

MINUTES OF THE 56TH ANNUAL GENERAL MEETING OF THE STATE TRADING CORPORATION OF INDIA LIMITED HELD ON THURSDAY, THE 27TH SEPTEMBER, 2012 AT 12.00 NOON AT THE REGISTERED OFFICE OF THE COMPANY AT JAWAHAR VYAPAR BHAWAN, TOLSTOY MARG, NEW DELHI - 110 001.

PRESENT

Shri N.K. Mathur, CMD and a shareholder - in the Chair
Shri Madhusudan Prasad, AS (MOC), Director and representing President of India
Shri M.M. Sharma, Director (Personnel) and a shareholder
Shri Khaleel Rahim, Director (Marketing) and a shareholder
Dr. (Mrs.) B. Kinnera Murthy, Director and Chairperson Audit Committee
Shri Jayendra N. Shah, Director
Shri Naresh Dayal, Director
Prof. R.H. Dholakia, Director
Shri Uday N. Abhyankar, Director
Shri S.C. Tripathi, Director

Shri Rakesh Kumar Gogia, Company Secretary

Special Invitee

Shri Manoj Mishra, Chief General Manager (Finance)
Dr. D.S. Gangwar, Chief Vigilance Officer

Individual shareholders numbering 1967 in person and 166 through proxies were present.

Upon confirmation by the Company Secretary that the quorum for the meeting was present, the Chairman called the meeting to order. Chairman extended a hearty welcome to the members at the Annual General Meeting of STC. With the permission of the Shareholders, the Notice of the meeting, Statutory Auditors' Report and Comments of the Comptroller and Auditor General of India on the 2011-12 Annual Accounts of the Corporation made under Section 619(4) of the Companies Act, 1956, which had already been circulated, were taken as read.

Chairman then briefed the shareholders about the performance of the Company during 2011-12. He informed that during the year 2011-12, the Corporation achieved an all time high turnover of Rs.30,444 Crore, thereby registering a growth of 52.3 per cent despite a number of factors beyond the control of the Corporation adversely affecting the trade.

Chairman further informed that the Profit before tax during the year amounted at Rs.18 crore was lower due to thin trading margins, higher interest outgo on blocked funds and net provisions and write off worth Rs.46 crore that were made during the period as a matter of abundant caution.

Sharing the philosophy of the company in relation to Corporate Governance, Chairman informed the Shareholders that the Company was committed to fully conform to laws, regulations, and guidelines and to promote ethical conduct throughout the organization with the primary objective of enhancing shareholders value.

Chairman also informed that the Corporation was making best efforts to take advantage of higher domestic availability of food grains and had already started export of wheat. He expressed hope that the Corporation would be able to further develop business of existing items such as bullion, coal, ferrous & non-ferrous metals, minerals & ores, edible oils, tea, pulses etc. in the coming years.

Chairman then invited the Members to seek any clarifications.

Amongst the Shareholders present, S/Shri Jasmeet Singh, Naresh Chand Jain, Yogesh Sharma, Ashok Kumar Gupta, Rahul Gupta, B. Ramaratnam and A.K. Majumdar, made interalia certain observations and sought certain clarifications.

Chairman replied to the queries/ observations made by the shareholders broadly as under:

- Decline in profitability - It was due to thin trading margins, higher interest outgo on blocked funds and net provisions and write off worth Rs.46 crore that were made during the period as a matter of abundant caution, lower dividend was due to lower profit.
- Decline in exports - It was due to lack of parity between domestic and international prices in respect of agricultural commodities, ban on mining and transportation of Iron ore imposed by various state governments etc. Better performance in exports was expected during the coming year.
- The details of the recoveries made: It was informed that details of recoveries made could not be provided on the spot and the concerned shareholder was advised to seek the details separately.
- Reasons for doing business with the FCI in spite of old outstanding: It was informed that the business with FCI for exports of wheat from Central Stocks was being undertaken as per the Govt. Policy.
- Booking of Turnover from Counter trade business - It was informed that the same was not booked as turnover as per applicable Accounting Standard.
- Re-materialization of shares – The issue would be examined in the light of relevant applicable provisions.
- Change of Registrars and Share Transfer Agent – The matter would be examined.
- The suggestion with regard to separate counters for the senior citizens/ladies at the Attendance Desk in future AGMs was noted.

