



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

September 06, 2022

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|---|---|
| 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 |
|---|---|

Sub: Business Responsibility Report for the Financial Year 2021-22

Dear Sir/Madam,

Please find attached herewith a copy of the Business Responsibility Report for the Financial Year 2021-22 as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Please take note of the above information.

Thanking you,

Yours sincerely,
For The State Trading Corporation of India Limited


06/09/2022
(Vipin Tripathi)

Company Secretary & Compliance Officer

Business Responsibility Report for FY 2021-22

About the Company

The State Trading Corporation of India Ltd. (STC) was incorporated on 18th May 1956 under the Companies Act, primarily with a view to undertake trade with East European Countries and to supplement the efforts of private trade and industry in developing exports from the country. STC is a Schedule – 'A', PSE in Trading and Marketing Services. The Company functions under the administrative control of the Ministry of Commerce & Industry (MOC&I), Govt. of India. The Corporate Office of STC is situated at Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi – 110 001, India. The Company has 01 Branch Office and 09 Representative Offices in major cities of India and a wholly owned subsidiary – STCL Limited based at Bangalore.

Currently, the Company is continuing as a 'non-going concern' and no business activities were undertaken by it during the year 2021-22 in pursuance of the directions of the Administrative Ministry and approval of the Board of Directors. However, the company continued monitoring of counter trade obligation as per directions from the Administrative Ministry. The accounts of the Company for the financial year 2021-22 were also published on 'non-going concern basis' in compliance of the Board direction.

Further, the Company continues to pass from difficult financial phase as it has no working capital for day-to-day business affairs due to declaration of STC's account as NPA by lender Banks. The Lender Banks have jointly filed case in DRT against STC for recovery of their dues and the proceedings are going on. The company is in the process of One Time Settlement (OTS) with the lender banks in line with the decision taken during the high level meeting held on 29.08.2019. During the year 2021-22, STC reported a net loss of `94 crore and the Company has a negative net worth of `1082 crore approx. (excluding revaluation reserves) as on 31.03.2022.

Business Responsibility Report – FY 2021-22

As per the Clause 34(2) (f) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, the top thousand listed Companies in terms of market capitalisation have been mandated to issue annual Business Responsibility Report (BRR).

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company
L74899DL1956GOI002674
2. Name of the Company
The State Trading Corporation of India Limited (STC)
3. Registered Office Address
Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi -110001
4. Website : **www.stclimited.co.in**
5. E-mail : **co@stclimited.co.in**
6. Financial Year reported : **2021-22**
7. Sector(s) that the Company is engaged in (industrial activity code-wise) : **Trading**
8. List three key products/services that the Company manufactures/provides (as in balance sheet)
Presently, the Company is continuing as a 'non-going' concern and no business activities were undertaken by it during the year 2021-22 in pursuance of the directions of the Administrative Ministry and approval of the Board of Directors.
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Locations (Provide details of major 5)
NIL
 - ii. Number of National Locations
1 Branch Office and 9 Representative Office in India
10. Markets served by the Company – Local/State/National/International
Not Applicable in view of non-going concern status of the Company

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|----|---|--|
| 1. | Paid up Capital (INR) | 60 Crores |
| 2. | Total Turnover (INR) | NIL |
| 3. | Total profit after taxes 2021-22 (INR) | (93.97) Crores |
| 4. | Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years. |
| 5. | List of activities in which expenditure in 4 above has been incurred | Since the Company was not mandated to allocate CSR budget for the year 2021-22, therefore no CSR activities were undertaken during the year. |

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

Yes. STCL Limited based at Bangalore

Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

- No

2. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

- No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies for the year 2021-22

- DIN Number - 08751137
- Name - Kapil Gupta
- Designation - Director (Finance) (Additional Charge)

b. Details of the BR head

| S. N. | Particulars | Details |
|-------|----------------------------|--------------------------|
| 1. | DIN Number (if applicable) | - |
| 2. | Name | S.K. Meena |
| 3. | Designation | Joint General Manager |
| 4. | Telephone number | 011-23462319 |
| 5. | e-mail id | skmeena@stclimited.co.in |

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3 – Businesses should promote the wellbeing of all the employees.

