



एमएसटीसी लिमिटेड
(भारत सरकार का उपक्रम)
MSTC LIMITED
(A Govt of India Enterprise)
CIN : L27320WB1964GOI026211

e-assuring
iNDIA

MSTC/CS/SE/560

22nd August, 2024

1. The Dy. Manager (Listing)
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai 400 001.
(Scrip Code: 542597)
2. The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, BandraKurla Complex
Bandra (E), Mumbai 400 051
(Scrip Code: MSTCLTD)

Dear Sir/Madam,

Sub: Transcript of Conference Call with the Investors/Analyst

The Company had organized a conference call with the Investors/Analyst on Wednesday, 14th August, 2024 at 12:00 Noon. A copy of transcript of conference call held with the Investors/Analysts is enclosed herewith for your information and records.

Copy of aforesaid transcript is also hosted on company's website www.mstcindia.co.in.

Thanking you,

Yours faithfully,

For MSTC Limited



(Ajay Kumar Rai)
Company Secretary & Compliance Officer

Encl: as above

www.mstcindia.co.in / www.mstcecommerce.com

पंजीकृत कार्यालय : प्लॉट सं. सीएफ 18/2 मार्ग सं. 175 एक्शन एरिया 1 सी न्यूटाऊन कोलकाता 700156 प.ब.

Regd. Office : Plot No. CF18/2, Street No. 175, Action Area 1C, New Town, Kolkata-700156 W.B.



**“MSTC Limited
1QFY25 Earnings Conference Call”
August 14, 2024**



MANAGEMENT:

Mr. Manobendra Ghoshal, Chairman and Managing Director- MSTC Limited

Mr. Subrata Sarkar – Director (Finance) – MSTC Limited

Mr. Ajay Kumar Rai- Company Secretary – MSTC Limited

MODERATOR:

Mr. Deep Modi – EQUIRUS SECURITIES

Moderator: Ladies and gentlemen, good day and welcome to MSTC limited Q1 FY24- 25 conference call hosted by Equirus Securities. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Deep Modi from Equirus Securities. Thank you. And over to you, sir.

Mr. Deep Modi: Thank you, Good afternoon, everyone. On behalf of Equirus Securities, I welcome all to Q1 FY 24-25 Earnings Conference Call of MSTC limited. From the management we have with us today, Mr. Manobendra Ghoshal Chairman and Managing Director, Mr. Subrata Sarkar, Director (Finance) and Mr. Ajay Kumar Rai, Company Secretary. We will begin the call with the opening remarks from the management, and then we will open the line for Q&A and I now hand over the call to Mr. Manobendra Ghoshal, Over to you sir.

Mr. Manobendra Ghoshal: Good morning, everybody. Welcome to MSTC. In the consolidated figures for this quarter, there has been a slow but steady increase in overall revenue and the PBT there in as far as MSTC standalone performance is concerned. The volume of business excluding E-procurement had shown a 15% increase year on year over the same quarter. However, total operating revenue on a standalone basis for MSTC has dropped by about 15% year on year, mainly on the e-commerce front. Income from marketing and other income has remained largely flat. Total expenses have also remained consistent and flat, considered year on year or sequentially, and total PBT has therefore been lower as proportional to the operating revenue. Since we have shifted to the new tax regime with effect from FY 24. The total tax impact has been reduced, and the PAT is therefore at almost similar levels, in fact marginally lower than the same levels of the previous year on year quarter despite a weaker revenue stream. Now, as far as the revenue stream is concerned, this has been impacted mainly because CIL that is Coal India Limited, which was hitherto a major client for us, has now shifted its entire coal auction and linkage auction work to its own portal. This has impacted our revenue stream. However, alternate revenue streams are vigorously being followed up and we expect to see positive results from Q3 onwards. Apart from this, I am glad to share that MSTC was asked by the Ministry of Steel to develop the 'SIMS' The Steel Import Management System, version 2.0. The previous version had been developed by DGFT and NIC. Now this was a 100-day agenda item of the government. Despite the fact that normally such projects gestation period is about 9 to 10 months to one year, MSTC could develop this and bring it online in two months. This was inaugurated by the Honorable Minister of Steel at the end of last month. Similarly, another portal for auction of timber has been developed for Chhattisgarh State and inaugurated day before yesterday. This should also have a significant impact on the entire process of physical auctions going over to the digital form in forest produce and timber in a very major way. Now for a brief rundown on the financials, I would request Mr. Subrata Sarkar our Director Finance to brief.

