

BRIEF OVERVIEW OF MSTC LIMITED

MSTC limited (formerly known as Metal Scrap Trade Corporation Limited) was incorporated under the Companies Act, 1956 on 9th September, 1964. In February, 1974 MSTC Limited became a subsidiary Company of Steel Authority of India Limited (SAIL). In 1982-83, the corporation was converted into an independent Government of India Company under administrative control of Ministry of Steel. Presently, the company has diversified mainly into providing e-auction/e-procurement services. Under this segment, the Company undertakes disposal of ferrous and non-ferrous scrap arisings, surplus stores, condemned plants, minerals, Agri & forest produce etc. from Public Sector Undertakings and Government Departments including Defence. MSTC also import ferrous and non-ferrous scrap, coke, finished steel, coal and petroleum products. MSTC has a total strength of 356 employees as on 31-03-2019.

CAPITAL STRUCTURE

As on 31-03-2019, the Authorized Capital of the company is Rs. 150.00 crore and paid up Capital is Rs.70.40 crore (as on 31-03-2019).

Recently Government of India offloaded 25 .10 per cent, of total paid-up equity of MSTC through IPO.

The share holding pattern of the company is as below:-

<i>Sl No</i>	<i>Name of share holder</i>	<i>% of holding</i>
1	Government of India	64.75
2	Others	35.25
	TOTAL	100.00

LOCATION OF UNITS

The registered and corporate office of the Company is located at Kolkata and it has 4 (four) Regional offices at Kolkata, New Delhi, Mumbai and Chennai. There are Branch Offices at Chandigarh, Jaipur, Vadodara, Bhopal, Bhubaneswar, Guwahati, Bangalore, Lucknow, Ranchi, Raipur, Vijaywada, Tirupati, Thiruvananthapuram, Visakhapatnam, Hyderabad and Patna.

ACTIVITIES

The Company has two major segments of business i.e. e-Commerce, Trading and Recycling.

1) E-Commerce

Under this segment of business, MSTC acts as a standalone and neutral e-commerce service provider for various Central/State Government Departments and other private entities to ensure transparent and fair sale and purchase transactions. MSTC has evolved as the only PSU under this segment of business.

E-commerce includes disposal of Scrap, sale of Coal, Ferro Manganese Ore, Iron Ore, Baryte, Chrome ore, Human Hair, etc. through forward e-auction and purchase of goods, service contracts by buyers through e-procurement. The list of Principals includes Ministry of Defence, PSUs like Indian Oil Corpn. Ltd, Oil & Natural Gas Corpn. Ltd, State Electricity Boards, Bharat Sanchar Nigam Ltd, Hindustan Petroleum Corpn. Ltd etc. Tirupati Tirumala Devasthanam (TTD) and a no. of private companies. The mode of disposal includes e-tenders, e-Auction and for procurement, e- Tender, e-Reverse auction etc. Prime products including Petroleum Products, Minerals, Forest produce etc. for principals who want to sell their products are sold by MSTC through e-Sale. MSTC provides e-Commerce services for Coal and Mineral Blocks also. Besides, MSTC also sells coal from Coal India Ltd, Singareni Coalfields Ltd, Jharkhand State Mineral Dev. Corpn. Ltd., Ferro Manganese and Manganese Ore from Manganese Ore India Ltd and Barytes for Andhra Pradesh Mineral Development Corpn. Ltd.

MSTC's e-Commerce division has ISO 9001:2015 certification and the System Department is ISO 27000:2013 certified. STQC, an annex Department of Information Technologies under the Ministry of Communication and IT, Government of India, conducts periodical audit for our e-commerce system. MSTC adheres to CVC guidelines and the provisions of IT Act 2000 & its subsequent amendments.

In addition, MSTC has the copyright for its e-commerce module developed by in-house team.

Furthermore, MSTC has achieved status of CMMI Level 3, which catapults the company at a 'defined level' for continuous process improvement in the areas of application software.

MSTC leveraged technology to ensure transparency and to reduce corruption.

MSTC ensures 24 x 7 manning of the server support system for uninterrupted service to the users.

Performance of e-Commerce division is as below:-

INR in Crore

<i>Financial Year</i>	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
e-Commerce	19395.25	22977.34	26,437.05	46,758.32	72,659.11

2) Trading

Import/Export and domestic trade of mainly bulk industrial raw material for actual users. This division looks after sourcing, purchase and sales of industrial raw materials like Heavy Melting Scrap, Low Ash Metallurgical Coke, HR Coil, Naptha, Crude Oil, Coking Coal, Steam Coal etc on behalf of industries. Performance of Trading Division for the last 6 years is given below:-

INR in Crore

<i>Financial Year</i>	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
Trading	7488.40	6945.21	4382.23	4597.65	9,351.81

The Physical and financial performance of the company is given below:

