

प्रभाग
DIVISION

दि स्टेट ट्रेडिंग कार्पोरेशन ऑफ इण्डिया लिमिटेड
(भारत सरकार का उद्यम)
THE STATE TRADING CORPORATION OF INDIA LTD.
(A Govt. of India Enterprise)

No.2014/ STC/BS&P

25th September 2014

Manager-Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/I, G Block Bandra-Kurla Complex, Bandra (East), Mumbai- 400 051 Scrip Code: STCINDIA-EQ	Manager Department of Corporate Services BSE Limited 25 th Floor, P.J. Towers, Dalal Street, Mumbai- 400 001 Scrip Code : 512531
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Dear Sir/ Madam,

Subject: Outcome of the Annual General Meeting

We wish to inform you that the State Trading Corporation of India Limited held its 58th Annual General Meeting today (25th September, 2014) at New Delhi for passing the following resolutions:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, and Statement of Profit & Loss for the year ended 31st March, 2014, together with the reports of the Directors and Auditors thereon and comments of the Comptroller & Auditor General of India in terms of Section 619 of the Companies Act, 1956.
2. To appoint a Director in place of Shri Madhusudan Prasad (Director Identification No. 02665954), 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
4. To appoint Shri Bhagwati Prasad Pandey (Director Identification No. 01393312), as Part-time Official Director of the Company, liable to retire by rotation.
5. To appoint Shri Sanjeev Kumar Sharma (Director Identification No. 06942536), as Director (Personnel) of the Company, liable to retire by rotation.

पंजीकृत कार्यालय : जवाहर व्यापार भवन, टालस्टोय मार्ग, नई दिल्ली-110001 / Regd. Office : Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-110001
कार्पोरेट पहचान संख्या/Corporate Identity No. : L74899DL1956GOI002674
दूरभाष/Telephone : 011-23313177 फ़ैक्स/Fax : 011-23701123, 23701191 ई-मेल/E-mail : co@stc.gov.in वेबसाइट/Website : www.stc.gov.in

“हिन्दी में प्राप्त पत्रों का स्वागत है”

The results of the above proceedings will be submitted to you as soon as we receive the Scrutinizers Report on the voting thereon and announcement of the same by the Chairman.

A copy of the speech delivered by our chairman at the above said meeting is enclosed.

Thanking you,

Yours faithfully,



(R.K. Gogia)
Company Secretary

Encl.: As above.

THE STATE TRADING CORPORATION OF INDIA LIMITED

Chairman's Address

Speech Delivered by Shri Khaleel Rahim, Chairman at the 58th Annual General Meeting of the State Trading Corporation of India Limited held on 25th September, 2014 at 3.00 P.M.

Dear Shareholders,

I have great pleasure in welcoming you to the 58th Annual General Meeting of the company on behalf of the entire Board of Directors. A copy of the Annual Report containing Directors' Report and the Accounts for the year ended 31st March, 2014 together with Auditors Report and comments of C&AG has already been circulated to you and with your permission, I take them as read.

Before I proceed to take up the formal agenda of today's meeting; I would like to share with you, in brief, the global and domestic economic scenario and performance of your Company during the year 2013-14 and some of its on-going activities.

GLOBAL ECONOMIC SCENARIO

As you are all aware, 2013-14 was another challenging year and aftermath of recession was clearly visible in growth trends as well as outputs of many countries. Nevertheless, the year 2013-14 brought some cause for cheer with Euro Zone seeming to come out of recession and registering positive growth since the second quarter of 2013, and United States too showing signs of strengthening of the economy, although complete economic turnaround was elusive in the end. During 2013, the Global GDP growth decelerated to 3.0 per cent from 3.2 per cent in 2012. But there is a silver lining with more positive outlook for 2014 and 2015 with projected growth rates of 3.5 per cent and 3.9 per cent respectively.

INDIAN ECONOMIC SCENARIO

Indian economy continued to be sluggish and grew at 4.7 per cent in 2013-14, marking a below 5 per cent growth for the second consecutive year. Only agricultural sector performed better than the previous year registering a growth of 4.7 per cent as against 1.4 per cent in 2012-13. The manufacturing and mining, quarrying sectors registered negative growth. Services sector grew at 6.8 per cent in 2013-14 - marginally lower than in 2012-13. Global tightening of liquidity increased external pressures on India amplifying its macroeconomic imbalances viz. high inflation, large current account and fiscal deficits. The rupee experienced sharp depreciation through end-August on concerns of a large current account deficit and indications by US Federal Reserve of reduction in asset purchases. Inflation too remained very high during 2013. The current account deficit, which had reached a historical high on the back of a large trade deficit, was brought down to USD 32 billion at the end of 2013-14 from USD 88 billion at the end of 2012-13 driven by a significant improvement in exports, robust remittances flows, and a rapid diminution of gold imports. In addition, non-oil, non-gold imports declined in line with weak domestic demand and stronger capital inflows. Import duty on gold was incrementally raised to 10 per cent from 4 per cent and various import restrictions were imposed on nominated agencies and trading houses. Despite a decline in growth of global trade, exports from India recovered sharply and reached an estimated USD 326 billion, indicating a 4.1 per cent growth over previous year. The declining fiscal deficit, stable exchange rate and reducing current account deficit, moderation in inflation and increasing exports reflected a comparatively stable economy at the end of 2013-14. The GDP outlook of 5.4 per cent to 5.9 per cent projected for 2014-15 points towards gradual revival of the economy.

COMPANY'S PERFORMANCE

Despite the challenges, Your Company achieved a turnover of ₹15,374 crore during 2013-14 as against ₹18,698 crore in 2012-13. The overall turnover was lower mainly due to decline in the import sales of urea from ₹5127 crore to ₹1495 crore due to lower authorisation by the GOI.