Mr. Subrata Sarkar: Good afternoon, everybody. So, as already mentioned by our CMD sir, it was little bit down as our revenue stream is concerned and almost flat in the PAT. So let me give

you the snapshot on quarter-to-quarter basis, quarter one to quarter one of last year. So total revenue is Rs. 86.01 crores as compared to Rs. 100.63 crores, that is down by 14%. So the main impacted area is the e-commerce, which is down by 15% from Rs. 94 crores to Rs. 79.46 crores and EBITDA, of course, has come down from Rs. 72.27 crores to Rs. 56.87 crores, and PBT from Rs. 70.56 crores to Rs. 54.48 crores, and profit after tax from Rs. 44.57 crores to Rs. 40.46 crores, and of course, EPS from Rs. 6.33 to Rs. 5.75. And in the segmental part, what we can say there is a breakup of E-commerce part, so this Rs. 79.46 crores comprises of, E-auction/E-sale of Rs. 58.75 crores, E-procurement Rs. 2.80 crores, and other income is Rs. 20.04 crores. Last year E-auction/E-sale was Rs. 71.22 crores, so that's a decline of around 17%. And with the expenses remaining on the flatter side, profit before tax came down from Rs. 70.56 crores to Rs. 54.48 crores and PAT from Rs. 44.57 crores to Rs. 40.46 crores. The consolidated forms a very good performance coming out of FSNL. They have compensated that part of MSTC, and the revenue has gone up from 199.76 to 208.53 crores, and you can see that Scrap recovery and allied job, which pertains to our 100% subsidiary FSNL, from 99.12 crores it has gone up to 122.53 crores. So, EBITDA has gone up from 86.02 to 88.71 crores, and PBT has gone up from 80.56 to 81.97 crores, and PAT has gone up from 50.61 to 61.90 crores, a significant increase of 22.31% on a group as a whole basis. Although the JV company which is a part of MSTC consolidated figures has incurred loss. And so far as breakup is concerned, revenue from operations in the standalone basis, it is 69.04 from 82.34 crores. Other income remained flat at 16.96 crores as compared to 18.29 crores. Employee benefit, of course, not a significant increase from 20.82 to 21.72 crores, and with that total expenses remained at 31.53 crores as compared to 30.07 crores. And of course, with that effect, the carry forward of that, decline in the 16% revenue, so PBT has declined from 70.56 to 54.48 crores and PAT from 44.57 to 40.46 crores. And in the consolidated form, of course, total revenue has gone up from 199.76 to 208.53 crores, and total expenses has gone up from 117.98 to 125.36 crores, marginal increase. And PAT has gone up from 50.61 to 61.90 crores. So that's all from our side, thank you very much, and over to you.

Mr. Deep Modi: Thank you very much, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on your touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use headsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mr. Saurabh Ginodiya from SMIFS Limited, please go ahead.

Mr. Saurabh: Yes, very good afternoon to the entire team. Sir I have three questions from my side. First is like we have made certain amendments in our object clause where we have inserted certain objectives like data center and recycling. So just wanted to understand what exactly are you planning to do in those segments. If you can throw some light on that? And when can we expect some kind of revenue inflow from these verticals? And what are the Capex requirements in these new segments? This is my first question. Should I ask my second question, or you want to reply on this first please?

Mr. Manobendra Ghoshal: Yes, you can ask, Please ask your questions and then I'll like to take it one by one.

Mr. Saurabh: My second question is to Mr. Ghoshal Sir, you had joined this company sometime in January, so it has been now seven months since you are looking into the business of MSTC, So just wanted to get your sense, how has been the experience and what is your 3-to-5-year vision for MSTC? And third point is a suggestion from our side that if we go to the presentation, honestly speaking, this presentation doesn't add much value to us because the kind of data which one requires to make an informed decision and investment in the company, that kind of data is not available on the presentation. So, we would request the management to give certain more backup in terms of different sector wise revenue on your e-commerce vertical, so that we can have some more clarity on the business and better understanding of the business, so this is my suggestion.