<i>Year</i>	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17</i>	<i>2017-18</i>
A. Physical					
e-Commerce	19395.25	22977.34	26437.05	46758.32	72,659.11
Trading	7488.40	6945.21	4382.23	4597.65	9,351.81
B. Financial					
Turnover	5330.27	5506.48	2967.58	1497.52	2459.50
Operating Profit	121.36	130.19	93.53	98.02	113.04
Depreciation	1.95	(1.28)	1.87	1.41	1.45
Exceptional Item	226.78	-	-	-	-
Profit before Tax	(107.37)*	131.47	91.66	96.61	111.59
Profit after Tax	(70.03)*	90.99	60.10	65.43	76.63
Dividend (%)	-	207%	102.5%	95%(Interim) 71%final	74%

- Provision of INR 226.78 Crore during 2013-14 against old outstanding from foreign buyers of Gold Jewellery exported during the period 2007-09 shown as an exceptional item was the reason of loss despite earning operational profit during the year.

** Bonus share issued at 3:1 in 2012-13 1:1 issued in 2016-17, 1:1 in 2017-18 and 1:1 in 2018-19.

Final Dividend is yet to be announced.

MOU RATINGS OF THE COMPANY

2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Excellent	Excellent	Very Good	Excellent	Very Good	Good	Fair

Composition of Board of Directors of MSTC Limited

1	Functional Director including CMD	3
2	Government Nominee Director	2
3	Independent Director	5
4	Number of Directors as provided under Article of Association of the Company	Not more than 15 and not less than 3

STATUS OF BOARD OF DIRECTORS AS ON 31-03-2019

Name of CPSE	: MSTC Limited
Schedule of the Company	: 'B'
Whether listed	: MSTC has been listed on 29-03-2019
Administrative Ministry	: Ministry of Steel
Number of Sanctioned Posts of Directors	: Functional 3, Official: 2, Non-Official: 5(Independent)

Details of Directors in Position (31-03-2019):

Sl. No	Details of Directors		Designation	Date of Birth	Date of Joining	Date of Superannuation/ Tenure Ending
	Category (Functional/Official/non-Official)	Name				
1	Functional	Shri B.B. Singh	CMD	11/11/1959	01/06/2016	30/11/2019
2	Functional	Smt. Bhanu Kumar	Director (Commercial)	05/10/1966	10/10/2017	Tenure ending date - 09/10/2022 Date of superannuation - 31/10/2026
3	Functional	Shri Subrata Sarkar	Director (Finance)	04/04/1970	01/12/2018	Tenure ending date 30/11/2023 Date of superannuation - 30/04/2030

4	Government Nominee Director	Smt. Ruchika Chaudhry Govil	Joint Secretary, Ministry of	31/12/1965	11/10/2017	Till further orders from ministry
5	Government Nominee Director	Dr. Pramodita Sathish	Economic Advisor, Ministry of Steel	20/09/1966	15/06/2017	Till further orders from ministry
6	Independent Director	Shri G R Aloria	Retired IAS Officer	06/07/1956	06/09/2017	05/09/2020
7	Independent Director	Dr. T V Muralivallabhan	Consultant	14/05/1958	06/09/2017	05/09/2020
8	Independent Director	Shri R S Yeli	Consultant	22/02/1950	09/03/2018	08/03/2021
9	Independent Director	Ms Pravati Parida	Business	12/05/1966	09/03/2018	08/03/2021
10	Independent Director	Mrs Aparna Chaturvedi	Financial Consultant	25/08/1958	14/12/2018	13/12/2021

NEW INITIATIVE

MSTC has made rapid stride in the e-commerce sector for promoting e-Governance in all sectors of economy. As a result of this, MSTC could expand its volume of business in the existing areas and also expand into diverse areas like mining lease, iron ore, chrome ore, timber, power, thermal coal, Agri-Horti & Forest sectors etc. to benefit the population and the Government exchequer as well by fair and transparent e-auction processes.

MSTC is creating a wide range of e-bidding applications. MSTC has been in the business of digitising transactions and has created awareness about the benefits of e-bidding to many government departments and PSUs.

- E-Auction of Mining Leases and Composite Licenses: MSTC has developed a National portal for e-Auction of Mining Leases and Composite Licenses for various State Governments in consultation with Ministry of Mines. MSTC is successfully conducting e-auction for allotment of major mineral blocks and minor mineral blocks.
- E-auction of Sand Blocks: MSTC developed portal for E-auction of Sand fields. MSTC regularly conducting e-auction for for grant of mining lease for extraction of Gravel & Sand from sand fields of Uttar Pradesh. MSTC also started e-auction for grant of mining lease of sand fields in Assam.

