



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

STC/BS&P/BS/10082/2017-18/STEX

May 30, 2022

Manager - Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, Bandra - Kurla Complex, Bandra (East), Mumbai - 400051 Scrip Code : STCINDIA - EQ	Manager - Listing Compliance Department BSE Limited 1 st Floor, P.J. Towers, Dalal Street Mumbai - 400001 Scrip Code : 512531
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Sub: Annual Secretarial Compliance Report for the Year ended 31st March, 2022

Dear Sir/Madam,

Pursuant to Regulation 24A of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, please find enclosed herewith the Annual Secretarial Compliance Report for the year ended 31st March, 2022 issued by M/s. VAP & Associates, Practicing Company Secretaries.

Please take the above document on record.

Thanking you,

Yours sincerely,

For The State Trading Corporation of India Limited



(Vipin Tripathi)

Company Secretary & Compliance Officer



**Secretarial Compliance Report of
The State Trading Corporation of India Limited
(CIN: L74899DL1956G01002674) for the year ended 31st March 2022**
(Pursuant to the Regulation 24A of the SEBI LODR) Regulation, 2015 read with
Circular No. CIR/CFD/CMD1/27/2019 Dated 8th February; 2019 issued by SEBI)

To,
The State Trading Corporation of India Limited
Jawahur Vyapar Bhawan,
Tolstoy Marg, New Delhi- 110001

We, VAP & Associates have examined:

- all the documents and records made available to us and explanation provided by **The State Trading Corporation of India Limited** ("STC/ the Company/ the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended 31st March, 2022 ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018; **(Not applicable to the listed entity during the Review Period);**
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable during the Review Period);**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable during the Review Period);**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the listed entity during the Review Period) **(Not applicable during the Review Period);**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(Not applicable during the Review Period);**

- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable during the period under review);**
- j) The Depositories Act, 1996 and the Regulations and Bye Laws framed thereunder to the extent of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- k) the Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with the client to the extent of securities issued.

and based on the above examination and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	<p>Board of Directors</p> <p>(i) As per Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 ("the Regulations") read with proviso, Board of Directors shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty percent of the Board of Directors shall comprise of non-executive directors.</p> <p>(ii) As per Regulation 17(1)(b) of the Regulations, if the listed Company does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors.</p> <p>(iii) As per Regulation 17(1)(c) of the Regulations, the Board of Directors of top 1,000 listed entities shall comprise of not less than six directors.</p> <p>(iv) As per Regulation 17(2A) of the Regulations, quorum shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director.</p>	<p>(i) Fifty percent of the Board did not comprise of Non Executive Directors and there was no Independent Woman Director on the Board from 01.04.2021 till 30.11.2021.</p> <p>(ii) Half of the Board did not comprise of Independent Directors from 01.04.2021 till 01.12.2021.</p> <p>(iii) There were five (5) directors in total on the Board from 01.04.2021 till 29.11.2021.</p> <p>(iv) Due to absence of Independent Directors on the Board, quorum was not proper from 639th Board Meeting till 644th Board Meeting.</p>	<p>The composition of the Board was not in compliance with the provisions under Regulations 17(1)(a), 17(1)(b) and 17(1)(c) of the SEBI (LODR) Regulations, 2015 till 30.11.2021, 01.12.2021 and 29.11.2021 respectively.</p> <p>Due to absence of Independent Director, quorum in Board meetings was not in compliance with the provisions under Regulation 17(2A) from 639th Board Meeting till 644th Board Meeting.</p>

2.	<p>Audit Committee</p> <p>(i) As per Regulation 18(1)(b) of the Regulations, two-thirds of the members of Audit Committee shall be independent directors.</p> <p>(ii) As per Regulation 18(1)(d) of the Regulations, the chairperson of the audit committee shall be an independent director.</p> <p>(iii) As per Regulation 18(2)(b) of the Regulations, the quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.</p>	<p>(i) Two-thirds of the members of Audit Committee did not comprise of independent directors from 01.04.2021 till 04.01.2022.</p> <p>(ii) The chairperson of the audit committee was not an independent director from 01.04.2021 till 04.01.2022.</p> <p>(iii) Due to absence of Independent Directors on the Board, quorum was not proper from 98th to 102nd Audit Committee Meeting.</p>	<p>The composition of the Audit Committee was not in compliance with the provisions under Regulations 18(1)(b) and 18(1)(d) of the SEBI (LODR) Regulations, 2015 from 01.04.2021 till 04.01.2022.</p> <p>The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.</p> <p>Due to absence of Independent Directors on the Board, quorum was not proper from 98th to 102nd Audit Committee Meeting.</p>
3.	<p>Nomination and Remuneration Committee</p> <p>(i) As per Regulation 19(1)(b) of the Regulations, all directors of the Nomination and Remuneration Committee shall be non-executive directors.</p> <p>(ii) As per Regulation 19(1)(c) of the Regulations, at least fifty percent of the directors shall be independent directors.</p> <p>(iii) As per Regulation 19(2) of the Regulations, the Chairperson of the nomination and remuneration committee shall be an independent director.</p>	<p>The Committee did not comprise of all Non Executive Directors, there was no Independent Director and the Chairperson was not an Independent Director from 01.04.2021 till 04.01.2022.</p>	<p>The composition of the Nomination and Remuneration Committee was not in compliance with the provisions under Regulations 19(1)(b), 19(1)(c) and 19(2) of the SEBI (LODR) Regulations, 2015 from 01.04.2021 till 04.01.2022.</p> <p>The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.</p>
4.	<p>Stakeholders Relationship Committee</p> <p>As per Regulation 20(2A) of the Regulations, at least three directors, with at least one being an independent director, shall be members of the Committee.</p>	<p>There was no Independent Director member of the committee from 01.04.2021 till 04.01.2022.</p>	<p>The composition of the Stakeholders Relationship Committee was not in compliance with the provisions under Regulations 20(2A) and 20(3) of the Regulations from 01.04.2021 till 04.01.2022 as there was no Independent Director member of the committee.</p> <p>The Committee was reconstituted by passing circular resolution on 05.01.2022 comprising of Four Independent Directors.</p>

