

2.3 Details of Negligible Value	Balance as at 01.04.2014	Additions	Deductions/ Appropriation	Balance as at 31.3.2015
*Bonus Reserve (₹)	27,948	5,306	10,384	22,870

2.4 Bonus reserve represents "Set On" available under the Payment of Bonus Act, 1965.

2.5 Deductions from Bonus Reserve represents amount transferred to statement of Profit & Loss being "Set Off" as per the Payment of Bonus Act, 1965.

2.6 Details of Deduction/Appropriation from Surplus	2014-15	2013-14
Transfer from Revaluation Reserve on account of additional depreciation due to revaluation	16.74	—
	16.74	—

NOTE NO. 3 MONEY RECEIVED AGAINST SHARE WARRANTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Money received against share warrants	—	—

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 4

SHARE APPLICATION MONEY PENDING ALLOTMENT

Particulars	As at 31st March, 2015	As at 31st March, 2014
Share application money pending allotment	–	–

NON-CURRENT LIABILITIES

NOTE NO. 5

LONG TERM BORROWINGS

Particulars	As at 31st March, 2015	As at 31st March, 2014
I. Term Loans		
- From banks - Secured	176.28	–
TOTAL	176.28	–

5.1 Term loan from banks is secured against current assets of the company on pari-passu basis.

5.2 Maturity and interest profile of loans.

Rate of Interest	Non Current	Current
	2016-17	2015-16
11.35%	176.28	30.00

NOTE NO. 6

OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
Trade payables		
a. Bill acceptances	11.94	11.53
b. Sundry creditors		
- Micro, small & medium enterprises	–	–
- Others	1,008.63	959.92
Total Trade Payables (a+b)	1,020.57	971.45
Others		
a. Customer at credit	19.46	23.21
b. Advance from customers	3.09	9.75
c. Other liabilities		
- Outstanding liabilities for goods & services received	93.63	115.01
- Stale cheques	0.04	0.07
- Deposits	7.81	7.24
- Security deposits	3.42	3.45
- Earnest money deposits	5.12	8.84
Total Others (a+b+c)	132.57	167.57
d. Employees' dues:-		
Encashment of earned leaves (Refer Note no. 53)	13.92	14.20
Total Employees' cost payable	13.92	14.20
Total (Others)	146.49	181.77
TOTAL OF NOTE NO. 6	1,167.06	1,153.22

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

6.1 Details in respect of dues to Micro, small & medium enterprises	As at 31st March, 2015	As at 31st March, 2014
a. Principal amount due & remaining unpaid	–	–
b. Interest due on above and the unpaid interest	–	–
c. Interest paid by the buyer beyond appointed day during the accounting year	–	–
d. Amount of interest accrued & remain unpaid at the end of the accounting year	–	–
e. Amount of further interest due & payable even in succeeding year, until such date when the interest due as above is actually paid to small enterprises	–	–

6.2 Other liabilities include an amount of ₹ negligible (negligible) appearing as unclaimed dividend for the year 2004-05 (Final) and ₹ negligible (negligible) for the F.Y. 2005-06 (Interim) which could not be transferred to Investor Education & Protection Fund (IEPF), due to dividend kept in abeyance cases, as reported by bank. The details of negligible value are ₹ 13,350/- (₹ 13,350/-) for F.Y. 2004-05 (Final) and ₹ 11,400/- (₹ 11,400/-) for F.Y. 2005-06 (interim). The matter is being pursued with the bank to obtain the details so that a suitable action can be taken in the current year.

NOTE NO. 7

LONG TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Provision for employees' benefits (Refer Note no. 53)		
Encashment of half pay leave	11.79	11.32
Post retirement medical benefits	88.23	87.41
Long service award	1.45	1.39
Total	101.47	100.12

CURRENT LIABILITIES

NOTE NO. 8

SHORT TERM BORROWINGS:-

Particulars	As at 31st March, 2015	As at 31st March, 2014
I. Term Loans		
- From banks	–	246.29
II. Working Capital Loans		
a. From banks		
- Cash Credit	1,025.59	1,041.51
- Working Capital Demand Loan	100.00	–
- Buyers Credit	2.20	–
III. Other loans & advances - Unsecured	0.07	–
TOTAL	1,127.86	1,287.80

8.1 Break Up of Term Loan From Bank

- Secured	–	246.29
- Unsecured	–	–
TOTAL	–	246.29

8.2 Break Up of Working Capital Loan

- Secured	1,127.79	1,041.33
- Unsecured	–	0.18
TOTAL	1,127.79	1,041.51

8.3 Working Capital Loans from banks are secured by pari-passu charge over current assets of the company.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 9 TRADE PAYABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Bill acceptances	11.68	7.97
b. Sundry creditors		
- Micro, small & medium enterprises	0.06	–
- Others	714.72	296.39
Total Trade Payable	726.46	304.36

9.1 Details in respect of dues to micro, small & medium enterprises based on information available with the Company.

a. Principal amount due & remaining unpaid	0.06	–
b. Interest due on above and the unpaid interest	–	–
c. Interest paid by the buyer beyond appointed day during the accounting year	–	–
d. Amount of interest accrued & remain unpaid at the end of the accounting year	–	–
e. Amount of further interest due & payable even in succeeding year, until such date when the interest due as above is actually paid to small enterprises	–	–

NOTE NO. 10 OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
a. Customer at credit	72.53	147.56
b. Advance from customers	30.42	76.59
c. Unclaimed dividend	0.23	0.25
d. Investor Education & Protection Fund	0.01	–
e. Current maturities of long term borrowings	30.00	–
f. Other liabilities		
- Outstanding liabilities for goods & services received	67.40	22.89
- Stale Cheques	0.01	0.03
- Deposits	5.97	9.34
- Security deposits	6.50	1.56
- Earnest money deposits	33.04	35.91
- Liability for CSR	0.73	0.58
- Book overdraft	0.08	–
Total (a+b+c+d+e+f)	246.92	294.71
g. Employees' cost:-		
Pay & Allowances	0.17	0.16
Other expenses	0.15	0.07
Dues to employees on accrual basis	0.81	1.67
Encashment of earned leaves (Refer note no. 53)	1.75	2.01
Undisbursed salary	0.02	0.01
Total (g)	2.90	3.92

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 10

OTHER CURRENT LIABILITIES (Contd.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
h. Remittances:-		
Professional Tax	0.01	–
Sale Tax /Value Added Tax (VAT)	5.92	4.07
Service Tax	0.11	0.05
Income Tax deducted at source	0.97	1.61
Contribution to Provident Fund	1.53	1.75
Contribution to Employees Pension Scheme-95	0.06	0.03
Contribution to Employees Pension Fund	0.29	0.33
Salary saving scheme	0.01	0.01
Thrift society	0.07	0.05
Entry Tax	–	0.45
Others	0.18	0.04
Total (h)	9.15	8.39
i. Interest accrued and due on borrowings	46.05	45.63
Total (i)	46.05	45.63
TOTAL OF NOTE NO. 10	305.02	352.65

10.1 Against interest accrued and due on borrowings, bank guarantee of ₹ 44.70 crore (₹ 43.80 crore) have been issued to Bank.

10.2 Deposit includes ₹ 4.24 Crore (₹ 4.32 Crore) from wholly owned subsidiary company.

10.3 The liability for CSR outstanding as on 31.03.2015 for the earlier years budgeted amount is ₹ 0.41 crore.

10.4 Gross amount required to be spent by the company during the year ₹ 0.40 crore (₹ 0.54 crore)

S. No.	Nature of Expenditure	Cash Paid	Yet to be paid	Total
1	Construction / Acquisition of Asset	0.02 (0.30)	0.27 (Nil)	0.29 (0.30)
2	On purpose other than (1) above	0.05 (0.50)	0.01 (Nil)	0.06 (0.50)

NOTE NO. 11

SHORT TERM PROVISIONS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Provision for employees' benefits (refer Note no. 53)		
Encashment of half pay leave	1.97	2.40
Post retirement medical benefits	6.35	6.56
Long service award	0.12	0.16
Gratuity	0.84	7.02
Pension	–	0.02
Performance Related Pay	0.02	0.05
Others	1.26	–
Total (a)	10.56	16.21
(b) Other Provisions		
Contingencies	5.25	0.11
Exchange difference on forward contract	–	0.07
Others	0.05	0.03
Total (b)	5.30	0.21
Total (a+b)	15.86	16.42

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 12

TANGIBLE ASSETS

A. OWNED ASSETS		GROSS			
S. No.	Description	As on 01.04.2014	Additions	Deductions/ Adjustments	As on 31.03.2015
		(1)	(2)	(3)	(4)= (1)+(2)–(3)
1	Land	7.04	19.01	0.01	26.04
2	Buildings	8.15	115.64	0.06	123.73
3	Plant & Machinery	21.83	0.98	(3.74)	26.55
4	Furniture & Fittings	4.17	0.03	0.05	4.15
5	Motor Vehicles	1.33	0.29	0.05	1.57
6	Office equipment	5.20	0.09	3.27	2.02
7	Railway sidings	–	–	–	–
8	Computers, data processing units & communication equipment	2.98	0.23	0.38	2.83
9	Electrical installations & equipment	–	–	(5.52)	5.52
Total		50.70	136.27	(5.44)	192.41
B. LEASEHOLD ASSETS					
1	Land	2.66	592.13	–	594.79
2	Buildings	52.39	187.60	5.55	234.44
3	Roads, culverts & sewerage etc	0.21	–	0.18	0.03
4	Plant & Machinery	–	–	–	–
Total		55.26	779.73	5.73	829.26
Grand Total		105.96	916.00	0.29	1,021.67
Previous Year		100.06	35.92	30.02	105.96

12.1 The process of issuance of sub divided lease deeds in respect of STC's office complex at New Delhi, residential land and flats at Mehrauli Road, Delhi separately in the name of company and its co owners is pending. Original cost of land is ₹ 1.04 crore (₹ 1.04 crore) and of building for housing colony and office complex is ₹ 18.66 crore (₹ 18.55 crore). Gross block after revaluation of such land is ₹ 548.33 crore and of such Building is ₹ 185.65 crore. Execution of lease deed in respect of flats at AGVC complex is pending. The original cost of such flats is ₹ 1.25 crore (₹ 1.25 crore) and the Gross Block after revaluation is ₹ 28.42 crore.

12.2 Formal lease deed in respect of Lease hold plot where company has tank farm installation at Mumbai Port Trust is yet to be executed though lease has been extended by way of allotment letter. Registration of deed of conveyance in respect of 7 flats at Mumbai is pending. Total original cost of such flat is ₹ 0.41 crore (₹ 0.41 crore) and revalued amount is ₹ 33.19 crore.

NOTE NO. 13

INTANGIBLE ASSETS

A. OWNED ASSETS		GROSS			
S. No.	Description	As on 01.04.2014	Additions	Deductions/ Adjustments	As on 31.03.2015
		(1)	(2)	(3)	(4)= (1)+(2)–(3)
1	Computer software	0.38	–	0.01	0.37
	Total	0.38	–	0.01	0.37
	Previous Year	0.36	0.02	–	0.38

13.1 Intangible assets are amortized @ 40% p.a. on straight line basis. The useful life of the assets is considered to be two and half years.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

DEPRECIATION			NET		
Upto 31.03.2014	Deductions/ Adjustments	For the year 2014-15	Upto 31.03.2015	31.03.2015	31.03.2014
(5)	(6)	(7)	(8) = (5)+/- (6)+(7)	(9) = (4)-(8)	(10) = (1)-(5)
–	–	–	–	26.04	7.04
1.95	0.02	4.11	6.04	117.69	6.20
13.40	1.18	1.01	13.23	13.32	8.43
3.12	0.16	0.15	3.11	1.04	1.05
1.32	0.12	0.03	1.23	0.34	0.01
2.63	1.09	0.13	1.67	0.35	2.57
–	–	–	–	–	–
2.62	0.44	0.21	2.39	0.44	0.36
–	(2.96)	0.29	3.25	2.27	–
25.04	0.05	5.93	30.92	161.49	25.66
0.91	0.42	0.65	1.14	593.65	1.75
17.44	0.80	13.40	30.04	204.40	34.95
0.18	0.16	–	0.02	0.01	0.03
–	–	–	–	–	–
18.53	1.38	14.05	31.20	798.06	36.73
43.57	1.43	19.98	62.12	959.55	62.39
42.36	3.10	4.31	43.57	62.39	

12.3 During the year company has revalued its immovable properties and consequently an amount of ₹ 914.25 crore is credited to revaluation reserve. As a result of revaluation additional depreciation amounting ₹ 16.74 crore is transferred from revaluation reserve to general reserve.