Thereafter, Chairman took up the agenda of the meeting.



ITEM 1: ADOPTION OF DIRECTORS' REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012.

Shri Jasmeet Singh (a shareholder) proposed the following resolution, which was seconded by Shri Naresh Chand Jain (a shareholder):

“RESOLVED THAT Directors' Report and Audited Accounts of the Corporation for the year 2011-12 together with Auditors' Report, Comments of the C&AG thereon and the Management's replies thereto be and are hereby adopted.”

Chairman put the motion to vote and declared the same as having been carried unanimously on a show of hands.

ITEM 2: DIVIDEND

Shri Yogesh Sharma (a shareholder) proposed the following resolution, which was seconded by Shri Ashok Kumar Gupta (a shareholder):

“RESOLVED THAT a dividend of 20 % on the paid-up equity share capital of the Company as recommended by the Board be and is hereby declared for the year 2011-12”

Chairman put the motion to vote and declared the same as having been carried unanimously on a show of hands.

ITEM 3, 4, 6 to 12: APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Shri M.M. Sharma, Director (Personnel) and a shareholder moved the following Resolutions:

- (i) “RESOLVED THAT approval be and is hereby accorded to put the motions for appointment of Directors under Section 255 of the Companies Act, 1956 by a single resolution”.
- (ii) “RESOLVED FURTHER THAT Shri Madhusudan Prasad and Smt. Anita Agnihotri, who were appointed as Additional Directors by the President of India and joined the Board w. e. f. 12.01.2012 and 30.05.2012 respectively be and are hereby appointed as part-time official Directors of the Company, liable to retire by rotation, on such terms and conditions and tenure as may be determined by the President of India from time to time.
- (iii) “RESOLVED FURTHER THAT Shri Uday N. Abhyankar, Shri S.C. Tripathi, Shri S.C. Saraf, Smt. B. Kinnera Murthy and Shri J.N. Shah, who were appointed as Additional Directors by the President of India and joined the Board w. e. f. 10.10.2011, 14.10.2011, 28.03.2012, 10.05.2012 and 10.05.2012 respectively be and are hereby appointed as part-time non-official Directors of the Company, liable to

retire by rotation, on the terms and conditions and tenure as may be determined by the President of India from time to time.

- (iv) "RESOLVED FURTHER THAT Shri Khaleel Rahim and Shri Proshanto Banerjee, Directors retiring by rotation at this meeting and being eligible and having offered themselves for re-appointment, be and are hereby re-appointed as Directors on the terms and conditions approved by the President of India from time to time.

Shri N.K. Mathur, CMD and a shareholder seconded the motion.

Chairman put the motion to vote and declared the same as having been carried unanimously on a show of hands.

ITEM 5: TO APPROVE REMUNERATION OF THE STATUTORY AUDITORS' TO BE APPOINTED BY C&AG OF INDIA UNDER SECTION 619 OF THE COMPANIES ACT, 1956 FOR THE FINANCIAL YEAR 2012-13.

Shri Khaleel Rahim, Director (Marketing) and Shareholder moved the following Resolution:

"RESOLVED THAT the Board of Directors of the company be and is hereby authorized to decide and fix the remuneration of the Statutory/Branch Auditors of the Company for the financial year 2012-13, as may be deemed fit by the Board."

Shri Madhusudan Prasad, AS (MOC), Government Nominee Director and representative President of India (a shareholder) seconded the motion

Chairman put the motion to vote and declared the same as having been carried unanimously on a show of hands.

With all the items of the agenda having been transacted, the Chairman requested Shri M.M. Sharma to propose a vote of thanks.

Shri M. M. Sharma thereafter proposed a vote of thanks. He thanked all the shareholders present and in particular the representative of the President of India, Shri Madhusudan Prasad, AS (MOC) and Government Nominee Director on the Board of STC, Chairman Audit Committee, Dr. (Mrs.) B. Kinnera Murthy, and Directors. Shri Jayendra N. Shah, Shri Naresh Dayal, Prof. R.H. Dholakia, Shri Uday N. Abhyankar and Shri S.C. Tripathi for making it convenient to attend the 56th Annual General Meeting. He also placed on record the best efforts made by all the employees of the Company in achieving current level of performance.

The Chairman thereafter declared the meeting as concluded.

