

MINUTES OF THE 55TH ANNUAL GENERAL MEETING OF THE STATE TRADING CORPORATION OF INDIA LIMITED HELD ON THURSDAY, THE 29TH SEPTEMBER, 2011 AT 3.00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY JAWAHAR VYAPAR BHAWAN, TOLSTOY MARG, NEW DELHI-110 001.

PRESENT

Shri N.K. Mathur, CMD - in the Chair
Shri N.K. Nirmal, Director (Finance)
Shri S. S. Roy Burman, Director (Marketing)
Shri M.M. Sharma, Director (Personnel)
Shri Khaleel Rahim, Director (Marketing)
Dr. (Mrs.) B. Kinnera Murthy, Director and Chairman Audit Committee
Shri Jayendra N. Shah, Director
Shri Naresh Dayal, Director
Shri Proshanto Banerjee, Director
Prof. R.H. Dholakia, Director
Smt. Aditi Das Rout, MOC & I - Representing President of India

Shri Rakesh Kumar Gogia, Company Secretary

Individual shareholders numbering 1459 in person and 94 through proxies were present.

At the outset, shareholders present appreciated the arrangements made by the Corporation for the Annual General Meeting.

Before requesting the Chairman to start the proceedings of the meeting, Company Secretary informed the Shareholders that C&AG Comments on the Accounts of the Corporation had been received after dispatch of the Annual Reports to the Shareholders. He further stated that copies of the C&AG Comments and Management's Replies thereto were made available to all the shareholders at the Annual General Meeting.

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 present at the meeting, the Notice of the meeting, Statutory Auditors' Report and Comments of the Comptroller and Auditor General of India on the 2010-11 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 2010-11. He informed that during the year 2010-11, the Corporation achieved a turnover of Rs.19.985 Crore despite the global economy continuing to expand unevenly, sluggish growth in demand in Europe and United States, the fear of payment defaults in some European countries



thereby threatening the trade sentiments, high volatility in the commodity markets and other adverse economic factors.

Chairman further informed that the Corporation achieved an improved trading profit of Rs.178 Crore during the year and Profit before tax during the year amounted to Rs.80 crore.

Chairman shared with the Shareholders the philosophy of the company in relation to Corporate Governance and informed 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 sustain high level of performance by enlarging its supply base, developing marketing tie-ups, leveraging import assistance for generating additional export opportunities, optimum utilization of port based infrastructure, exporting tea under own brand name etc.

In addition, the Corporation hoped to further develop business of existing items such as bullion, coal, fertilizers, ferrous & non-ferrous metals, minerals & ores, edible oils, pulses etc.

Chairman then invited the Members to seek any clarifications.

Amongst the Shareholders present, S/Shri Ramesh Chandra Aggarwal, Joginder Kumar Bhatia, Jagdish Anand, Virender Pal, A.K. Majumdar, Promod Kumar Jain, Sachin Jain, Sandeep, Savi Kant Abbi and P.P. Goel made interalia certain observations and sought certain clarifications, as summarized below:

- Offering shares and/ or FPO, if being contemplated, Splitting of shares and issue of bonus shares.
- Reasons for volatility of Share price.
- Performance of the Company during the half year ending on 30th September, 2011.
- Considering change of M/s MCS Limited as Registrar and Share Transfer Agents.
- Financial data for 10 years at a glance may be incorporated in the Annual Report so that the performance of the Corporation be comparatively analyzed by the Shareholders.
- Attention was drawn to Page 10 of the Annual Report relating to performance of the Subsidiary Company, wherein negative net worth of the subsidiary Company was indicated.
- C & AG Comments.

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

- The Corporation had no immediate plan for going in for FPO or for splitting of shares. The Corporation had issued the Bonus shares in March, 2008 and the interest of the



equity shareholders would also be taken care of in future as and when there was an appropriate opportunity arises.

- Share price was affected largely by the market volatility and overall market scenario.
- The Accounts for the half year ending on 30th September, 2011 were yet to be prepared. During the April-June, 2011, the Corporation achieved a turnover of Rs.9,257 Crore.
- Matter with regard to M/s MCS Limited would be examined.
- The suggestion with regard to presenting 10 Years financial data at a glance was noted.
- Regarding performance of Subsidiary Company, STCL Limited, it was clarified that STC's investment was limited to only Rs.2.82 Crore only.
- Regarding C&AG Comments, it was informed that import of the pulses was taken up at the request of the Government. The trading losses on that account were required to be paid by the Government and the Corporation was confident of realization of its claims from Government of India for full reimbursement of losses.

Thereafter, Chairman took up the agenda of the meeting.

ITEM 1: ADOPTION OF DIRECTORS' REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011.

Shri S.S. Roy Burman - Director and a shareholder moved the following Resolution:

“RESOLVED THAT Directors' Report and Audited Accounts of the Corporation for the year 2010-11 together with Auditors' Report, Comments of the C&AG thereon and the Management's replies thereto be and are hereby adopted.”

Shri N.K. Nirmal - Director 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 2: DIVIDEND

Smt. Aditi Das Rout, representing President of India, moved the following Resolution:

“RESOLVED THAT a dividend of 30 % on the paid-up equity share capital of the Company as recommended by the Board be and is hereby declared for the year 2010-11”

Shri N.K. Nirmal - Director 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 3, 4, 6, 7 & 8: APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Shri N.K. Mathur, Chairman 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 Rajan Katoch, who was appointed as an Additional Director by the President of India and joined the Board w. e. f. 15.12.2010 be and is hereby appointed as part-time official Director of the Company, liable to retire by rotation, on such terms and conditions and tenure as may be determined by the President of India from time to time.
- (iii) "RESOLVED FURTHER THAT Shri Naresh Dayal, Shri Proshanto Banerjee and Prof. R.H. Dholakia, who were appointed as Additional Directors by the President of India and joined the Board w. e. f. 10.07.2011, 28.06.2011 and 24.06.2011 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 M.M. Sharma and Shri SS Roy Burman, whole-time Directors retiring by rotation at this meeting and being eligible and having offered themselves for re-appointment, be and are hereby re-appointed as whole-time Directors on the terms and conditions approved by the President of India from time to time.

Smt. Aditi Das Rout, representing the President of India 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 2011-12.

Shri M.M. Sharma, Director 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 2011-12, as may be deemed fit by the Board."

Shri Khaleel Rahim, Director and 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, Smt. Aditi Das Rout, Chairman Audit Committee, Dr. (Mrs.) B. Kinnera Murthy, Directors Shri Jayendra N. Shah, Shri Naresh Dayal, Shri Proshanto Banerjee and Prof. R.H. Dholakia for making it convenient to the 55th 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.