12.4 With effect from 1st April, 2014, as per applicable provisions of the Companies Act, 2013 (the “Act”), the depreciation has been provided on straight line method as per the useful life of assets specified in the Act, as a result of this change, depreciation provided for the year is less by ₹ 1.08 crore.

DEPRECIATION			NET		
Upto 31.03.2014	Deductions/ Adjustments	For the year 2014-15	Upto 31.03.2015	31.03.2015	31.03.2014
(5)	(6)	(7)	(8) = (5)+/- (6)+(7)	(9) = (4)-(8)	(10) = (1)-(5)
0.34	0.01	0.04	0.37	–	0.04
0.34	0.01	0.04	0.37	–	0.04
0.29	–	0.05	0.34	0.04	–

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 14

CAPITAL WORK IN PROGRESS

S. No.	Description	GROSS			As on 31.03.2015
		As on 01.04.2014	Additions	Deductions	
		(1)	(2)	(3)	(4)= (1)+(2)-(3)
1	Office Building	0.27	–	–	0.27
2	Plant & Equipment	0.47	–	0.47	–
3	Office Equipment	0.12	–	–	0.12
	Total	0.86	–	0.47	0.39
	Previous Year	8.69	0.64	8.47	0.86

NOTE NO. 15

INTANGIBLE ASSETS UNDER DEVELOPMENT

S. No.	Description	GROSS			As on 31.03.2015
		As on 01.04.2014	Additions	Deductions	
		(1)	(2)	(3)	(4)= (1)+(2)-(3)
1	Intangible Assets under Development	–	–	–	–
	Total	–	–	–	–
	Previous Year	–	–	–	–

NOTE NO. 16

NON CURRENT INVESTMENTS

TRADE INVESTMENT (UNQUOTED)

Equity instruments - Fully paid up ****							
S. No.	Name of Company	No. of Shares	Face Value	Total Value	Provision for Diminution	Net Value as on 31.03.2015	Net Value as on 31.03.2014
1	NSS Agro Development Co Ltd.*	1,00,000	10	0.10	0.10	–	0.10
2	Sea Lac Agro Ventures Limited	1,00,000	10	0.10	–	0.10	0.10
	Total			0.20	0.10	0.10	0.20

OTHER INVESTMENT (UNQUOTED)

Equity instruments - Fully paid up ****							
S. No.	Name of Company	No. of Shares	Face Value	Total Value	Provision for Diminution	Net Value as on 31.03.2015	Net Value as on 31.03.2014
(a)	Subsidiary Company						
1	Spices Trading Corporation Ltd.(STCL)**	1,50,000	100	2.82	2.82	–	–
(b)	Others						
1	Maharashtra Small Scale Industries Development	10,000	100	0.10	–	0.10	0.10
2	Andhra Pradesh State Trading Corporation	100	1,000	0.01	–	0.01	0.01
3	Sindhu Resettlement***	4	1,000	–	–	–	–
	Total			2.93	2.82	0.11	0.11
	Grand Total (Unquoted)			3.13	2.92	0.21	0.31
	Previous Year			3.13	2.82	0.31	

* Investment book value is ₹1 (₹10,00,000)

** Investment book value is ₹1 (₹1)

*** Investment book value is ₹ 4000 (₹ 4000)

**** valued at cost other than temporary diminution in value, if any.

16.1 Other investment includes ₹ 2.82 crore (₹ 2.82 crore) in its 100% subsidiary company namely STCL. The subsidiary company was having negative net worth as on 31st March 2014 (Audited). Full provision for diminution in the value of investment has been made in the earlier years.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 17

DEFERRED TAX ASSETS (NET)

Particulars	As at 31st March, 2015	As at 31st March, 2014
Deferred tax Assets		
Disallowance under Income Tax Act, 1961	76.88	76.88
Deferred Tax Liability		
Related to Fixed Assets	3.87	3.87
Total	73.01	73.01

17.1 In accordance with the Accounting Standard 22 on "Accounting for Taxes on Income", the company has Deferred Tax Assets (Net) of ₹ 73.01 crore (₹ 73.01 crore). As a matter of prudence & conservative principle of accounting, Deferred Tax Asset (Net) relating to losses and other temporary differences amounting to ₹ 188.75 crore (₹ 192.77 crore) has not been recognized.

NOTE NO. 18

LONG TERM LOANS AND ADVANCES

S. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
1	Capital Advances		
	- Secured, Considered Good	—	—
	- Unsecured, Considered Good	—	—
	- Doubtful	—	—
	Less : Allowance for Bad & Doubtful	—	—
	Net	—	—
2	Security Deposits		
	- Secured, Considered Good	0.28	5.27
	- Unsecured, Considered Good	2.58	5.23
	- Doubtful	4.57	1.36
	Less : Allowance for Bad & Doubtful	4.57	1.36
	Net	2.86	10.50
3	Loans and Advances to related parties		
	- Secured, Considered Good	—	—
	- Unsecured, Considered Good	—	—
	- Doubtful	—	—
	Less : Allowance for Bad & Doubtful	—	—
	Net	—	—
4	Advances to employees		
	- Secured, Considered Good	4.81	4.76
	- Unsecured, Considered Good	0.69	0.78
	- Doubtful	—	—
	Less : Allowance for Bad & Doubtful	—	—
	Net	5.50	5.54

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 18

LONG TERM LOANS AND ADVANCES (Contd.)

S. No.	Particulars	As at 31st March, 2015	As at 31st March, 2014
5	Interest accrued on advances to employees		
	- Secured, Considered Good	6.17	6.54
	- Unsecured, Considered Good	1.04	1.11
	- Doubtful	—	—
	Less : Allowance for Bad & Doubtful	—	—
	Net	7.21	7.65
6	Trade advances		
	- Secured, Considered Good	—	—
	- Unsecured, Considered Good	0.74	0.77
	- Doubtful	92.89	93.36
	Less : Allowance for Bad & Doubtful	92.89	93.36
	Net	0.74	0.77
7	Advance tax (net of provision)		
	- Secured, Considered Good	—	—
	- Unsecured, Considered Good	—	—
	- Doubtful	—	—
	Less : Allowance for Bad & Doubtful	—	—
	Net	—	—
8	Other Misc. advances		
	- Secured, Considered Good	—	1.28
	- Unsecured, Considered Good	0.07	0.08
	- Doubtful	0.66	0.66
	Less : Allowance for Bad & Doubtful	0.66	0.66
	Net	0.07	1.36
	Total	16.38	25.82
	PARTICULARS OF LONG TERM LOANS AND ADVANCES		
	- Secured, Considered Good	11.26	17.85
	- Unsecured, Considered Good	5.12	7.97
	- Doubtful	98.12	95.38
	Total	114.50	121.20
	Less : Allowance for Bad & Doubtful	98.12	95.38
	Net	16.38	25.82

18.1 Trade advances include a sum of ₹ 87.39 crore (₹ 87.39 crore) recoverable from one of the parties, against which the company has initiated legal actions including criminal proceedings. In this regard, full provision has been made in earlier years. The company was successful in getting arbitration award for ₹ 110.00 crore in its favour along with 12% interest per annum from 1st May, 2006 till realization of the award. However, the party has raised objections to the award before Hon'ble High Court at New Delhi and hearing of the same is in progress.

18.2 Details of dues from Directors/ Officers :-

- Directors : NIL NIL
- Officers : ₹ 6.70 crore ₹ 6.60 crore

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 19

OTHER NON CURRENT ASSETS

S. No.	Description	As at 31st March, 2015	As at 31st March, 2014
1	Long term trade receivable		
	- Secured, Considered Good	128.61	88.17
	- Unsecured, Considered Good	957.38	958.71
	- Doubtful	465.45	473.83
	Less : Allowance for Bad & Doubtful	465.45	473.83
	Net	1,085.99	1,046.88
2	Claims recoverable		
	- Secured, Considered Good	–	0.20
	- Unsecured, Considered Good	16.34	13.10
	- Doubtful	130.89	130.09
	Less : Allowance for Bad & Doubtful	130.89	130.09
	Net	16.34	13.30
3	Bank Deposits :		
	Term Deposit with banks :	–	–
	- Deposit pledged / Under Lien as margin Money	8.11	–
	Interest accrued on Term Deposits :	–	–
	- Deposit pledged / Under Lien as margin Money	0.36	–
	Net	8.47	–
4	Others		
	- Secured, Considered Good	–	–
	- Unsecured, Considered Good	0.87	0.81
	- Doubtful	–	–
	Less : Allowance for Bad & Doubtful	–	–
	Net	0.87	0.81
	Total	1,111.67	1,060.99
	PARTICULARS OF OTHER NON CURRENT ASSETS		
	- Secured, Considered Good	137.08	88.37
	- Unsecured, Considered Good	974.59	972.62
	- Doubtful	596.34	603.92
	Total	1,708.01	1,664.91
	Less : Allowance for Bad & Doubtful	596.34	603.92
	Net	1,111.67	1,060.99

19.1 Long term trade receivables include ₹ 568.44 crore (₹ 568.44 crore) on account of export of pharma products to foreign buyers through Indian business associates against which credit balance of ₹ 568.44 crore (₹ 568.44 crore) is available under trade payables. As corresponding credit of ₹ 568.44 crore (₹ 568.44 crore) is available under back to back arrangement, no provision is considered necessary. The local business associates drew bills of exchange which were accepted by STC on back to back basis. The foreign buyer defaulted in making payment against the export bills and one of the business associates having outstanding of ₹ 536.86 crore (₹ 536.86 crore) has gone into liquidation and litigation proceedings have been initiated by STC as well as by Indian business associates and their bankers. A claim of ₹ 527.86 crore (₹ 527.86 crore) has been admitted by the liquidator. Indian business associates also discounted the bills of exchange conditionally accepted by STC from their bankers by utilizing their own credit limits. Banks & Financial Institutions have filed legal suit against business associate before Hon'ble High Court Mumbai and DRT making STC also a party to the case. However, STC contended that under the Agreement an amount to Indian business associates is payable only after receipt from foreign buyer. But as a matter of prudence amount of ₹ 450.47 crore (₹ 450.47 crore) has been shown as contingent liability.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

- 19.2 Long term trade receivables include ₹ 788.47 crore (₹ 788.47 crore) under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balances of ₹ 342.18 crore (₹ 342.18 crore) are available, leaving net receivable of ₹ 446.29 crore. Action against the business associates has been initiated. The matter is being pursued legally. However, as a measure of abandon caution full provision of ₹ 446.29 crore (₹ 446.29 crore) has been made in the earlier years to the extent of net trade receivables.
- 19.3 Long term trade receivables include ₹ 41.92 crore (₹ 50.99 crore) against which credit balance amounting ₹ 41.92 crore (₹ 41.92 crore) is available in respect of one of the business associates through whom various agricultural items were exported up to financial year 2011-12 through Mumbai branch. Upon non-receipt of the dues from the business associate, the company has initiated necessary legal steps for its recovery. However considering remote possibility of its recovery, net debtors amounting ₹ 9.07 crore, for which provision was made in the year 2013-14, has been written off in the current year.
- 19.4 Long term trade receivables include ₹ 11.85 crore (₹ 11.83 crore) recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of STC. Upon non-payment of overdue, legal actions have been initiated against the business associate u/s 138 of Negotiable Instruments Act, 1881 and civil hearings are in progress. Hence, no provision is considered necessary.
- 19.5 Long term trade receivables include ₹ 59.23 crore (₹ 81.55 crore) recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of STC. The party has paid an amount of ₹ 19.50 crore during the current year. However, upon non-payment of entire overdue, STC resorted to sale of the pledged stocks to another party and an amount of ₹ 33.65 crore was received as advance payment up to 31.03.2015 from the buyer against sale. Criminal Complaints u/s 138 of Negotiable Instruments Act, 1881 and contempt application filed before Hon'ble High Court, New Delhi are under progress against the business associate. Hence, no provision is considered necessary.
- 19.6 Long term trade receivable include ₹ Nil (₹ 4.94 crore) towards reimbursement of loss in supply of edible oil under PDS to Gujarat State Civil Supply Corporation under the subsidy scheme of Government of India. The claim is being followed up with Government of India. However, the same being old debts for which provision was made in earlier years, has been written off in the current year.
- 19.7 Long term trade receivable include ₹ 3.21 crore (₹ 3.21 crore) recoverable from one of the business associates towards import of pet bottle material, which are pledged with the company. The recovery is being pursued through arbitration proceedings. A provision of ₹ 1.28 crore has been made during the year 2012-13, to the extent not covered by pledged stock.
- 19.8 Long term trade receivables include ₹ 58.55 Crore (₹ 63.52 crore) recoverable from one of the business associates for goods sold in earlier years. The entire balance overdue is secured by pledge of stocks in favour of STC. In current year payment of ₹5 Crore received from the party. STC has invoked risk sale clause of the agreement and floated tender for sale of pledged stocks. STC has also filed winding up petition and criminal complaints i.e. cases u/s 138 of Negotiable Instruments Act, 1881 and contempt application for misleading the court against the business associate.
- 19.9 Claims recoverable (Govt. of India) include ₹114.95 crore (₹ 114.95 crore) towards import of pulses under Govt. account during the year 2006-07 to 2010-11. The release of pending subsidy claims is under consideration of Ministry of Consumer Affairs, Govt. of India and regular follow up is being done by STC. As a matter of prudence provision of ₹ 114.95 crore was made during the year 2013-14.
- 19.10 Trade receivables include ₹ 10.21 crore (₹ 10.21 crore) recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolien under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by STC except the outstanding balance of ₹ 10.21 crore (₹ 10.21 crore) pending for final reconciliation at their end. Matter is being constantly taken up with GOM and MARKFED for recovery.