Mr. Manobendra Ghoshal: Right, So if I can take the questions one by one, we had some time ago, in fact, about a year ago, thought that there would be certain areas of new business where we would be constrained unless we had a broad enough mandate through our articles and memorandum of association. So data center is a logical extension because we already have our own data center. And therefore, there would be possibilities that may come up for organic growth of adding on to the work that we already have of hosting our different client's data on our own servers. So putting that in as a part of our MOA was essentially considered as an enabling provision. Now, as far as Capex is concerned, we have traditionally been an asset light company, and that is the way that we are going to be. But as far as expenditure on either hardware or software of this nature is concerned is not particularly asset heavy. So yes, it would not be significant. It would not be significantly higher than what is the normal level of Capex investment that we are going in, going through at this point of time and, looking at, additional business coming in from things like virtual data rooms, data centers would be something that we would examine in the future. But as far as, opening that door is concerned to have an enabling provision, yes that was the underlying thought of changing it in the MOA. Now, as far as the recycling part is concerned, that is something that we are already into through our joint venture. And again, this is an enabling provision which if an opportunity, suitable opportunity comes up in the future, this would enable us to have a quick mover advantage. And therefore, that was considered a wise thing to also have in our MOA. As far as the experience of the first seven months is concerned, it has been a great learning experience because this is a sector which is very different from the nuts-and-bolts sector that I have worked in for a large part of my career. It is, It gels in very well with the fact that we, even in our traditional brick and mortar businesses, a substantial part of the work has been, going on to digital platforms. So as far as the digitalization is concerned, that has generally been embedded into whether it is transport, whether it is engineering. And this is a company which essentially works in transforming physical processes into digital processes. That's what the entire development of this company over the last 20 years, has been about. And this is an area where we need to leverage not only in standalone processes, but basically developing portals, which integrates multiple services for people. So that is the plan for the next 3 to 5 years, and we are looking at a substantial multiple increase in our overall turnover, operations revenue streams

and over the next five years or so. As far as sector wise revenue, I would request our DF to respond to that.

Mr. Subrata Sarkar: So like we always endeavor to and try to improve our presentation. It is like but so far, this more information are concerned. We will always try to explore, and your suggestion is well accepted. Let us see what we can do within the regulatory framework, in the future days ahead, so of course your suggestions are well accepted, and we appreciate the concerns of our investors. So, whatever will be done, we will explore it under the regulatory framework.

Mr. Saurabh: Yes, thank you sir. Just wanted to have some follow up, follow up thoughts on what you just mentioned on the data center part. So what kind of expected revenue one can expect from this business over the next 2 to 3 years?

Mr. Manobendra Ghoshal: You know, for me to talk about numbers at this stage. But this, as I said, is an area that we are examining as to the possibilities and whatever possibilities would come up would naturally be taken forward. Now, putting numbers to it at this stage is not really appropriate.

Mr. Saurabh: Understood and sir, one last question from my side. Sir, if we just look at the e-commerce vertical growth over, let's say, the last 3 to 4 years, in FY 22, this vertical grew by about 33%, FY 23, the growth was 19%. Thereafter, the growth rate moderated to about 4% in FY 24. And in this quarter, there is a De-growth of about 16% Y O Y. So just wanted to understand what kind of targets you have set for e-commerce vertical for this year and maybe next year.

Mr. Manobendra Ghoshal: Our overall targets would naturally be, you know, ideally a double-digit growth, that is of course becoming more and more difficult because of the increase in competition and the increase in number of players, but what we are looking at is trying to increase the pie itself.

Mr. Saurabh: Understood, Thank you Sir.

Mr. Deep Modi: Thank you, Ladies and gentlemen, just a reminder anyone who wishes to ask a question may press star and one on the touch tone telephone, I will repeat, anyone who wishes to ask a question may press star and one on the touch tone telephone. The next question is from the line of Mr. Prakash, an individual investor, please go ahead.

Mr. Prakash: Hello, I want to refer to the AGM questions last year. The shareholders have raised very important questions about more information on the portal and I think Mr. Ghoshal will take care of giving more transparency and much more information to all the shareholders, which is not at all done being a public sector. You follow a light type of secrecy and remain tight lipped. You are not open to the public. Don't reply on the scrapping centers that we have, the scrapping center speed is very very slow.