- MSTC has developed software and is regularly conducting e-auction for allocation of Coal Linkages / letter of assurance (LoAs) for non-regulated sector namely sponge iron & steel, cement, captive power plants and others through auction-based process as per Government policy to ensure transparency in distribution system.
- E-Commerce services for growers of North–East: As part of initiative of providing e-commerce service to agricultural sector, specially to the growers of North –East region of our country, MSTC has taken initiative to provide direct market access. MSTC has developed a unique eco-system bringing aggregators, logistic providers, warehousing companies under one umbrella for marketing of the Agri-forest produce of North-East Region to PAN India buyers through its e-commerce portal. MSTC conducted first ever e-auction of Ginger, an Agri-produce in the states of North-East Region which has evoked overwhelming response amongst the buyers & sellers. An online trading portal e-RaKAM (E-Rashtriya Kisan Agri Mandi) has been developed and launched by MSTC for sale of Agricultural & Horticultural produces. The e-Rakam portal launched last year for agri- and horti- business through which various agricultural products like pulses, ginger from North-East, Shahi litchi of Muzaffarpur etc. have been sold. Under this new initiative MSTC has successfully sold pulses on behalf of NAFED, Millet on behalf of HAFED.
- In response to resent distress sale of onions by farmers of Nasic, MSTC approached bulk buyers of onions across the country and conducted Reverse e-Auction involving its Branch and Regional offices for sale of onion from Nasik through its e-RaKAM portal.
- For the first time, computerised draw for allotment of petrol pumps and LPG dealership across the country has been adopted by state-run oil marketing companies (Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation). MSTC has undertaken job of conducting online computerised draw for allotment of petrol pumps LPG dealership on behalf of OMCs. The selection is being conducted with no manual interference.
- MSTC is also conducting auctions for sale of NPAs (Non- Performing Assets) of banks and financial institutions. MSTC is mega conducting e-Auctions for disposal of NPAs of Dena Bank.
- MSTC is regularly conducting e-auction of confiscated Red Sanders on behalf of Govt. of Andhra Pradesh and Tamil Nadu. In these e-Auction bidders from foreign countries also participated depicting MSTC’s e-Commerce portal as truly global.
- MSTC successfully designed a very complex e-bidding platform to facilitate implementation of the scheme to promote air connectivity between under served and unserved airports in the country. Government of India has devised a Scheme for providing financial subsidy to interested airline operators who will operate to connect the underserved / unserved airports.

The Scheme is known as Regional Connectivity Scheme popularly, UDAN (Ude Desh ka Aam Nagrik). MSTC is now conducting the phase III of the project.

- MSTC has launched “M3” MSTC Metal Mandi, virtual market place for B2B & B2C for sale and purchase of iron & steel finished / semi finished goods and Non Ferrous products especially for small and medium sector units. Customised on line enquiry based system for sellers is created. “M3” provides a transparent and user friendly interface and hassle free transaction. “M3” mobile app is available on Google Android play store.
- MSTC has taken steps to sensitise the message of cash less transaction and promote digital transaction Workshops were arranged which is a step towards Digital India programme. MSTC has almost stopped cash transactions except for a few petty expenses. MSTC has tied up with leading banks like PNB, HDFC for providing electronic payment facilities to its clients in an automated manner with no human intervention to ensure utmost transparency. Wallet concept with user friendly refund and top-up facilities are the key features.
- MSTC developed portal for e-procurement which can be customized to cater to the needs of the clients. The system complies with the guidelines framed by STQC for quality and security checks.
- MSTC developed a sub-vertical ‘Retail software’ as a new service. Under this business model MSTC develops software solution ERP for its clients.
- Empowerment of Women: MSTC is a Corporate Life Member of Forum of Women in Public Sector (WIPS). Internal Complaints Committees have been constituted in all the offices of MSTC. Periodical meetings and Complaint redressal, awareness programs, etc. are conducted. During 17-18 financial year, 16 female employees were sponsored for training, both external and in-house, to enable them to undertake higher position and responsibilities.
- The Company is seriously committed to social upliftment. In line with the Companies Act, 2013 and also DPE guidelines, the Company has a CSR Committee which functions as per the Govt. guidelines and the Company CSR policy. MSTC has contributed in construction of road, toilet blocks in schools (Swachh Bharat Abhiyan), tube wells, medical equipments, renovation/construction of classrooms for primary schools, skill development projects, ambulance, relief funds, shelter home for disabled children etc. Most of the projects are in rural areas in the state of West Bengal, Jharkhand, Uttar Pradesh, Madhya Pradesh, Orissa, Karnataka, Chhattisgarh and Assam.
- MSTC has embarked upon setting up of the first mechanized Auto Shredding plant in India for processing of scrap from the End of Life Vehicles (ELV). A joint venture Company namely Mahindra MSTC Recycling Private Limited has been formed. The JV Company has

started operation of the first ever state-of-the-art Collection and Dismantling Centre at Greater Noida which has just become operational. Starting with the NCR region, collection centres would act as a one stop solution for the owners of discarded /obsolete end of life vehicles and white goods. Collection centres, would de-pollute, dismantle and would shear / bale the scraps which would act as feeder for the shredding plant. By this method the good quality steel could be produced with less energy than the primary route using Iron Ore etc. and also save foreign exchange and conserve natural materials like Iron Ore.