CURRENT ASSETS

NOTE NO. 20

CURRENT INVESTMENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
Current Investment	—	—
Total	—	—

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 21 INVENTORIES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Stock in trade including with handling agents/local agent	5.10	0.68
(b) Stores and spares	0.22	0.15
(c) Packing materials	0.05	0.03
(d) Stationery	0.08	0.06
(e) Others	0.05	0.05
Total	5.50	0.97

21.1 For Mode of Valuation, please refer para 10 of Note 44 to the financial statements

21.2 Stock-in-Trade includes :-

Goods-in-Transit

₹ 4.99 crore

₹ NIL

NOTE NO. 22 TRADE RECEIVABLES

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Trade receivables over Six Months		
- Secured, Considered Good	219.21	1,579.68
- Unsecured, Considered Good	1,539.26	32.63
- Doubtful	1.55	—
Gross Receivable	1,760.02	1,612.31
Less : Allowance for bad & doubtful receivable	1.55	—
Net Receivable	1,758.47	1,612.31
(b) Other Trade Receivables		
- Secured, Considered Good	551.84	355.77
- Unsecured, Considered Good	114.94	0.36
- Doubtful	—	—
Gross Receivable	666.78	356.13
Less : Allowance for bad & doubtful receivable	—	—
Net Receivable	666.78	356.13
Grand Total (a+b)	2,425.25	1,968.44

22.1 Trade receivables include ₹ 122.46 crore (₹ 122.22 crore) recoverable from one of the business associates for goods sold in earlier years which are overdue. The entire amount is secured by pledge of stocks to STC (procured under advance license with export obligation). The business associate is under liquidation. STC as an unpaid seller and pledgee of the goods has also filed civil application before Hon'ble Gujarat High Court to restrain the Official Liquidator to take control of pledged goods with STC, filed application before BIFR through another business associate without any obligation of STC, for revival of the business associate's plant and another civil application to restrict the sale of plant without settling STC's outstanding. Next date of hearing is 25.06.2015. As goods are under the custody of Central Warehousing Corporation on behalf of STC, no provision is considered necessary.

22.2 The trade receivables include ₹ 1,640.53 Crore (₹ 1,468.14 Crore) for goods sold during previous years to one of the business associates. Dues are secured by EMD of ₹ 29.73 Crore, Corporate Guarantee of its holding company and the personal Guarantee of Chairman of its holding company. The business associate and its holding company (Guarantor) had signed a Conciliation Agreement dated 15.11.2011 and Further Settlement Agreement dated 17.05.2012 with STC for payment of entire dues by 10.11.2012 under Indian arbitration and Conciliation Act and is legally enforceable as decree. During the year, the business associate remitted an amount of ₹ 33 Crore and sought more time to pay the dues. The business associate has confirmed on various occasions its commitment to repay the entire dues along with interest. The case for enforcement of decree was heard by the Hon'ble Supreme Court on 15.05.2015 and held the decree to be final. Considering the financial strength of guarantors and status of case in the Hon'ble Supreme Court, the debt has been considered good and fully recoverable.

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 23

CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Cash in hand	–	–
(b) Stamps & Stamp Papers	0.01	–
(c) Balances with banks		
- Cash Credit account - Debit Balance	0.03	9.81
- Current Accounts	1.10	18.23
(d) Short Term Deposit with banks :		
- Deposit pledged / Under Lien as margin Money	–	15.56
- Other Deposits	4.94	13.43
(e) Interest accrued on Term Deposits :		
- Deposit pledged / Under Lien as margin Money	–	0.22
- Other Deposits	0.19	0.63
(f) Unpaid Dividend Bank Account	0.24	0.25
Total	6.51	58.13

NOTE NO. 24

SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015	As at 31st March, 2014
1 Capital Advances		
- Secured, Considered Good	–	–
- Unsecured, Considered Good	0.08	0.09
- Doubtful	–	–
Less : Allowance for Bad & Doubtful	–	–
Net	0.08	0.09
2 Security Deposits		
- Secured, Considered Good	0.16	0.54
- Unsecured, Considered Good	0.01	0.02
- Doubtful	0.06	–
Less : Allowance for Bad & Doubtful	0.06	–
Net	0.17	0.56
3 Loans and advances to related parties		
- Secured, Considered Good	–	–
- Unsecured, Considered Good	–	–
- Doubtful	–	–
Less : Allowance for Bad & Doubtful	–	–
Net	–	–
4 Advances to employees		
- Secured, Considered Good	1.13	1.69
- Unsecured, Considered Good	0.65	0.70
- Doubtful	–	–
Less : Allowance for Bad & Doubtful	–	–
Net	1.78	2.39
5 Interest accrued on advances to employees		
- Secured, Considered Good	0.70	0.75
- Unsecured, Considered Good	0.16	0.19
- Doubtful	–	–
Less : Allowance for Bad & Doubtful	–	–
Net	0.86	0.94

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 24

SHORT TERM LOANS AND ADVANCES (Contd.)

Particulars	As at 31st March, 2015	As at 31st March, 2014
6 Trade advances		
- Secured, Considered Good	—	0.06
- Unsecured, Considered Good	4.94	0.57
- Doubtful	—	—
Less : Allowance for Bad & Doubtful	—	—
Net	4.94	0.63
7 Advance tax (net of provision)		
- Secured, Considered Good	—	—
- Unsecured, Considered Good	30.32	27.78
- Doubtful	—	—
Less : Allowance for Bad & Doubtful	—	—
Net	30.32	27.78
8 Other Misc. advances		
- Secured, Considered Good	—	0.87
- Unsecured, Considered Good	0.83	0.93
- Doubtful	—	—
Less : Allowance for Bad & Doubtful	—	—
Net	0.83	1.80
Total	38.98	34.19
PARTICULARS OF SHORT TERM LOANS AND ADVANCES		
- Secured, Considered Good	1.99	3.91
- Unsecured, Considered Good	36.99	30.28
- Doubtful	0.06	—
Total	39.04	34.19
Less : Allowance for Bad & Doubtful	0.06	—
Net	38.98	34.19

24.1 Details of dues from Directors/ Officers :-

- Directors	: NIL	NIL
- Officers	: ₹ 1.42 crore	₹ 1.91 crore

NOTE NO. 25

OTHER CURRENT ASSETS

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Prepaid Expenses	0.86	0.55
(b) TA advance	0.01	0.02
(c) Advance for expenses	0.11	1.42
(d) VAT receivable-input	0.31	1.09
(e) Deposits	4.27	4.33
(f) Claims Recoverable :		
i. From Govt. of India	8.01	8.01
ii. From PSU Banks	1.12	0.18
iii. From PSU	1.82	1.38
iv. From Govt. Dept.	1.93	3.46
v. From Business Associates	1.47	3.92
vi. Others	1.40	2.50
(g) Accrued discount on Forward Contract	—	0.01
(h) Others	0.17	0.28
Total	21.48	27.15

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

25.1 Claims recoverable (Govt. of India) include ₹ 5.28 crore (₹. 5.28 crore) towards import of pulses on behalf of UP Government for sale under PDS scheme valid up to 30.06.2012 which has been received in April 2015. Further, Claims recoverable include ₹ 2.72 crore (₹ 2.72 crore) towards carrying costs for delayed lifting of pulses by State Govts. (UP Govt. ₹ 2.61 crore, Punjab Govt. ₹ 0.06 crore, HP Govt. ₹. 0.04 crore). Claim for the same was lodged during the year 2011-12 and the same is being followed up with the State Govt. Since, there is credit balance available from UP Govt. ₹ 8.64 crore, Punjab Govt. ₹ 0.20 crore, HP Govt. ₹ 0.06 crore, no provision is considered necessary.

NOTE NO 26 REVENUE FROM OPERATIONS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Sales		
Export	1,884.27	1,781.02
Imported Goods	12,041.81	13,545.80
Domestic	471.13	47.16
Total(a)	14,397.21	15,373.98
(b) Other operating revenue		
Discount on Forward Contract	0.60	1.28
Reimbursement of Domestic Losses	—	0.04
Claims:		—
From Govt. of India	—	0.03
From Insurance agencies	0.31	1.73
From Govt. departments	—	0.03
From business associates	—	63.28
Others	95.89	8.26
Total(b)	96.80	74.65
Revenue from Operations (a+b)	14,494.01	15,448.63

NOTE NO 27 OTHER INCOME

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Interest income:-		
Advance to employees	0.96	1.16
Term deposits with banks & its subsidiaries :		—
- Deposits pledged / under Lien as margin money	0.15	0.12
- Other deposits	0.75	1.48
Term deposits With FIs & its subsidiaries:		—
Income Tax refunds	1.87	1.00
Interest on trade finance/associates :		—
- Other than PCFC / EPC	207.97	180.68
Other miscellaneous interest	1.82	0.01
Total (a)	213.52	184.45

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO. 27

OTHER INCOME (Contd.)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(b) Miscellaneous income:-		
Security Deposits forfeited	0.12	–
Rent received from Employees	0.15	0.08
Total (b)	0.27	0.08
(c) Rental income:-		
Rent Received from let-out property	32.29	30.01
Recoveries for common services from tenants	5.78	5.61
Total	38.07	35.62
Less: Expenses related to let out property		
Land & development office charges@25%	7.25	6.85
Property tax	7.21	6.84
Municipal tax	0.07	–
Insurance premium	0.05	0.05
Maintenance charges	0.86	0.95
Administrative expenses	0.52	0.57
Total	15.96	15.26
Net rental income - Total (c)	22.11	20.36
(d) Other Receipts:-		
- Difference in exchange other than commodity items	0.22	0.04
- Misc. non Trade receipts	5.41	3.98
Total (d)	5.63	4.02
Gross Total (a+b+c+d)	241.53	208.91

EXPENSES:

NOTE NO 28

COST OF MATERIAL CONSUMED

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Opening balance of packing material	0.04	0.03
Add: Purchases made during the year	0.06	0.16
Total	0.10	0.19
Less: Closing balance of packing material	0.05	0.03
Cost of material consumed during the year	0.05	0.16

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO 29

PURCHASE OF STOCK IN TRADE

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Export Purchase	1,823.63	1,707.80
Import Purchase	11,189.04	12,556.63
Domestic Purchase	463.87	45.42
Freight -Road	0.94	0.05
-Rail	–	0.04
-Marine	41.86	0.16
Freight reimbursement	87.32	–
Exchange fluctuation - loss (Net)	26.20	59.46
Premium on forward contract	2.78	0.04
Insurance - General	0.15	0.96
- Marine	0.42	0.53
Customs Duty	746.74	779.14
Clearing, handling, survey fee, port & other charges	5.45	62.72
Processing charges	–	0.34
Sales Tax/ sur charge on Sales Tax/VAT	0.15	0.17
Octroi/Purchase Tax reimbursement	0.06	0.64
Total	14,388.61	15,214.10

29.1 Exchange fluctuation-loss (net) of ₹ 26.20 crore (loss ₹ 59.46 crore) includes loss ₹ 25.98 crore (loss ₹ 58.19 crore) on account of business associates for which necessary adjustment has been made in Purchases/ Sales Account and to that extent there is no impact on the profit for the year.

