

## **BRIEF OVERVIEW OF MSTC LIMITED**

MSTC limited (formerly known as Metal Scrap Trade Corporation Limited) was incorporated under the Companies Act, 1956 on 9<sup>th</sup> September, 1964. The status of the Company underwent change in February, 1974 to that of a subsidiary of Steel Authority of India Limited (SAIL). In the year 1982-83, the corporation was converted into an independent Government of India Company transferring the shares of SAIL to the President of India 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, Agri products 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 in competition with other private traders. MSTC has a total strength of 307 employees as on 31.03.2015.

## **CAPITAL STUCTURE**

The Company has an authorized capital of `50.00 Crore and paid up capital is `8.80 Crore as on 31.03.2015 of which 89.85% is held by the Government of India and balance 10.15% is held by erstwhile members of Steel Furnaces Association of India, Iron and Steel Scrap Association of India and others. Paid up capital of `8.80 Crore includes bonus shares issued in the year 1993-94 in the ratio 1:1 and in the year 2012-13 in the year ratio 3:1.

## **LOCATION OF UNITS**

The registered and corporate office of the Company is located at Kolkata and it has four Regional offices at Kolkata, Delhi, Chennai and Mumbai; three branch offices at Visakhapatnam, Bangalore and Vadodara and six site offices at Bhopal, Hyderabad, Lucknow, Bhubaneswar, Trivandrum and Trichy.

## **ACTIVITIES**

The Company has two major division of activities i.e. e-Commerce and Trading.

### (1) **e-Commerce**

Under this segment of business, MSTC acts as a standalone and neutral e-commerce service provider to various Central/State Government Departments and other entities to ensure transparent and fair sale and purchase decisions. MSTC has evolved as the only PSU under this segment of business and grown to become one of the largest companies in India in e-Commerce sector.

**E-commerce** includes disposal of Scrap, sale of Coal, Ferro Manganese Ore, Iron Ore, Chrome ore, human hair, Tea etc. through e-auction and purchase of various raw materials and other items through e-procurement. The list of Principals includes Ministry of Defence, Ministry of Coal, State Governments, Forest Department and PSUs like Indian Oil Corpn Ltd, Oil & Natural Gas Corpn. Ltd, State Electricity Boards, Bharat Sanchar Nigam Ltd, Hindustan Petroleum Corpn. Ltd etc. and Tirupati Tirumala Devasthanam etc. The mode of disposal includes e-auction, e-tender, e-reverse auction etc. Besides, MSTC also e-auctions coal from Coal India Ltd & Singareni Coalfields Ltd (SECL), Ferro Manganese and Manganese Ore from Manganese Ore India Ltd. (MOIL). MSTC also conducts e-Auction for sale of Iron Ore in Karnataka, Goa, Odisha and Chrome Ore for M/s Odisha Mining Corporation Ltd., a Government of Odisha enterprise.

MSTC's e-Commerce division has ISO 9001:2008 certification and the System Department in ISO 27000:2005 certified. STQC, an annex Department of Information Technologies under the Ministry of Communication and IT, GOI conducts periodical audit for our e-commerce system. MSTC strictly adheres to CVC guidelines and the provisions of IT Act 2000 & its subsequent amendments.

In addition, MSTC has the distinction of holding copyright for its e-commerce module developed by in-house team. Furthermore, MSTC has achieved landmark status of CMMI Level 3, which catapults the company at a 'defined level' for continuous process improvement in the areas of application software. All the above attributes give a confidence to clients both existing and future in Govt. Deptt., Govt. Departments and PSUs for engaging MSTC as a dependable, secure and reliable e-commerce service provider for their business transactions.