Your Company achieved a trading profit of ₹ 183 crore, which was 54% higher than the trading profit earned during 2012-13. On an overall basis, the Corporation reported a loss of ₹492 crore during the year as against a profit before tax of ₹ 14 crore during 2012-13. However, the loss was due to provisions & write-offs (net of write-back) of ₹566 crore made for doubtful debts/advances as a matter of prudence as against provisions & write-offs (net of write-back and net of transfer from contingency reserves) of ₹60 crore made in the previous year.

The export turnover amounted to ₹1,781 crore, which is the best performance during the past five years. The Company continued to undertake export of wheat as one of the nominated CPSEs out of the surplus stocks of wheat held by FCI. A total quantity of 10 lakh MT of wheat was contracted for exports during the year and the same resulted in a turnover of ₹1,774 crore as against wheat export turnover of ₹1,525 crore in the previous year. The Company also exported tea worth over ₹4 crore.

On import front, the Company attained an import turnover at ₹13,546 crore, which was 20% lower than the previous year mainly due to reduced imports of urea handled by the Company on behalf of GOI. Imports of bullion continued to be hit due to restrictions on gold imports by way of increase in customs duty and changes in the policy of gold import aimed at controlling the current account deficit. However, the Company successfully imported and sold bullion worth ₹11,654 crore – marginally higher than sales worth ₹11,258 crore made in 2012-13. During the year, the Company became the first CPSE to undertake import of gold under the new 20:80 scheme notified by RBI after obtaining all necessary clearances. The Company was also able to negotiate better trade margins in gold imports than in the past.

On domestic front, the Company effected sales worth ₹ 120 crore. Major items traded domestically were jute goods, pulses and oilseed/extractions.

During the first quarter of the current financial year i.e. Apr-Jun.'14, your Company achieved a turnover of ₹ 3,445 crore and earned a Profit Before Tax of ₹ 44 crore as compared to a loss of ₹ 109 crore during the

corresponding period last year mainly due to higher trading margin earned on the bullion business.

FUTURE OUTLOOK

You will be glad to know that, the Company has finalized long term arrangement with an Iranian Government organization for export of steel plates/coils and with Iranian Railways for supply of rails. It has also signed an MOU with United Phosphorous Ltd. for export of agro pesticides to Iran. Shipments for export of steel products and agro pesticides have already commenced.

STC has obtained license from Spices Board for undertaking cardamom auctions at Bondinayakanur, Tamilnadu or at a centre notified by the Spices Board and has started taking up cardamom auctions. Further, the Company has signed an MOU with Small Farmers Agri. Business Consortium for domestic sale/export of agro products. The Company is also exploring possibilities for export of diesel and pharma products to Sri Lanka and export of wheat from surplus stocks held by FCI as well as from privately held stocks.

Besides above, the Company shall continue to strengthen regular business of items such as import of bullion, fertilizers, urea, edible oils, pulses, etc. The Company is also trying to gradually increase share of direct business in its total turnover. For this purpose, in addition to expansion of existing tea operations, emphasis is being laid on development of direct business under STC brand in items, namely, packaged drinking water, spices, coffee, etc.

CORPORATE GOVERNANCE

The philosophy of your company in relation to Corporate Governance is to fully conform to applicable laws, regulations, and guidelines and to promote ethical conduct throughout the organization. The company is committed to conforming to the highest standards of Corporate Governance. Report on Corporate Governance has been brought separately in the Directors' Report.

Affirmation to Code of Conduct has been duly received from Directors and Senior Management officials.

POSTAL BALLOT

Recently, the Company had sought approval of the shareholders through Postal Ballot on the special resolutions pursuant to Section 180(1) (c) and Section 180(1) (a) of the Companies Act, 2013 respectively for power to borrow up to an overall limit of Rs.2,500 crore and for creation of mortgage and / or charge on all or any of the movable and / or immovable properties of the Company. I am pleased to inform you that both the said resolutions have been passed by the shareholders with requisite majority.

ACKNOWLEDGEMENT

The industrial relations in the company remained cordial during the year and no man-days were lost.

I, on my own behalf and on behalf of the Board of Directors of the Company welcome Shri Bhagwati Prasad Pandey, AS & FA, Department of Commerce and Shri S.K. Sharma, Director (Personnel) on joining the Board of the Corporation during the year and hope that the Company will benefit greatly from their rich experiences.

I, on my own behalf and on behalf of the Board of Directors of the Company, place on record deep appreciation for the valuable guidance and significant contributions made by outgoing Directors, Shri J.S. Deepak, Smt. Anita Agnihotri, Shri M.M. Sharma, Shri Naresh Dayal, Shri Proshanto Banerjee and Prof. R.H. Dholakia.

I also take this opportunity to express my sincere thanks and gratitude to my colleagues on the Board of Directors for their valuable guidance and support in running the affairs of the company.

I am also thankful for the whole-hearted support received from Ministry of Commerce & Industry, Ministry of Consumer Affairs, Food & Public Distribution, Department of Fertilizers, Department of Food, Director General of Foreign Trade, Director General of Export Promotion, Company's Bankers and Auditors and look forward to their continued support in Company's future endeavours. In particular, I shall like to thank all the shareholders for their continued confidence in the Company.

I sincerely thank the employees of STC at all levels and would like to place on record that but for their contribution and dedication the results achieved would not have been possible. I expect the same determination and spirit to continue in future to further improve the performance of the company.

Thank you all.

New Delhi
25th September, 2014

KHALEEL RAHIM
CHAIRMAN