29.2 Details of exchange fluctuation (net) on account of business associates adjusted in Purchase/Sales are as follows:

(A) Export -Exchange Gain /(Loss) (Adjusted in Purchase)	0.93	26.50
(B) Import- Exchange Gain /(Loss) (Adjusted in Sales)	(26.91)	(84.69)
Exchange Fluctuation-net Gain/(Loss) (A+B)	(25.98)	(58.19)

29.3 Itemwise of Purchases:

HR Carbon Steel plates	1,676.52	–
Gold	6,670.20	8,541.91
Silver	1,867.14	3,029.44
Urea	2,994.86	1,495.45
Wheat	88.30	1,738.30
Others	1,091.59	409.00
Total	14,388.61	15,214.10

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO 30

Changes in inventories of finished goods, work in progress and stock-in-trade

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Inventories of finished goods		
Opening balance	0.67	1.30
Less: Closing balance	0.08	0.67
Changes in inventories of finished goods	0.59	0.63
(b) Inventories of work-in-progress		
Opening balance	–	–
Less: Closing balance	–	–
Changes in inventories of work-in-progress	–	–
(c) Inventories of stock-in-trade		
Opening balance	0.01	41.87
Less: Closing balance	5.02	0.01
Changes in inventories of stock-in-trade	(5.01)	41.86
Total (a+b+c)	(4.42)	42.49

NOTE NO 31

EMPLOYEES BENEFITS EXPENSE

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Remuneration to Staff & Managers		
Salaries and Allowances	72.83	73.03
Provident fund	5.04	5.19
Employees pension scheme 95 (EPS 95)	0.74	0.46
Performance related pay	0.01	–
Welfare expenses:		–
- Medical expenses on regular employees	4.52	5.42
- Medical expenses on retired employees	8.50	8.62
- Medical expenses on Actuarial Liability	0.61	26.50
- Long service award	0.20	0.22
- Others	1.37	0.91
Gratuity	0.82	6.98
Pension	4.29	4.27
Total (a)	98.93	131.60
(b) Remuneration to Directors		
Salaries and allowances (including sitting fees)	1.10	1.17
Provident fund	0.09	0.08
Welfare expenses		–
- Medical expenses on regular Directors	0.03	0.03
- Medical expenses on retired Directors	0.17	0.09
Gratuity	0.02	0.04
Pension	0.07	0.07
Total (b)	1.48	1.48
Grand Total (a+b)	100.41	133.08

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

- 31.1 As per Accounting Standard-15(Revised) "Employee Benefits", the disclosure as defined in the Accounting Standard is given in Note No. 53.
- 31.2 Value of Bonus paid ₹ 5,306 (₹ 2,987)
- 31.3 Whole time directors are allowed use of company car for non-duty journey up to 1000 km per month on payment of ₹ 2000 per month as per DPE OM dated 21st January, 2013.
- 31.4 Actual medical expenses incurred towards retired employees including retired directors is ₹ 8.67 crore (₹ 8.71 crore) and provision for post-retirement medical benefits on actuarial basis is ₹ 0.61 crore (₹ 26.50 crore).

NOTE NO 32 FINANCE COST

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Interest Expense		
- to Banks	139.31	153.32
- Business associates	2.32	1.03
(b) Others	16.15	0.06
Total	157.78	154.41

NOTE NO 33 DEPRECIATION AND AMORTIZATION COST (REFER NOTE NO. 12.3)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Tangible Assets		
Free hold assets:		
(a) Building	4.11	0.21
(b) Plant & machinery	1.01	1.52
(c) Furniture & fittings	0.15	0.19
(d) Motor vehicles	0.03	0.01
(e) Office equipment	0.13	0.48
(f) Railway sidings	–	–
(g) Computers and data processing units	0.20	0.33
(g) Electrical installations & equipment	0.30	–
Sub Total	5.93	2.74
Lease hold assets:		
(a) Land	0.65	0.08
(b) Building	13.40	1.49
Sub Total	14.05	1.57
Intangible Assets		
(a) Amortization of Computer software	0.04	0.05
Grand Total	20.02	4.36

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO 34

OTHER EXPENSES

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Other Operating Expenses		
L/C Negotiation & bank charges	0.52	1.28
Godown, plot, tank rent	1.93	3.86
Claims paid	5.13	2.90
Commission on sales	0.02	0.02
Surplus payable to Govt.	–	–
Delivery charges	0.26	0.64
Cost of tender	0.16	0.34
Others	0.12	–
Total (a)	8.14	9.04
(b) Administration expenses		
Office Rent	2.79	3.00
Rates and Taxes:		
- Property Tax to Municipal Corporation	1.36	1.34
- Wealth Tax	0.06	0.03
- Others	0.02	0.03
Electricity and water charges	2.48	2.56
Printing and stationery	0.32	0.51
Postage	0.17	0.12
Telephones	1.13	1.15
Books and periodicals	0.04	0.04
Repairs :		–
- Building	0.06	0.08
- Others	0.32	0.34
Travelling expenses	2.14	1.98
Housing colony expenses	2.66	2.36
Service vehicle expenses	0.96	1.07
Insurance premium	0.15	0.20
Auditors' remuneration :		–
- Statutory audit fees	0.15	0.13
- Tax audit fees	0.07	0.07
- Certification fees	0.03	0.03
- Other charges - TA/DA etc.	0.01	0.01
HRD expenses	0.67	0.49
Information technology expenses	0.17	0.14
Conveyance expenses	0.06	0.03
Maintenance of office building	1.09	1.37
Misc. office expenses	3.73	3.44
Donations	–	0.05
Total (b)	20.64	20.57
(c) Trade Expenses		
Legal & professional expenses	6.16	1.92
Advertisement & publicity	0.86	1.27
Exhibitions & fairs	–	–
Exchange fluctuations other than commodity items	1.02	0.52
Bank charges	0.66	0.64
Entertainment expenses	0.36	0.40
Hospitality and public relations	0.04	0.03
Corporate social responsibility	0.40	0.54
Research and development	–	0.08
Other trade expenses	1.21	0.82
Total (c)	10.71	6.22
Total (a+b+c)	39.49	35.83

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO 35 EXCEPTIONAL ITEMS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Expenses		
Loss on sale of fixed assets	0.01	0.08
Total (a)	0.01	0.08
(b) Write Offs		
Trade Receivables	14.16	3.01
Claims	0.02	23.08
Loans and Advances	–	81.92
Deposits	0.04	–
Assets	0.01	0.03
Investments	–	–
Total (b)	14.23	108.04
(c) Provision for Doubtful debts, Loans and advances & Investment		
Trade Receivables	7.34	353.61
Claims	0.81	125.51
Loans and Advances	0.03	0.27
Deposits	3.30	–
Investment - Long Term Investments	0.10	–
Total (c)	11.58	479.39
(d) Income		
Profit on Sale of Fixed Assets	–	0.02
Liabilities Created in previous years written back :		
- Statutory	0.09	0.05
- Others	3.85	14.86
Provision Written back for doubtful amounts realized :		
- Trade Receivables	0.01	0.22
- Loans and Advances	0.51	–
Provision Written back for doubtful amounts written off :		
- Trade Receivables	14.16	2.96
- Claims	0.02	0.35
- Deposits	0.04	–
- Assets	0.01	0.03
Write back of unclaimed credit balances	3.82	3.39
Total (d)	22.51	21.88
Total (a+b+c-d)	3.31	565.63

NOTE NO 36 Extraordinary items

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Loss due to earthquake/cyclone/flood	–	–
Loss due to fire	–	–
Total	–	–

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO 37

PRIOR PERIOD ADJUSTMENT NET (DEBIT/CREDIT)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Income		
Interest income	0.05	(0.04)
Misc. income	1.21	0.50
Total (a)	1.26	0.46
(b) Expenditure		
Cost of Sales	–	0.12
Overheads		–
-Administration	0.11	0.16
-Trade	0.03	0.03
Interest	–	0.01
Depreciation	0.01	–
Total (b)	0.15	0.32
Net Adjustment (a-b)	1.11	0.14

NOTE NO 38

CURRENT TAX

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Current Tax		
Current Tax has been computed on profit of the year as per the prevailing tax laws	9.81	–
Total	9.81	–

NOTE NO 39

DEFERRED TAX ASSETS (NET)

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Deferred Tax (net) is computed as per the prevailing tax laws		
Deferred Tax Assets	–	–
Deferred Tax Assets (Net)	–	–

39.1 For details refer note no. 17.1

NOTE NO 40

PROFIT (LOSS) FROM DISCONTINUING OPERATIONS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
(a) Income from discontinuing operation	–	–
(b) Expenses of discontinuing operation	–	–
Profit (Loss) (a-b)	–	–

NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

(Amount in ₹ Crore)

NOTE NO 41

TAX EXPENSE OF DISCONTINUING OPERATIONS

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
Tax expense of discontinuing operations	–	–
Tax has been computed on discontinuing operation as per the prevailing tax laws		
TOTAL	–	–

NOTE NO 42

EARNING PER EQUITY SHARE -BASIC

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
A. Profit after Tax (PAT)	26.19	(492.20)
B. Weighted average no. of equity shares (in crore)	6.00	6.00
EPS - Basic in ₹ (A/B)	4.36	(82.03)
Face Value in ₹	10.00	10.00

NOTE NO 43

EARNING PER EQUITY SHARE -DILUTED

Particulars	For The Year Ended 31st March, 2015	For The Year Ended 31st March, 2014
A. Profit after Tax (PAT)	26.19	(492.20)
B. Weighted average no. of equity shares (in crore)	6.00	6.00
EPS - Basic in ₹ (A/B)	4.36	(82.03)
Face value in ₹	10.00	10.00

SIGNIFICANT ACCOUNTING POLICIES - 2014-15

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. REVENUE RECOGNITION - INCOME/EXPENSES

Income and expenses are accounted for on accrual basis except the following which are recognised on cash basis:

- a) Claims for refund of excess insurance premium on open policies.
- b) Interest on loans to subsidiaries and on delayed payments of sales/ trade finance where realization is doubtful.
- c) Export benefits.
- d) Interest realisable from the items handled on Government account.
- e) Dividend on investments.
- f) Liquidated damages.
- g) Claims lodged with Insurance Companies.

3. USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

4. TRANSACTIONS IN FOREIGN CURRENCIES

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction.
- b) All monetary items denominated in foreign currencies at the year-end are translated at year-end rates. In case of monetary items where the closing rate is unrealistic, translation rate is estimated based on past trend and expected realization/ disbursement.
- c) Non-monetary items other than fixed assets denominated in foreign currencies are reported on exchange rate at the transaction date. Fixed Assets are reported on exchange rate as at the transaction date as increased/reduced by the exchange difference arising on the corresponding foreign currency liability.
- d) Income or expense on account of exchange difference on settlement or translation is recognized in the Statement of Profit & Loss. Premium or Discount on forward exchange contracts is recognized on pro-rata basis with reference to the life of the forward contract except for forward covers taken at the behest of Business Associates, in which case the premium or discount is recognized at the inception of the forward exchange contract on matching principles since the corresponding transactions with the Associate are carried out based on the forward rate.

5. FIXED ASSETS - TANGIBLE

Fixed Assets other than land & building are stated at historical cost less accumulated depreciation and impairment. Land & building are stated at revalued amount less amortization/depreciation.

6. INTANGIBLE ASSETS

Cost incurred on Intangible assets (computer software), resulting in future economic benefits are capitalized as Intangible Assets and amortized on straight-line method over a period of two and a half years beginning from the date of capitalization.

7. DEPRECIATION AND AMORTISATION

- a. Depreciation on tangible fixed assets other than land is provided in accordance with useful life of assets specified in Schedule II of Companies Act, 2013 on straight-line method.
- b. Leasehold land is amortised over the lease period. Land on perpetual lease is not amortised.
- c. Depreciation on additions to/deductions from fixed assets during the year is charged on pro-rata basis from/up to the date the asset is available for use/discharged.

8. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

9. INVESTMENTS

- a) Long term investments are carried at cost. When there is a decline (other than temporary) in the value of long term investments, the carrying amount is reduced to recognise the decline.
- b) Current investments are carried at the lower of cost and fair value.

10. INVENTORIES

Inventories are carried at lower of cost and net realizable value. Cost is determined as (a) on weighted average method in respect of inventories pertaining to own business and items handled on Govt. account under PDS or otherwise, (b) on actual cost as per specific identification method in respect of items handled on back to back arrangement with business associates, (c) Goods-in-transit valued at CIF cost. Cost includes cost of procurement (excluding element of self-insurance, if any), duties, taxes and cess and all direct and indirect costs incurred to bring the stocks to the condition as at the time of valuation. Net realizable value is the estimated price realizable in the ordinary course of business less further costs to be incurred for completing the sale. Estimates of net realisable value are based on the most reliable evidence available at the time of estimation as to the amount the inventories are expected to realize and also take into consideration fluctuations of price or other factors affecting the realizable value including events occurring after the balance sheet date to the extent that such events confirm the conditions existing at the balance sheet date.