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

Details of performance of e-Commerce division for the last five years are given below:-

(Rs in Crore)

Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
e-Commerce	6353.57	8167.75	16005.03	15482.46	19395.25	23034.47 (Provisional)

(2) **Trading**

**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.

Details of performance of Marketing Division for the last five years are given below:-

(Rs in Crore)

Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Trading	6384.87	5933.02	5746.15	10024.20	7488.40	6889.46 (Provisional)

The physical and financial performance of the company is given below:-

(` in Crore)

Items	2011-12	2012-13	2013-14	2014-15 (Provisional)
<i>A) PHYSICAL</i>				
e-Commerce	16005.03	15482.46	19395.25	23034.47
Trading	5746.15	10024.20	7488.40	6889.46
Total Volume of Business	21751.18	25506.66	26883.65	29923.93
<i>B) FINANCIAL</i>				
(i) Turnover	2695.92	6455.25	5330.27	5503.12
(ii) Operating Profit	178.23	195.85	121.36	132.38
(iii) Depreciation	2.08	2.45	1.95	2.00
(iv) Exceptional Item	-	-	226.78	-
(v) Profit before Tax	176.15	193.40	(107.37)*	130.38
(vi) Profit after Tax	118.39	130.73	(70.03)*	86.07
(vii) Dividend (%)	1077%	300%	-	-

\* Due to a provision of ` 226.78 Crore during 2013-14 against old outstanding from foreign buyers of Gold Jewellery exported in 2008-09

## MOU RATING OF THE COMPANY

2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Excellent	Very Good	Excellent	Excellent	Very Good	Excellent (Provisional)

### Composition of Board of Directors of MSTC Limited

1	Functional Director including CMD	3
2	Part time Official Directors(Government Directors)	2
3	Non-official part-time Directors	3
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 31.03.2015

Name of the CPSE	: MSTC Ltd
Schedule of the Company	: 'B'
Whether listed	: No
Administrative Ministry	: Ministry of Steel
Number of Sanctioned Posts of Directors	: Functional 3, Official :2, Non-Official: 3(Independent)

### Details of Directors in Position :

Sl No.	Details of Directors		Name	Date of Birth	Date of Joining	Date of Superannuation/Tenure Ending
	Designation	Category(Functional/Official/Non-Official)				
1.	CMD	Functional	Sh. S K Tripathi	08/05/1956	15/06/2009	31/05/2016
2.	Director(Finance)	Functional	Sh. A K Basu	28/11/1958	28/04/2012	30/11/2018
3.	Director(Commercial)	Functional	Sh. B B Singh	11/11/1959	11/05/2010	30/11/2019
4.	Joint Secretary, Ministry of Steel	Official (Part time)	Sh Sunil Barthwal	20/09/1965	22/12/2014	-
5.	Economic Adviser	Official(Part time)	Sh. Suraj Bhan	05.07.1958	24/04/2012	
6.		Non-Official	Sh. N C Jha	03.01.1982	10.10.2012	09.10.2015
7.		Non-Official	Sh. A K Goyal	02.01.1951	13.12.2013	12.12.2013

Details of Vacant Posts of Directors (if any): 1 (Independent Director - since June 2014)

## NEW INITIATIVE

- Ministry of Coal, Government of India, selected MSTC for e-Auction of 204 Coal mines. During 2014-15, 36 coal mine blocks have been auctioned successfully.
- Ministry of Power has engaged MSTC to conduct e-Reverse Auction for revival of under-utilised and Stranded Gas Based power plants in the country utilizing Power System Development Fund of `3500 Crore. This will enable the power producers to service debts and meet operational expenses. Besides, this will benefit consumers with competitive tariffs and greater availability of power.
- Augmenting Supply of Non-Coking Coal to Power Utility Companies by direct linking to miners.
- e-Procurement of Defence & Para Military Forces.
- The initiative of the Government for sale of minerals through e-auction has also opened window of opportunity for MSTC and it has signed agreement with Odisha Mining Corporation for e-auction of chrome ore lump which may usher in a similar opportunity for iron ore, manganese ore and other minerals in the State.
- MSTC seeks to diversify into manufacturing by setting up a scrap shredding plant as a forwards integration drive in future. The formation of Joint Venture is in progress and global tender for import of Shreddable Goods floated.