Principle 4 – Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5 – Businesses should respect and promote human rights.

Principle 6 – Businesses should respect, protect and make efforts to restore the environment.

Principle 7 – Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

Principle 8 – Businesses should promote inclusive growth and equitable development.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

| S.N. | Questions | P 1 | P2 | P 3 | P4 | P5 | P6 | P7 | P8 | P 9 |
|------|--|--|----|--|----|----|----|----|----|-----|
| 1. | Do you have policy/policies for... | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2. | Has the policy being formulated in consultation with the relevant stakeholders? | Y | | Y | Y | Y | | | Y | |
| 3. | Does the policy conform to any national /international standards? If yes, specify? (50 words) | Y | | Y | Y | Y | | | Y | Y |
| 4. | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | | Y | Y | Y | | | Y | |
| 5. | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? | Y | | Y | Y | Y | | | | |
| 6. | Indicate the link for the policy to be viewed online? | www.stclimited.co.in | | www.stclimited.co.in | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | | Y | Y | Y | | | Y | |
| 8. | Does the company have in-house structure to implement the policy/policies. | Y | | Y | Y | Y | | | Y | |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | | Y | Y | Y | | | | |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | | Y | | Y | | | | |

2a. If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| S.No. | Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|-------|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1. | The company has not understood the Principles | | | | | | | | | |
| 2. | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | ✓ | | |
| 3. | The company does not have financial or manpower resources available for the task | | | | | | | | | |
| 4. | It is planned to be done within next 6 months | | | | | | | | | |
| 5. | It is planned to be done within the next 1 year | | | | | | | | | |
| 6. | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

The Board of STC has been meeting at least within 3 months. The meetings of the Board are governed by a structured agenda for discussions. Detailed agenda papers including other explanatory notes are circulated in advance on all major issues to enable the Board to take informed and independent decisions.

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted various committees with distinct role, accountability and authority. The Board reviews the performance of the organization in every meeting that was held at least on quarterly basis. During the year 2021-22 STC's Board has discussed and reviewed mainly the following:

- Approval of financial statements/results
- One Time Settlement (OTS) with lender banks
- Annual Budget
- Status of MOU with Administrative Ministry
- Share price & shareholding pattern of STC
- Status of placement of surplus funds
- HR related issues
- Major Trade Receivables/ Legal Cases
- Corporate Governance Report
- Annual Report on CSR

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

As per the mandate by SEBI top 1000 companies by market capital have to prepare the BRR. Accordingly, BRR of STC for the year 2021-22 has been prepared and the same forms a part of the annual report of the Company, and can be viewed on the Company's official website www.stclimited.co.in

SECTION E – PRINCIPLE WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company?

Yes. The ethical conduct of the Company is reflected in the various policy initiatives. While the Employees Conduct, Discipline & Appeal Rules cover the employees at all levels in the organization, a separate guideline in the form of "Code of Business Conduct & Ethics for Board Members and Senior Management" of STC is given for governing the conduct of Senior Management (including Board level executives). In addition, to promote ethical business, policies like Integrity Pact, Whistle Blower Policy and Citizen Charter have been put into operation.

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the Integrity Pact adopted for all the procurement tenders beyond a threshold value, Citizen Charter extends its purview to vendors, buyers, suppliers, contractors etc. while the code of conduct, whistle

blower policy and Audit Committee Vigil Mechanism covers only the employees of the company. Company also engages Independent External Monitors (IEMs) in line with CVC guidelines and undertakes preventive vigilance measures.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

A total number of 8 public grievances were received during the year 2021-22 on CPGRAMS portal and all of them have been closed.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Not Applicable as no business activities were undertaken by the Company during the year 2021-22.

Principle 3 – Businesses should promote the wellbeing of all the employees

- 1. Please indicate the Total number of employees**

The total number of employees as on 31.03.2022 was 165 (excluding Board level executives)

- 2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.**

No temporary/ contractual employee was engaged directly on the rolls of STC. However, based on requirement, certain maintenance works such as housekeeping, security, gardening, electrical repairs, furniture repair etc. are being carried out through outsourced services.