11. COST OF SALE AND SALES

- a) Purchases and sales are recognised on the performance of contracts.
- b) In cases where contracts provide for crystallization of price or for price adjustment on a subsequent date, corresponding purchases and sales are booked on the basis of expected settlement price and any differential determined subsequently is accounted for at the time of final settlement. Cost of Sale and Sales are accounted for considering all costs and elements including usance interest on supplier's credit as provided for in the contract and incurred till the date of recognition including expenses incurred by and surplus accruing to Business Associates as per contract terms.
- c) In respect of back-to-back / tripartite / joint-execution / third party arrangements, purchases and sales are booked on the basis of documents furnished by the Business Associate as adjusted for the fixed trade margin accruing to the Company.
- d) Sales include transactions under third party arrangements and counter-trade obligations met by exports through the Company.
- e) In case of dealings on behalf of the Government (including consignments under Government's Gift / Grant Scheme), purchases and sales and incidental expenses or income thereof are accounted for under the respective head of accounts. Surplus or deficit to Government Account, after adjusting service margin accruing to the Company, is adjusted in Cost of Sales or Trade Income respectively.

12. CLAIMS

Claims are recognized in the Statement of Profit & Loss if there is no uncertainty relating to its ultimate realization. Claims recognized in the Statement of Profit & Loss but subsequently becoming doubtful are provided for through the Statement of Profit & Loss.

13. SELF INSURANCE

The Company covers certain commodities handled by it on selective basis under its self-insurance scheme. The surplus of premia realised to cover the risk of commodities over the related claims and reinsurance premia paid to outside agencies to cover the risk of claims is included under the head 'Other Income (Trade)'. No provision is made in respect of unexpired risks and claims are accounted as expenditure when reported.

14. EMPLOYEE BENEFITS

- a) Short term employee benefits are recognized at their undiscounted amount in the accounting period in which they are incurred.
- b) Employees' benefit, under defined contribution plan comprising provident fund and pension fund are recognized based on the undiscounted obligation of the company to contribute to the plan. The same is paid to funds administered through separate Trust.
- c) Retirement Benefits:
 - i) Company's contributions to Gratuity Trust Fund and liability towards Leave Encashment and Half Pay Leave are provided on accrual basis. Gratuity, Leave Encashment and Half Pay Leave are determined on the basis of Actuarial Valuation undertaken as at the year end.
 - ii) Liability towards Post-retirement Medical Benefits is provided based on Actuarial Valuation as at the year end.
- d) Other Long Term Benefits:

Other long term benefits i.e. Long Service Award are determined on the basis of Actuarial Valuation undertaken at the year end.
- e) Termination Benefits:

Retirement benefits under voluntary retirement scheme is written off in the year in which opted.

15. PROVISION FOR DOUBTFUL DEBTS/ADVANCES/CLAIMS

Provision for doubtful debts / advances /claims is made where there is uncertainty of realization irrespective of the period of its dues. For outstanding over three years (except government dues), provision is made unless the amount is considered realizable as per management estimate.

16. RESERVES

- a) Exchange Fluctuation Reserve represents exchange fluctuation gains on treasury operations set aside to meet future losses, if any.
- b) Export/Import Contingency Reserve is appropriated out of profits to meet unforeseen losses in respect of export/import operations.

17. EXHIBITIONS AND FAIRS

The cost of samples and other items acquired for various exhibitions and fairs in India and abroad are charged to revenue in the year in which incurred.

18. EXPENSES ON COMMON SERVICES

Recovery of expenses in respect of certain common services between the Company and its erstwhile subsidiaries is based on turnover/contract concluded/occupancy/ utilisation of manpower as is considered appropriate to the nature of expense recovered.

19. BORROWING COSTS

Borrowing costs attributable to acquisition or construction of qualifying assets upto the date the assets are ready for their intended use are capitalized as part of cost of such asset. All other borrowing costs are recognized as expense of the year in which incurred.

20. TAXES ON INCOME

- a) Current tax is provided on the basis of taxable income determined under the Income Tax Act, 1961.
- b) Minimum Alternative Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward.
- c) Deferred tax is recognized, subject to the consideration of prudence, on timing difference. Deferred Tax Assets and Liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

21. CASH FLOW STATEMENT

- a) Cash Flows relating to trade finance provided by Business Associates or the Company for execution of trading contracts including utilization of the finance towards fixed deposits with banks for opening letters of credit in favour of suppliers and refund/payment/recovery of interest thereon as per the terms of Contract are treated as part of Operating Activities.
- b) Cash Flow Statement is prepared in accordance with the on Indirect Method prescribed in Accounting Standard – 3 on Cash Flow Statement issued by ICAI.

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if the following conditions are satisfied:

- i) The company has a present obligation as a result of past event,
- ii) A probable outflow of resources is expected to settle the obligation, and
- iii) The amount of the obligation can be reliably estimated.

Contingent liability is disclosed, if

- i) The company has a possible obligation as a result of past event,
- ii) The Probability of out flow of resources is not remote and,
- iii) No reliable estimation of such obligation is possible.

Contingent assets are neither recognized nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

FOR P.JAIN & CO.

Chartered Accountant

FRN: 000711C

Sd/-

(Pankaj Jain)

Partner

M. No. 097279

Place : New Delhi

Dated : 28.05.2015

Sd/-

(KHALEEL RAHIM)

Chairman & Managing Director

Sd/-

(B.R. DHAWAN)

Chief General Manager - Finance

Sd/-

(MANOJ MISHRA)

Director - Finance

Sd/-

(R.K. GOGIA)

Company Secretary

Notes forming part of Financial Statements

45. CONTINGENT LIABILITIES & COMMITMENT

	(₹ in crore)	
	31.3.2015	31.3.2014
I Contingent Liabilities not provided for		
A Claims against the company /disputed liabilities not acknowledged as debt (incl. interest wherever determined)	3,054.97	1,927.91
B Guarantees	59.39	66.47
C Other money for which company is contingently liable	26.24	46.07
II Commitment		
A Estimated amount of contracts remaining to be executed on capital account and not provided for	9.25	9.57
B Uncalled liability on shares and other investments partly paid	–	–
C Other commitments	–	–

Note:

- (a) The above claims/demands are at various stages of appeal and in the opinion of the company are not tenable. Further, in some of the cases amounts included under contingent liabilities relate to commodities handled on Government of India account and liability, if any, would be recoverable from Government of India.
- (b) Contingent Liabilities include an amount of ₹ 82.57 crore (₹ 170.86 crore) along with interest payable to a foreign supplier on account of import of Pulses in earlier years as per award of arbitral Tribunal passed in favour of foreign supplier. STC has filed an appeal against the Tribunal award in the Delhi High Court. This transaction was undertaken on behalf of Ministry of Consumer Affairs (MOCA), hence the corresponding claim is made with MOCA, which is under consideration.
46. Trade receivables, loans & advances and other current & non-current assets which are not specifically mentioned in notes include ₹ 18.85 crore (₹ 61.09 crore) which are under dispute/litigation. In some cases, there are corresponding payments withheld or receivables relating to commodities handled on account of Government of India. Hence no provision is considered necessary.
47. Balances in parties' accounts, claim recoverable and advances are subject to reconciliation/confirmation in many cases and are subject to adjustments that may arise on reconciliation.
48. Current and other liabilities include balances that are subject to reconciliation/ confirmation and consequential adjustments.
49. Purchases and Sales mainly represent procurement and/or supply undertaken for and on behalf of Business Associates by the Company on a fixed trade margin where the ultimate beneficiary is the Associate who is also liable to indemnify the losses, if any. The recognition is based on the legal and contractual obligations assumed by the Company and the transfer of title to the goods passing through it under the contract.

50. ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE-III OF THE COMPANIES ACT, 2013

	(₹ in Crore)	
	2014-15	2013-14
a) Value of Imports on CIF basis		
Import of Trading Goods including freight etc.*	11,186.03	12,389.70
b) Expenditure in Foreign Currency (on accrual basis)		
i) Interest	0.68	–
ii) Training	0.01	0.04
iii) Travelling	0.25	0.11
iv) Agency Commission	–	0.01
v) Others	4.20	3.94
Total	11,191.17	12,393.80
b) Earning in Foreign Exchange (on accrual basis)		
i) Export of goods on FOB basis*	126.38	1,780.96
ii) Others	–	–
Total	126.38	1,780.96

* include third party transactions.

51. INFORMATION ABOUT BUSINESS SEGMENT AS AT 31.03.2015 – attached.

52. RELATED PARTY TRANSACTION:

1. Key Management Personnel

i. Directors

a. Shri Khaleel Rahim	Chairman & Managing Director
b. Shri M. M. Sharma	Director (Personnel)(up to 30.06.2014)
c. Shri Manoj Mishra	Director (Finance)
d. Shri Rajiv Chopra	Director (Marketing)
e. Shri Sanjeev Sharma	Director (Personnel) (from 16.07.2014)

ii. Relatives of Directors

None

Remuneration (including allowance & perquisites) paid to Key Management Personnel ₹ 1.59 crore (₹ 1.46 crore).

2. Subsidiary

- STCL Ltd. (Wholly Owned Subsidiary)

Transactions

- Amount charged during the year for Rent & other common services ₹ Negligible (₹ Negligible)

Amount Received during the year: ₹ Negligible (₹ Negligible)

Balance at the year end – ₹ 4.24 crore (₹ 4.32 crore) under current liabilities

The following officials of STC held key Management position in the above company:

Name of the Officials

Designation

Sh. Khaleel Rahim

Chairman

Sh. Manoj Mishra

Director (Finance)

53. DISCLOSURE AS PER AS-15 (EMPLOYEES BENEFIT)

General description of various defined employee benefit schemes are as under:

A. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the year is recognised as expenses and is charged to the Statement of Profit & Loss. The obligation of the Company is to make such fixed contribution and to ensure a minimum rate of return to the members as specified by the Government. Overall interest earnings and cumulative surplus is more than the statutory interest payment requirement.

B. Post-Retirement Medical Facility (PRMF)

The company has Post-Retirement Medical Facility (PRMF), under which retired employee and his/her spouse are eligible for medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. Post retirement medical benefits are recognised in the books as per the actuarial valuation. Total liability of ₹ 94.58 crore (₹ 93.97 crore) is estimated as per actuarial valuation as on 31.03.2015 for on roll and retired employees.

C. Leave

The Company provides for Earned Leave (EL) and Half Pay Leave (HPL) benefit to the employees of the Company which accrue annually at 30 days and 20 days respectively. The maximum ceiling for encashment of leave at time of superannuation/cessation from service other than on disciplinary ground shall be limited to 300 days (EL & HPL combined). 50% of EL subject to a maximum 150 days is en-cashable on resignation. EL is en-cashable while in service leaving a minimum balance of 15 days twice in a year. Total liability of ₹15.66 Crore (₹ 16.19 Crore) for EL and ₹ 13.77 Crore (₹13.72 Crore) for HPL is estimated as per actuarial valuation as on 31.03.2015.

D. Gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness

allowance) for each completed year of service subject to a maximum of ₹ 10 lakhs on superannuation, resignation, termination, disablement or death. Total liability of ₹ 53.54 Crore (₹ 53.15 Crore) is estimated as per actuarial valuation as on 31.03.2015 for on roll employees.

E. Other Benefits

Service awards are given to regular employees for rendering continuous service in the Company for long service rendered by them on completion of 15/25/30/35/38 years of service. Besides this, service award @ ₹ 1,000/- per year for each completed year of service is also given at the time of retirement subject to a maximum of ₹ 30,000/-. Total liability of ₹ 1.57 Crore (₹ 1.56 Crore) is estimated as per actuarial valuation as on 31.03.2015 for on roll employees.

F. Pension

Company has defined contribution pension plan for its existing employees in pursuance to the guidelines issued by the Department of Public Enterprises. In this regard STC Employees Defined Contribution Superannuation Pension Trust has been formed. Under the scheme the employer's contribution is 9% of basic pay plus VDA of eligible employees and the funds of the trust are managed by LIC.