5.	Risk Management Committee As per Regulation 21 (1) the Board of Directors shall constitute a risk Management Committee (w.e.f. 05.05.2021).	Risk Management Committee has not been constituted.	As per Regulation 21(1) the Risk Management Committee has not been constituted. As per the information and explanation provided by the management, the Company is in process of constitution of Risk Management Committee.
6.	Performance evaluation of the Directors, as per Regulation 17(10) and 25(4) of SEBI (LODR) Regulations, 2015 has to be carried out by the Company.	Performance evaluation of the directors, as per Regulation 17(10) and 25(4) of SEBI (LODR) Regulations, 2015 was not carried out by the Company.	Performance evaluation of the directors, as per Regulation 17(10) and 25(4) of SEBI (LODR) Regulations, 2015 was not carried out by the Company.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken e.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	National Stock Exchange of India Limited (NSE) and BSE	Non-compliance with the provisions under SEBI (LODR) Regulations, 2015 for the Quarter ended 31.03.2021, 30.06.2021, 30.09.2021 and 31.12.2021.	NSE and BSE have Levied monetary fine(s) for noncompliance of provisions under SEBI (LODR) Regulations, 2015 for the Quarter ended 31.03.2021, 30.06.2021, 30.09.2021 and 31.12.2021.	NSE has waived the penalties for the Quarter ended 31.03.2021. As per the information and explanation provided by the management, the Company has made submissions to NSE and BSE with a request to waive off the fine imposed for the Quarter ended 30.06.2021, 30.09.2021 and 31.12.2021.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	<p>The composition of the Board is not in compliance with the provisions under Regulations 17(1)(a), 17(1)(b) and 17(1)(c) of the SEBI (LODR) Regulations, 2015.</p> <p>Due to absence of Independent Director, quorum in Board meetings was not in compliance with the provisions under Regulation 17(2A).</p>	2020-21	<p>As per the Management, since the Company is CPSE under the administrative control of Dept. of Commerce, Ministry of Commerce & Industry, all the Board Level appointments are done by Hon'ble President of India through MOC&I.</p>	<p>The action taken by the Company are self explanatory and do not call for any further comment.</p>
2.	<p>The composition of the Audit Committee is not in compliance with the provisions under Regulations 18(1)(b) and 18(1)(d) of the SEBI (LODR) Regulations, 2015 and the Chairman did not attend the Annual General Meeting.</p> <p>Due to absence of Independent Director, quorum in Audit Committee meetings was not in compliance with the provisions under Regulation 18(2)(b).</p>	2020-21	<p>Independent Directors including one Woman Director have been appointed during the year.</p>	
3.	<p>The composition of the Nomination and Remuneration Committee is not in compliance with the provisions under Regulations 19(1)(b) and 19(1)(c) and 19(2) of the SEBI (LODR) Regulations, 2015.</p> <p>Due to absence of Independent Director, quorum in Nomination and Remuneration Committee meetings was not in compliance with the provisions under Regulation 19(2A).</p>	2020-21		
4.	<p>The composition of the Stakeholders Relationship Committee is not in compliance with the provisions</p>	2020-21		

	under Regulations 20(2A) and 20(3) of the SEBI (LODR) Regulations, 2015 and the Chairman did not attend the Annual General Meeting.			
5.	There was delay in uploading of financial Results as per Regulation 30(6) of the Regulations read with Part A of Schedule III.	2020-21	As per the Management, in view of certain post meeting formalities there was delay in uploading of financial Results.	Explanation given by the Company is self explanatory and do not call for any further comment.

For **VAP & Associates**
Company Secretaries
FRN: S2014UP280200

Peer Review No: 1083/2021

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PARUL JAIN
JAIN Date: 2022.05.30
17:46:01 +05'30'

Parul Jain
Proprietor
M. No. F8323
CP No. 13901
UDIN: F008323D000434474

Place: Ghaziabad
Date: 30.05.2022