- 3. Please indicate the Number of permanent women employees.**

Total number of permanent women employees – 40

- 4. Please indicate the Number of permanent employees with disabilities**

Total number of permanent employees with disabilities – 5

- 5. Do you have an employee association that is recognized by management?**

Yes

- 6. What percentage of your permanent employees is members of this recognized employee association?**

100%

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

| S. No. | Category | No. of complaints filed during the financial year | No. of complaints pending as at end of the financial year |
|--------|---|---|---|
| 1. | Child labour/forced labour/involuntary labour | 0 | 0 |
| 2. | Sexual harassment | 1 | 1 |
| 3. | Discriminatory employment | 0 | 0 |

- 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

STC had 165 employees on its rolls as on 31.03.2022, which included 99 managers and 66 staff. During the financial year 2021-22, due to precarious financial position of the company, no budget was allocated for Training and Development of employees.

Principle 4 – Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- 1. Has the company mapped its internal and external stakeholders? Yes/No**

&

- 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company is owned by the GOI having 90% stake in STC and rest of the shareholding is held by general public. However, the Company is not undertaking any business activity and is continuing as a non-operative Company for the time being. Further, the accounts of STC for the FY 2021-22 were

published on non-going concern basis. Also, the positions of CMD, STC and other Functional Directors except Director (Fin.) (Additional Charge) are lying vacant. All issues have been informed to Administrative Ministry from time to time.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes. STC follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex servicemen. Grievance/ Complaint Registers are also maintained at Corporate Office for registering grievances. Efforts are made to promptly dispose-off representations / grievances received from SC/ ST employees.

In addition, CSR activities are planned to maximize benefits to the disadvantaged, vulnerable and marginalized stakeholders. Engagement with these stakeholders is done through local Government bodies and NGOs working in the area. However, as per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years and thus no CSR activities were undertaken during the year 2021-22.

Principle 5 – Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?

Being a Government of India Company, STC owes allegiance to the Constitution of India.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Nil.

Principle 6 – Businesses should respect, protect and make efforts to restore the environment

Manufacturing is not the main line of commercial activities of STC. This principle is therefore, not applicable to it. Further, no business activities were undertaken by STC during the year 2021-22.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Yes

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Even though manufacturing is not the main line of activities of STC, it is committed towards environmental upkeep through plantation and by supporting sustainability initiatives through its CSR programs.

3. Does the company identify and assess potential environmental risks? Y/N

STC adheres to the guidelines issued by Department of Public Enterprise, Govt. of India.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

STC uses energy efficient electrical equipments for energy conservation across the Organization.

6. Are the Emissions/Wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

NotApplicable

7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NotApplicable

Principle 7 – Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with

No, in view of difficult financial position of STC all membership subscriptions have since been withdrawn.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

The Organization has not advocated/lobbied through above Associations on any matters relating to public good.

Principle 8 – Businesses should promote inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

STC is not carrying out any business activity and is continuing as a non-operative Company for the time being.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22. However, STC has a Board Level Committee on CSR consisting of Independent Directors with the Co. Secy. as Member Secretary.

3. Have you done any impact assessment of your initiative?

Not applicable

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years. Thus, no CSR activities were undertaken during the year 2021-22. However, an amount of Rs.1.40 lakh carried forward from previous years was utilized during the year 2019-20 towards contribution to PM CARES Fund.

Further, a voluntary contribution of Rs.5,67,456/- (one day salary of all employees) was made to PM-CARES Fund in 2019-20 to help in the fight against the COVID-19 pandemic. An annual report on Company's CSR activities in prescribed format as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed at Annexure-III of the Annual Report: 2021-22.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

As per Section 135 of the Companies Act, 2013, the Company was not mandated to allocate CSR budget for the year 2021-22 due to average net loss of last three preceding financial years. Thus, no CSR activities were undertaken during the year 2021-22

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Complaints are being resolved as per the policy of the company.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Not applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending at end of financial year. If so, provide details thereof, in about 50 words or so.

No such case is pending for Redressal.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Regular informal interactions are being held with the consumers.