The summarised position of various defined benefits recognised in the Statement of Profit & Loss and Balance Sheet are as under:

i. Expenses recognized in Statement of Profit & Loss

(₹ in Crores)			
2014-15			
Particulars	Gratuity	Earned Leave	Half Pay Leave
Current Service Cost	2.13	1.09	0.84
Past Service Cost	—	—	—
Interest Cost	4.36	1.38	1.16
Expected return on plan assets	(4.15)	—	—
Net actuarial (gain)/loss recognised in the year	(1.59)	2.35	(0.77)
Expenses recognized in Statement of Profit & Loss	0.75	4.82	1.23

ii. The amount recognised in the Balance Sheet

Particulars	Gratuity	Earned Leave	Half Pay Leave
Present value of obligation as on 31.3.2015	53.54	15.66	13.77
Fair value of plan assets as on 31.3.2015	52.70	—	—
Funded Status	(0.84)	(15.66)	(13.77)
Net Asset/(Liability) recognized in the Balance Sheet	(0.84)	(15.66)	(13.77)

iii. Changes in the present value of the defined benefit obligations:

Particulars	Gratuity	Earned Leave	Half Pay Leave
Present value of obligation as on 1.4.2014	53.15*	16.19	13.72
Interest cost	4.36	1.38	1.16
Current Service Cost	2.13	1.09	0.84
Past Service Cost	—	—	—
Benefits paid	(4.56)	(5.35)	(1.18)
Actuarial (gain)/loss on obligation	(1.54)	2.35	(0.77)
Present value of the defined obligation as on 31.03.2015	53.54	15.66	13.77

* includes ₹ 1.88 crores relating to liability of previous year in respect of retired employees and employees transferred from other organisation

iv. **Changes in the fair value of plan assets:**

Particulars	Gratuity	Earned Leave	Half Pay Leave
Fair value of plan assets as on 1.4.2014	46.12	–	–
Expected return plan assets	4.15	–	–
Contributions by employer	6.95	–	–
Benefit paid	(4.56)	–	–
Actuarial gain / (loss)	0.05	–	–
Fair value of plan assets as on 31.3.2015	52.70	–	–

v. **Actuarial Assumptions**

Particulars	Gratuity	Earned Leave	Half Pay Leave
Discount rate	8.00%	8.00%	8.00%
Expected return on plan asset	9.00%	–	–
Future Salary Increase	8.00%	8.00%	8.00%

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that of the liabilities and the salary growth rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

54. Foreign Exchange Exposure as on 31.03.2015

(a) On STC's Account

Particulars	Hedged		Unhedged	
	Receivables	Payables	Receivables	Payables
USD	–	–	0.07 (0.02)	0.50 (78.89)

(b) On Business Associates Account

Particulars	Hedged		Unhedged	
	Receivables	Payables	Receivables	Payables
USD	–	0.00 (0.07)	31.38 (31.46)	2.17 (1.02)
EURO	–	–	0.09 (0.09)	0.02 (–)
CHF	–	–	–	– (0.06)

Note: The above excludes an amount of USD 35.54 crore (USD 31.99 crore) recoverable at average rate of 1 USD = ₹ 46.16 (₹ 46.18) freed as per conciliation agreement with the Business associates.

55. The company has a system of physical verification of inventories and fixed assets in phased manner at regular interval and verified with Books of Accounts and records. Differences observed, if any, are dealt with accordingly in the books.
56. As required by the Accounting Standard-28 on "impairment of Assets", the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.
57. Accounting policies, Schedules and Notes on accounts attached form an integral part of the accounts. Values in brackets indicate corresponding previous year figure. Wherever necessary, previous year figures have been rearranged/regrouped to make them comparable with those of current year.

FOR P. JAIN & COMPANY

Chartered Accountants
Firm Reg. No. 000711C

Sd/-
(PANKAJ JAIN)
Partner
M. No. 097279

Place : New Delhi
Dated : 28.05.2015

Sd/-
(KHALEEL RAHIM)
Chairman & Managing Director

Sd/-
(B R DHAWAN)
Chief General Manager - Finance

Sd/-
(MANOJ MISHRA)
Director - Finance

Sd/-
(R. K. GOGIA)
Company Secretary

INFORMATION ABOUT BUSINESS SEGMENT AS ON 31.03.2015

(Amount in ₹ Crore)

S. No.	PARTICULARS	EXPORT		IMPORT	
		2014-15	2013-14	2014-15	2013-14
1. Revenue					
a. External sales		1,884.47	1,786.29	12,050.27	13,613.40
b. Inter-segment sales		–	–	–	–
Total Revenue (1a+1b)		1,884.47	1,786.29	12,050.27	13,613.40
2. Result					
a. Segment result		15.51	40.98	80.66	145.55
b. Unallocated corporate expenses		5.62	2.27	(3.32)	131.66
3. Operating Profit (2a-2b)		9.89	38.71	83.98	13.89
4. Interest expenses		41.19	30.16	2.88	0.85
5. Interest Income		203.60	175.51	4.43	2.04
6. Income tax		–	–	–	–
7. Profit from ordinary activities (3-4+5-6)		172.30	184.06	85.53	15.08
8 a. Extraordinary loss/Expenses		–	–	–	–
8 b. Prior period adjustment (Debit) / Credit		(0.02)	(0.04)	0.61	(0.12)
Total (8a-8b)		0.02	0.04	(0.61)	0.12
9. Net Profit (7-8)		172.28	184.02	86.14	14.96
10. Other Information					
a. Segment assets		3,157.46	2,543.02	251.90	391.26
b. Segment liabilities		1,858.21	1,440.76	300.37	485.39
c. Capital Expenditure		–	–	–	–
d. Depreciation		–	–	–	–
e. Non -cash expenses other than depreciation		–	(79.53)	6.25	1.20

INFORMATION ABOUT BUSINESS SEGMENT AS ON 31.03.2015

(Amount in ₹ Crore)

DOMESTIC		UNALLOCATED		CONSOLIDATED	
2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
559.27	48.94	–	–	14,494.01	15,448.63
–	–	–	–		
559.27	48.94	–	–	14,494.01	15,448.63
5.47	(3.69)	–	–	101.64	182.84
0.39	7.29	124.40	564.18	127.09	705.40
5.08	(10.98)	(124.40)	(564.18)	(25.45)	(522.56)
0.06	0.22	113.65	123.18	157.78	154.41
0.02	4.55	5.47	2.35	213.52	184.45
–	–	5.21	(0.18)	5.21	(0.18)
5.04	(6.65)	(237.79)	(684.83)	25.08	(492.34)
–	–	–	–	–	–
0.05	0.50	0.47	(0.20)	1.11	0.14
(0.05)	(0.50)	(0.47)	0.20	(1.11)	(0.14)
5.09	(6.15)	(237.32)	(685.03)	26.19	(492.20)
136.75	170.64	1,112.82	207.38	4,658.93	3,312.30
90.87	8.06	1,370.56	1,280.36	3,620.01	3,214.57
–	–	1.28	1.37	1.28	1.37
–	–	20.02	4.35	20.02	4.35
0.20	7.38	19.36	658.38	25.81	587.43

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Part "A": Subsidiaries

As at March 31, 2015

(₹ Crore)

Sr. No.	Particulars	Amount
1	Name of the Subsidiary	STCL Limited
2	Reporting period of the subsidiary concerned, if different from the holding company's reporting period.	N.A.
3	Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries.	N.A.
4	Share Capital	1.50
5	Reserves & Surplus	(2.861.92)
6	Total Assets	21.98
7	Total Liabilities	2882.40
8	Details of Investment (except in case of investment in the subsidiaries)	0.02
9	Turnover (Net)	0.23
10	Profit before taxation	(410.20)
11	Provision for taxation	-
12	Profit after taxation	(410.20)
13	Proposed dividend (including tax thereon)	-
14	% of shareholding	100%

- Note: 1. Name of the subsidiaries which are yet to commence operations - NIL
2. Names of subsidiaries which have been liquidated or sold during the year :- NIL

Part "B": Associates and Joint Ventures

Statement Pursuant to Section 129(3) of The Companies Act, 2013 Related to Associate Companies and Joint Ventures.

As at March 31, 2015

(₹)

Sr. No.	Name of the Associate / Joint Ventures	NSS Satpura Development Company Limited
1	Latest Audited Balance Sheet Date	Not available
2	Shares of Associate/ Joint Ventures held by the Company on the year end - No. of Equity shares	1,00,000
3	Amount of Investment in Associates/ Joint Venture - Equity Shares	10,00,000
4	Extent of Holding (%)	25
5	Description of how there is significant influence.	Not available
6	Networth of the Company	Not available
6	Reason why the Associate/ Joint Venture is not consolidated.	Audited Accounts not available
7	Networth attributable to share holding as per latest Audited Balance Sheet (Equity only)	Not available
8	Profit/ loss for the year	
	(i) Considered in consolidation	Not available
	(ii) Not considered in consolidation	Not available

Sd/-
(KHALEEL RAHIM)
Chairman & Managing Director

Sd/-
(S.K. SHARMA)
Director - Personnel

Place : New Delhi
Dated : 13.08.2015

Sd/-
(B R DHAWAN)
Chief General Manager - Finance

Sd/-
(R. K. GOGIA)
Company Secretary

MANAGEMENT REPLIES TO THE COMMENTS OF STATUTORY AUDITORS ON THE ACCOUNTS FOR THE YEAR 2014-15

Comments of the Statutory Auditors	Management Replies
1. Reference is invited to note no.18.1 relating to contracts of scraps, where transactions of purchases and sales and recoveries had not taken place in terms of contracts. Pending outcome of legal steps initiated for recovery, full provision of Rs. 87.39 Crore was made in earlier year. However, the company is successful in getting Arbitration Award of Rs 110.00 Crores in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending in this case before Hon'ble High Court., New Delhi.	STC had financed Rs. 125 crore to an associate for purchase of old fertilizer plant. During the transaction a sum of Rs. 38 crore was only recovered leaving a balance amount of Rs. 87 crore for recovery. STC has filed various court cases including arbitration proceedings against the party. Arbitration award of Rs. 110 crore plus interest was pronounced in favour of STC. The party filed objections u/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, New Delhi. STC is contesting the matter.
2. Reference is invited to note no. 19.1, regarding long term trade receivable Rs. 568.44 Crore on account of export of pharma product to foreign buyer on back to back basis. As there is default in the payment against export bills by the buyers which have ultimately gone into liquidation, litigation process have been initiated by STC as well as by Indian Associates and their bankers. A claim of Rs. 527.86 Crore has been admitted by the liquidator. There is however corresponding credit balance of Rs. 568.78 Crore under trade payables. Management does not anticipate any liability on this account.	The contract was signed on back to back basis and payment to the supplier was to be made upon realisation of export proceeds from the foreign buyer. Due to non-fulfilment of commitment by the foreign buyer, the matter has gone under litigation & is sub-judice. There is no outflow of STC funds and no liability is anticipated.
3. Reference is invited to note no. 22.1, relating to Rs. 122.46 Crore due from Jhagadia Copper Limited, the Company is under Liquidation. The entire amount is secured by pledge of stocks to the Company (procured under advance license with export obligation). Financial impact of the same cannot be ascertained at this stage.	The JCL plant has been purchased by one PSU. The same company has shown interest to purchase the STC's pledged material for which necessary actions are being taken. The value of pledged stocks as on 31.03.2015 was approx. Rs. 324 crore based on latest PV & valuation report dated 05-05-2015.
4. Reference is invited to note no 22.2 regarding long term receivables of Rs. 1640.53 Crore due from one of the business associates who have stopped operation of their plant due to extreme volatility of prices. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the Company by 10.11.2012. During the year, The business associate remitted an amount of Rs. 33 crore and has sought more time for payment. The same was not agreed by the Company and case for enforcement of decree was filed before the Hon'ble Supreme Court and decree was noted to be final. Management is hopeful of full recovery.	The associate paid Rs 586 crore after signing of conciliation agreement. The Corporation has filed criminal case u/s 138 of Negotiable Instrument Act. STC has also filed another criminal case under IPC 420 for dilution of securities in violation of the conciliation agreement. Further, the party on 19/08/2015 committed before the Hon'ble Supreme Court to pay back the amount and also sought time to submit the schedule of payment to the court. The court directed the party to pay to STC RS. 75 crore on or before 07-09-2015, i.e. the next date of hearing. All legal steps are being taken for recovery.
5. Reference is invited to note no. 25.1, regarding claims recoverable include Rs. 2.27 crore towards carrying costs for delayed lifting of pulses by State Governments. Claim for the same was lodged during the year 2011-12 and the same is being followed up with the State Governments. Since, there is credit balance available with the Company, no provision is considered necessary.	The claim of Rs. 2.27 crore refers to the charges recoverable from various State Governments towards carrying costs for delayed lifting of pulses supplied during 2011-12 under the erstwhile subsidy scheme. Against the claim of Rs. 2.27 crore recoverable from the State Governments, STC has a credit balance available in its account. The matter is being taken up with State Governments on regular basis for settlement of accounts.

