

THE STATE TRADING CORPORATION OF INDIA LTD. : NEW DELHI

MANAGEMENT SERVICES DIVISION

31.03.2014

Sub : Amendment in Trading Guidelines for Back-to-Back Transactions

With immediate effect, the Guidelines for Trading in Back-to-Back Transactions stand amended as under :

- A new clause 2.11 will be inserted as under ;

2.11 A declaration be obtained from the prospective business associates indicating their (i) banking limits (funded and non-funded separately) sanctioned & utilized, and (ii) present exposure with other CPSEs.

- The existing clause 5.8 will stand modified as under :

5.8 Personal/corporate guarantees shall be obtained in all cases as per the format approved by Legal Division and kept on record. A certified copy of Board Resolution of the Associate may essentially be obtained in respect of every Corporate Guarantee received by STC. Both Marketing and Finance Divisions, while opening L/C or releasing payment, shall ensure that all Corporate/Personal Guarantees had been furnished as per the draft duly vetted by Legal Division.

A declaration shall also be obtained about the assets owned by the guarantor containing details such as address of the properties, bank account numbers of the individuals/companies/directors/partners of the firms and address of the banks, names in which assets held, etc.

- A new clause 5.19 will be inserted as under :

5.19 Normally, exports shall be made only against Letter of Credit. If any other payment terms are agreed to, a proper due diligence of the buyer must be carried out before exports are made and payments be released to associate only after proceeds are realized by STC.

Contd...p/2

- The following will be added at the end of clause 10.3:

In case physical verification of the stocks every 45 days by STC managers is not found necessary or feasible because of stocks being non-moving or any other reason, specific approval of Director concerned shall be obtained.

All concerned may please take note of the above amendment for strict compliance.

This issues with the approval of the Competent Authority.


(Brijesh Prasad)
DGM

All CGMs / BMs / GMs / Trading and Finance Divisional Heads

CC : All Directors/CMD