Comments of the Statutory Auditors	Management Replies
<p>6. Reference is invited to note no. 45(b), regarding contingent liability of Rs. 82.57 crore payable to foreign supplier as per arbitral award, for which the company has filed appeal in the Hon'ble Delhi High Court and simultaneously lodged the claim with Ministry of Consumer Affairs as transaction was under taken on their behalf. In view of the above no provision is considered necessary.</p>	<p>STC during July 2008, had contracted to import Canadian Yellow Peas under the 15% subsidy scheme out of which some quantity was abrogated as per the advice of Ministry of Consumer Affairs and CVC. The supplier did not agree for the same and invoked the Arbitration clause.</p> <p>The dispute was referred to ICA, New Delhi where the tribunal passed the award against STC.</p> <p>STC has filed appeal in Hon'ble High Court, Delhi and is pursuing the same. STC has in turn informed MOCA that In case the Court verdict comes against STC, the liability arising shall have to be made good by MOCA.</p>
<p>7. Reference is invited to note no. 19.2 , regarding long term trade receivable of Rs. 788.47 Crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc. against which corresponding credit balance of Rs. 342.18 Crore are available leaving net receivable of Rs 446.29 Crore. Actions against the business associate have been initiated. The matter is being pursued legally and company is hopeful of recovery. As a measure of abundant caution full provision of Rs 446.29 Crore being net receivable, has been made.</p>	<p>Under the Scheme, post shipment finance was taken from EXIM Bank to finance the export transactions.</p> <p>As per the agreement, the repatriation of export proceeds was the responsibility of associates. In some cases, the overseas buyers defaulted in payments and the export proceeds were not realized. Actions have been initiated against the associates. The matter is also under investigation by the concerned agencies.</p>
<p>8. Reference is invited to note no. 19.5, regarding long term trade receivable of Rs. 59.23 crore recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of the Company. The party has paid an amount of Rs. 19.50 crore during the current year. However, upon non-payment of entire overdue, the Company resorted to sale of the pledged stocks to another party and an amount of Rs. 33.65 crore was received as advance payment up to 31.03.2015 from the buyer against sale. Hence, no provision is considered necessary.</p>	<p>Against an outstanding of Rs. 59.23 crore the stocks have been sold by STC for a total amount of Rs. 56.22 crore against which Rs. 38.65 crore have already been received and lifting is under progress. For any shortfall in recovery, STC is fully secured by way of pledged stock of a group company.</p>
<p>9. Reference is invited to note no. 19.8, regarding long term trade receivable of Rs.58.55 Crore due from one of the business associates for goods sold in earlier years. The entire balance overdue is secured by pledge of stocks in favour of the Company. In current year payment of Rs.5 Crore received from the party. The Company has invoked risk sale clause of the agreement and floated tender for sale of pledged stocks. The management is hopeful of the full recovery.</p>	<p>The associate obtained stay from Balasore Court against risk sale of ferrochrome and lam coke initiated by STC. STC has filed an appeal for vacation of stay. The Company has filed criminal complaint u/s 138 of NI Act and also winding up petition against the associate which are in progress.</p>
<p>10. Reference is invited to note no. 19.10, regarding long term trade receivable of Rs. 10.21 crore recoverable from MARKFED, Govt. of Maharashtra (GOM) towards supply of RBD Palmolein under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by the Company except the outstanding balance of Rs. 10.21 crore pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED, Govt. of Maharashtra for recovery. The management is hopeful of the full recovery.</p>	<p>An amount of Rs. 2.32 crore on account of supply of RBD Palmolein during the year 2010-11 and an amount of Rs. 7.88 crore towards supplies made during the year 2011-12 under the erstwhile PDS scheme is recoverable from MARKFED (Govt. of Maharashtra).</p> <p>The total amount of Rs. 10.21 crore is pending due to final reconciliation at their end.</p> <p>Matter is being taken with the Govt. of Maharashtra for reconciliation of the amount and recovery of the same.</p>
<p>11. Reference is invited to Note No. 47 & 48 relating to Pending reconciliation/ confirmation of balances in parties accounts, claims recoverable, advances and current liabilities and consequential adjustment that may arise on reconciliation.</p>	<p>Balances of debtors/ creditors and liabilities are being reconciled after completion of each transaction and the accounts are settled with the associates. However, confirmation of balances in respect of debtors/creditors involving legal cases are not obtained as it may affect the legal proceedings.</p>

Comments of the Statutory Auditors	Management Replies
<p>12. As explained to us, verification of inventories undertaken by the Company through surveyor from time to time. In respect of the goods in the custody of third parties, certificate is obtained from the Clearing & handling Agents or the warehousing corporation or from the concerned parties. In our opinion, the verification of goods like coal, wheat, copper etc. is not by actual weighment, but by actual receipt and dispatch without accounting for losses due to handling /obsolete / non-moving stock. In respect of stock of Wheat 1925.780 MTs at Kandla Port lying since the year 2004-05 as there was no confirmation of the quality and quantity available, the value of the same is being taken as nil at Ahmedabad branch.</p>	<p>As per company's business model, goods sold to associate are pledged back to STC unless payment is made by the party. The storage loss, if any, is to the account of associates. Therefore, actual weighment is not undertaken. However, in respect of business on Govt. account (like wheat) accounting of handling losses is done on completion of each shipment.</p> <p>The subject transaction of wheat exports was undertaken on back-to-back basis with the associates. As per the contract with the Associates, they were liable for any losses to stocks due to handling and storage. STC stands indemnified for claims on quality and quantity on the stored cargo as per back to back contract. In case of bulk cargo stored in the godown, the survey is usually carried out by third party independent agency as per specified procedure to arrive at the quantity of stored cargo.</p> <p>The quantity of 1925.780 MT wheat was lifted during 2004-05 by the Associates from the FCI stock, and stored in the godown of the associates at their cost and responsibility. Due to prolonged storage period the quality of the stocks had deteriorated, hence, the market value of stock was taken as Nil and no confirmation was considered necessary. STC has held the associates responsible for the consequent deterioration of quality of the stock. However, the case is being investigated by outside agencies.</p>
<p>13. In our opinion, though the procedures for physical verification is in place and instructions & guidelines are issued from time to time for verification of stock/ inventories, but the same be followed strictly for materials which are handled by and are in custody of third parties. The Ahmedabad Branch auditor has reported that the management has not laid down proper guidelines with regard to the periodicity and procedure for verification which is necessary to strengthen its control over materials.</p>	<p>Instructions and guidelines have been issued from time to time to branches and divisions for verification of inventories/ stocks by nominated surveyors as well as STC officials on periodic basis. Checking compliance of the same has also been included in the scope of internal auditors. However, physical verification of stocks and inventories has been carried out at the year-end.</p>
<p>14. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. On the basis of our examination and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system during the course of the audit. However, internal control system regarding review, realization of advances and other claims and reconciliation of balance of sundry debtors and creditors require strengthening. The deficiencies/ weakness in implementing the internal control system i.e. no specific authorization level to make modifications in the entries prepared in the system reported at Chennai Branch. The internal control system for the purchase and sale of inventory, services and fixed assets need to be strengthened, considering the size of the branch and the nature of its business at Ahmedabad Branch.</p>	<p>A system has been put in place whereby all overdues are reported and reviewed every month starting from Branch/ Division level and monitored by Management. Respective branches and divisions have been instructed for monitoring the overdues recoveries on regular basis. Balances of debtors/ creditors and liabilities are being reconciled after completion of each transaction and the accounts are settled with the associates.</p> <p>Checks and balances are reviewed consistently and amendments made wherever considered necessary.</p>

Sd/-
S.K. SHARMA
(Director- Personnel)

Sd/-
B B Saha
(CGM-Finance)

Sd/-
B R Dhawan
(CGM-Finance)



THE STATE TRADING CORPORATION OF INDIA LIMITED
Regd. Office: Jawahar Vyapar Bhawan, Tolstoy Marg,
New Delhi-110001

RE: Green Initiative In Corporate Governance: Go Paperless

Dear Shareholder,

As you may be aware, the Ministry of Corporate Affairs, as a part of the Green Initiative in Corporate Governance, vide its Circular No.17/2011 & 18/2011 dated 21.04.2011 and 29.04.2011, has allowed paperless compliance by Companies, which may now send various notices / documents, such as Notice of General Meetings, Annual Report, etc., to its Shareholders through electronic mode at their e-mail address registered with the Company.

Your Company welcomes the spirit of this green initiative, which will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This will also ensure prompt receipt of communication by Shareholders and avoid their loss / misplacement in postal transit. In this backdrop, we wish to intimate / request as under:-

- (i) Shareholders holding shares in demat form may register/ update their e-mail ID with their respective Depository Participants, if not already done.
- (ii) Shareholders holding shares in physical mode may submit the appended E-COMMUNICATION REGISTRATION FORM, duly filled-in, at the address indicated therein. The said form is also available for download from our website, www.stc.gov.in. Shareholders could also submit the said form by way of fax on 011-41709881 or by e-mailing a scanned copy to admin@mcsregistrars.com.

Full text of notices/documents meant for general shareholders would also be made available on our website www.stc.gov.in, for reference /download.

We are sure that you would appreciate the "Green Initiative" taken by MCA. We solicit your patronage and support in helping the Company to implement the e-governance initiatives of the Government. Please note, as a valued shareholder, you are always entitled to demand and receive, free of cost a printed copy of the Annual Report of the Company and all other documents.

Best regards,

Thanking you,

Sd/-
(R.K. Gogia)
Company Secretary
FCS 2889



(Please tear here)



E-COMMUNICATION REGISTRATION FORM

(Exclusively meant for Shareholders holding shares in physical form)

To,
MCS SHARE TRANSFER AGENT LIMITED
(Unit: The State Trading Corporation of India Limited)
F-65, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110 020.

RE: - Green Initiative in Corporate Governance

Regd. Folio No.	
Name of 1st Registered Holder	
Name of Joint Holder/s	1.
	2.
E-mail ID to be registered	

I / We, Shareholders of THE STATE TRADING CORPORATION OF INDIA LIMITED, hereby agree to receive all communications from the Company by way of an e-mail. Please register my e-mail ID in your records for sending communications through e-mail.

Date:

Signature
(First Holder)



59 Years of excellence in Global Trading



Business Beyond Boundaries

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

(CIN:L74899DL1956GOI002674)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001

Tel. No. : 011-23313177, Fax : 011-23701123, 23701191

E-mail : co@stc.gov.in Website : www.stc.gov.in



THE STATE TRADING CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)

(CIN:L74899DL1956GOI002674)

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110 001

Tel. No. : 011-23313177, Fax : 011-23701123, 23701191

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**MANAGEMENT REPLIES TO THE COMMENTS OF STATUTORY AUDITORS ON THE ACCOUNTS
FOR THE YEAR 2014-15**

Comments of the Statutory Auditors	Management Replies
<p>1. Reference is invited to note no. 18.1 relating to contracts of scraps, where transactions of purchases and sales and recoveries had not taken place in terms of contracts. Pending outcome of legal steps initiated for recovery, full provision of Rs. 87.39 Crore was made in earlier year. However, the company is successful in getting Arbitration Award of Rs. 110.00 Crores in its favour along with 12% interest per annum from 1st May 2006 till realization of award which has been objected by the party and hearing is pending in this case before Hon'ble High Court, New Delhi.</p> <p>Appearing since 2005-06.</p>	<p>STC had financed Rs. 125 crore to an associate for purchase of old fertilizer plant. During the transaction a sum of Rs. 38 crore was only recovered leaving a balance amount of Rs. 87 crore for recovery. STC has filed various court cases including arbitration proceedings against the party. Arbitration award of Rs. 110 crore plus interest was pronounced in favour of STC. The party filed objections u/s 34 of Arbitration and Conciliation Act, 1996 before the Hon'ble High Court, New Delhi. STC is contesting the matter.</p>
<p>2. Reference is invited to note no. 19.1 regarding long term trade receivable Rs. 568.44 Crore on account of export of pharma product to foreign buyer on back to back basis. As there is default in the payment against export bills by the buyers which have ultimately gone into liquidation, litigation process have been initiated by STC as well as by Indian Associates and their bankers. A claim of Rs. 527.86 Crore has been admitted by the liquidator. There is however corresponding credit balance of Rs. 568.78 Crore under trade payables. Management does not anticipate any liability on this account.</p> <p>Appearing since 2012-13.</p>	<p>The contract was signed on back to back basis and payment to the supplier was to be made upon realisation of export proceeds from the foreign buyer. Due to non-fulfilment of commitment by the foreign buyer, the matter has gone under litigation & is sub-judice.</p> <p>There is no outflow of STC funds and no liability is anticipated.</p>
<p>3. Reference is invited to note no. 22.1 relating to Rs. 122.46 Crore due from Jhagadia Copper Limited, the Company is under Liquidation. The</p>	<p>The JCL plant has been purchased by one PSU. The same company has shown interest to purchase the STC's pledged material for which necessary actions are</p>

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	The State Trading Corporation of India Ltd
2	Annual financial statement for the year ended	31 st March 2015
3	Type of audit observation	Matter of Emphasis
4	Frequency of observation	As per annexure
5	Signed by	Chairman & Managing Director Director Statutory Auditors Audit Committee Chairman

Comments of the Statutory Auditors	Management Replies
<p>6. Reference is invited to note no. 45(b) regarding contingent liability of Rs. 62.57 crore payable to foreign supplier as per arbitral award, for which the company has filed appeal in the Hon'ble Delhi High Court and simultaneously lodged the claim with Ministry of Consumer Affairs as transaction was under taken on their behalf. In view of the above no provision is considered necessary.</p> <p>Appearing first time in 2014-15</p>	<p>STC during July 2008, had contracted to import Canadian Yellow Peas under the 15% subsidy scheme out of which some quantity was abrogated as per the advice of Ministry of Consumer Affairs and CVC. The supplier did not agree for the same and invoked the Arbitration clause.</p> <p>The dispute was referred to ICA, New Delhi where the tribunal passed the award against STC.</p> <p>STC has filed appeal in Hon'ble High Court, Delhi and is pursuing the same. STC has in turn informed MOCA that in case the Court verdict comes against STC, the liability arising shall have to be made good by MOCA.</p>
<p>7. Reference is invited to note no. 19.2 regarding long term trade receivable of Rs. 788.47 Crore under the Credit Linked Insurance Scheme (CLIS) for export of gold jewellery etc against which corresponding credit balance of Rs. 342.18 Crore are available leaving net receivable of Rs. 446.29 Crore. Actions against the business associate have been initiated. The matter is being pursued legally and company is hopeful of recovery. As a measure of abundant caution full provision of Rs. 446.29 Crore being net receivable, has been made.</p> <p>Appearing since 2009-10.</p>	<p>Under the Scheme, post shipment finance was taken from EXIM Bank to finance the export transactions.</p> <p>As per the agreement, the repatriation of export proceeds was the responsibility of associates. In some cases, the overseas buyers defaulted in payments and the export proceeds were not realized. Actions have been initiated against the associates. The matter is also under investigation by the concerned agencies.</p>
<p>8. Reference is invited to note no. 19.5 regarding long term trade receivable of Rs. 59.23 crore recoverable from one of the business associates for goods sold in earlier years. The entire overdue is secured by pledge of stocks in favour of the Company. The party has paid an amount of Rs. 19.50 crore</p>	<p>Against an outstanding of Rs. 59.23 crore the stocks have been sold by STC for a total amount of Rs. 56.22 crore against which Rs. 38.65 crore have already been received and lifting is under progress. For any shortfall in recovery, STC is fully secured by way of pledged stock of a group company.</p>

Comments of the Statutory Auditors	Management Replies
<p>entire amount is secured by pledge of stocks to the Company (procured under advance license with export obligation) Financial impact of the same cannot be ascertained at this stage</p> <p>Appearing since 2009-10</p>	<p>being taken. The value of pledged stocks as on 31.03.2015 was approx Rs 324 crore based on latest PV & valuation report dated 05-05-2015.</p>
<p>4. Reference is invited to note no 22.2 regarding long term receivables of Rs 1640.53 Crore due from one of the business associates who have stopped operation of their plant due to extreme volatility of prices. Consequent upon Conciliation Agreement dated 15.11.2011 and further settlement agreement dated 17.05.2012 the entire dues were payable to the Company by 10.11.2012. During the year, The business associate remitted an amount of Rs. 33 crore and has sought more time for payment. The same was not agreed by the Company and case for enforcement of decree was filed before the Hon'ble Supreme Court and decree was noted to be final. Management is hopeful of full recovery.</p> <p>Appearing since 2010-11</p>	<p>The associate paid Rs 586 crore after signing of conciliation agreement. The Corporation has filed criminal case u/s 138 of Negotiable Instrument Act. STC has also filed another criminal case under IPC 420 for dilution of securities in violation of the conciliation agreement. Further, the party on 19/08/2015 committed before the Hon'ble Supreme Court to pay back the amount and also sought time to submit the schedule of payment to the court. The court directed the party to pay to STC RS. 75 crore on or before 07-09-2015, i.e. the next date of hearing. All legal steps are being taken for recovery.</p>
<p>5. Reference is invited to note no 25.1 regarding claims recoverable include Rs 2.72 crore towards carrying costs for delayed lifting of pulses by State Governments. Claim for the same was lodged during the year 2011-12 and the same is being followed up with the State Governments. Since there is credit balance available with the Company, no provision is considered necessary.</p> <p>Appearing since 2013-14</p>	<p>The claim of Rs. 2.27 crore refers to the charges recoverable from various State Governments towards carrying costs for delayed lifting of pulses supplied during 2011-12 under the erstwhile subsidy scheme. Against the claim of Rs. 2.27 crore recoverable from the State Governments, STC has a credit balance available in its account. The matter is being taken up with State Governments on regular basis for settlement of accounts.</p>

Comments of the Statutory Auditors	Management Replies
<p>11. Reference is invited to Note No. 47 & 48 relating to Pending reconciliation/ confirmation of balances in parties accounts, claims recoverable advances and current liabilities and consequential adjustment that may arise on reconciliation.</p> <p>Appearing in earlier years as general comments</p>	<p>Balances of debtors/ creditors and liabilities are being reconciled after completion of each transaction and the accounts are settled with the associates. However, confirmation of balances in respect of debtors/creditors involving legal cases are not obtained as it may affect the legal proceedings.</p>
<p>12. As explained to us, verification of inventories undertaken by the Company through surveyor from time to time. In respect of the goods in the custody of third parties, certificate is obtained from the Clearing & handling Agents or the warehousing corporation or from the concerned parties. In our opinion, the verification of goods like coal, wheat, copper etc., is not by actual weighment, but by actual receipt and dispatch without accounting for losses due to handling /obsolete / non-moving stock. In respect of stock of Wheat 1925.780 MTs at Kandla Port lying since the year 2004-05 as there was no confirmation of the quality and quantity available, the value of the same is being taken as nil at Ahmedabad branch.</p> <p>Appearing since 2006-07</p>	<p>As per company's business model, goods sold to associate are pledged back to STC unless payment is made by the party. The storage loss, if any, is to the account of associates. Therefore, actual weighment is not undertaken. However, in respect of business on Govt. account (like wheat) accounting of handling losses is done on completion of each shipment.</p> <p>The subject transaction of wheat exports was undertaken on back-to-back basis with the associates. As per the contract with the Associates, they were liable for any losses to stocks due to handling and storage. STC stands indemnified for claims on quality and quantity on the stored cargo as per back to back contract. In case of bulk cargo stored in the godown, the survey is usually carried out by third party independent agency as per specified procedure to arrive at the quantity of stored cargo.</p> <p>The quantity of 1925.780 MT wheat was lifted during 2004-05 by the Associates from the FCI stock, and stored in the godown of the associates at their cost and responsibility. Due to prolonged storage period the quality of the stocks had deteriorated, hence, the market value of stock was taken as Nil and no confirmation</p>

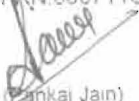
Comments of the Statutory Auditors	Management Replies
<p>during the current year. However, upon non-payment of entire overdue, the Company resorted to sale of the pledged stocks to another party and an amount of Rs. 33.65 crore was received as advance payment up to 31.03.2015 from the buyer against sale. Hence, no provision is considered necessary.</p> <p>Appearing first time in 2014-15</p>	
<p>9. Reference is invited to note no. 19.9 regarding long term trade receivable of Rs 58.55 Crore due from one of the business associates for goods sold in earlier years. The entire balance overdue is secured by pledge of stocks in favour of the Company. In current year payment of Rs 5 Crore received from the party. The Company has invoked risk sale clause of the agreement and floated tender for sale of pledged stocks. The management is hopeful of the full recovery.</p> <p>Appearing first time in 2014-15</p>	<p>The associate obtained stay from Balasore Court against risk sale of ferrochrome and lam coke initiated by STC. STC has filed an appeal for vacation of stay. The Company has filed criminal complaint u/s 138 of NI Act and also winding up petition against the associate which are in progress.</p>
<p>10. Reference is invited to note no. 19.10, regarding long term trade receivable of Rs. 10.21 crore recoverable from MARKFED Govt. of Maharashtra (GOM) towards supply of RBD Palmolein under PDS Scheme during the year 2010-11 and 2011-12. All amounts relating to this supply were received by the Company except the outstanding balance of Rs. 10.21 crore pending for final reconciliation at their end. Matter is being constantly taken up with MARKFED Govt. of Maharashtra for recovery. The management is hopeful of the full recovery.</p> <p>Appearing first time in 2014-15.</p>	<p>An amount of Rs. 2.32 crore on account of supply of RBD Palmolein during the year 2010-11 and an amount of Rs. 7.88 crore towards supplies made during the year 2011-12 under the erstwhile PDS scheme is recoverable from MARKFED (Govt. of Maharashtra).</p> <p>The total amount of Rs. 10.21 crore is pending due to final reconciliation at their end.</p> <p>Matter is being taken with the Govt. of Maharashtra for reconciliation of the amount and recovery of the same.</p>


Comments of the Statutory Auditors	Management Replies
	was considered necessary. STC has held the associates responsible for the consequent deterioration of quality of the stock. However, the case is being investigated by outside agencies.
<p>13. In our opinion, though the procedures for physical verification is in place and instructions & guidelines are issued from time to time for verification of stock/inventories, but the same be followed strictly for materials which are handled by and are in custody of third parties. The Ahmedabad Branch auditor has reported that the management has not laid down proper guidelines with regard to the periodicity and procedure for verification which is necessary to strengthen its control over materials.</p> <p>Appearing since 2006-07</p>	<p>Instructions and guidelines have been issued from time to time to branches and divisions for verification of inventories/stocks by nominated surveyors as well as STC officials on periodic basis. Checking compliance of the same has also been included in the scope of internal auditors. However, physical verification of stocks and inventories has been carried out at the year-end.</p>
<p>14. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. On the basis of our examination and according to the information and explanation given to us, we have not observed any continuing failure to correct major weaknesses in internal control system during the course of the audit. However, internal control system regarding review, realization of advances and other claims and reconciliation of balance of sundry debtors and creditors require strengthening. The deficiencies/weakness in</p>	<p>A system has been put in place whereby all overdues are reported and reviewed every month starting from Branch/ Division level and monitored by Management. Respective branches and divisions have been instructed for monitoring the overdues recoveries on regular basis. Balances of debtors/ creditors and liabilities are being reconciled after completion of each transaction and the accounts are settled with the associates.</p> <p>Checks and balances are reviewed consistently and amendments made wherever considered necessary.</p>


Comments of the Statutory Auditors	Management Replies
<p>implementing the internal control system i.e. no specific authorization level to make modifications in the entries prepared in the system reported at Chennai Branch. The internal control system for the purchase and sale of inventory, services and fixed assets need to be strengthened, considering the size of the branch and the nature of its business at Ahmedabad Branch.</p> <p>Appearing since 2010-11.</p>	


 (Khaleel Rahim)
 Chairman & Managing Director
 & Director (Finance)

For P.Jain & Company
 Chartered Accountants
 FRN:000711C


 (Pankaj Jain)
 Partner
 M.NO. 097279


 (S. K. Sharma)
 Director (Personnel)


 (Smt J. K. Desai)
 Chairman Audit Committee


FORM B

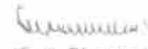
Format of covering letter of the annual audit report to be filed with the stock exchanges


1	Name of the Company	The State Trading Corporation of India Ltd.
2	Annual financial statement for the year ended	31 st March 2015
3	Type of audit Qualification	Nil
4	Frequency of qualification	N/A
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	N/A
6	Additional comments from the board/audit committee chair person	Nil


(Khaleel Rahim)
Chairman & Managing Director
& Director (Finance)

For P Jain & Company
Chartered Accountants
PRN 000711C


(Pankaj Jain)
Partner
M.NO. 097279


(S. K. Sharma)
Director (Personnel)


(Shri J. K. Dadoo)
Chairman Audit Committee