Now there have been rampant rains in the whole country, and I feel because of rampant rains in all the states and villages of the country, minimum 2 to 3 crore more vehicles will be scrapped and will be ready for scrapping with our speed of work is very, very, very slow and they are giving no indication as to what is happening to the company and to the volume. This is what I want to say. The second thing is about the dividend. The dividend must be increased for the remaining part of the year because the taxation has been streamlined. So we expect better returns from the dividend. What about the alternative source of income? The raising of income, E e-commerce business, what is the development there? What are the options that we are developing? And selling of that subsidiary, FSNL is the subsidiary and booking the profit and distributing that profit to the shareholders by a large dividend one time. It is very essential. Every year the provision is given, Next six months, Next six months union will look into it will come to know when you will do but there is no transparency. I think the chairman and the new team, Mrs. Bhanu Kumar, will take some action and give some indication. They are tightlipped and they are not answerable to anybody. If I think, is it that you are not accountable to even President of India to that extent, who knows what in this country, shareholders are at the mercy of a public sector undertaking for years together, 15 years and 20 years is a big part of life in individual human life, not country life, but individual human life. So you have to show now the performance. And the scrapping centers, how many open, are not. You are very tired from that last 2 or 3 quarterly calls also, which is not correct. I feel so. So you must give what is happening now to the scrapping centers and the scrapping speed so that we can increase the opportunity and new vehicles are coming, and there is no indication given from the management of the portal as to what is happening to the company, Thank you.

Mr. Manobendra Ghoshal: Right Prakash ji, as far as transparency is concerned, it is always our endeavor to be maximum, to give the maximum amount of transparency that is possible. But I think you have been a little confused about now as far as the scrapping centers are concerned. They are a unit of MMRPL, not of MSTC. So, if you go to the MMRPL website, you will be able to find the details of the scrapping center. That is a joint venture, and it is not a part of MSTC directly so that is where you will be able to get that information.

Mr. Prakash: Can I know how many established centers are going to open in the next six months?

Mr. Manobendra Ghoshal: That is not something that MSTC would decide. That would be decided by the management of MMRPL. It has its own completely different management as far as MSTC is concerned, MSTC is a shareholder in the company MMRPL.

Mr. Prakash: You don't make any investment in the scrapping center at all.

Mr. Manobendra Ghoshal: MSTC, as I said, the scrapping centers are not owned by MSTC, they are owned by a different company in which MSTC has a stake, so I think it would be better if you go to the website of MMRPL, where you would be able to get much fuller details about this.

Mr. Prakash: Can you throw some light and give some color as to what is happening? Because our revenues are not increasing because of rain, the number of vehicles being scrapped.

Mr. Manobendra Ghoshal: That is true, So there has been a policy framework which has been given by the Government of India. All those policies framework has to be implemented by the different states which are now at different stages. So that is one of the reasons why the numbers of vehicles being scrapped through the registered vehicle scrapping facilities has not increased to the extent that all I mean, as you would yourself have expected, these are all the issues which are being followed up by the Union government with the different states, and there is progress. And over the maybe next one, one and a half years, we would expect to see significant progress in this aspect.

Mr. Prakash: So, the progress of how much? About at least 50-60% in volume and revenue.

Mr. Manobendra Ghoshal: That is something that the management of MMRPL would be able to indicate, Prakash Sir.

Mr. Prakash: Why don't you give some interview to the TV that your subsidiary company also have the knowledge of public investors?

Mr. Manobendra Ghoshal: Prakash sir, it is not a subsidiary company. It is a joint venture between us and Mahindra Auto Limited.

Mr. Prakash: Okay.

Mr. Deep Modi: So sorry, Sorry to interrupt, Mr. Prakash. May we request that you return to the question queue for the follow up question.

Mr. Prakash: Okay okay, Thank you.

Mr. Deep Modi: Thank you, the next question is from the line of Mr. Vinay Nadkarni from Hathway Investments, Please go ahead.

Mr. Vinay: Yes. Thanks for the opportunity, sir. I am a bit new to this company, so could you just take us through the three revenue streams that you have marketing, e-commerce and scrap recovery? I can understand scrap recovery and allied jobs, but that is your subsidiary company that you have. But e-commerce and marketing, what exactly is the revenue stream?

Mr. Subrata Sarkar: Yes, So thank you very much for showing this eagerness to know about our company. Like, traditionally we had two major wings, one is marketing, that is the trading, trading business. So generally, now it has been tapered down. And you can see from the data, that we have almost come out of that segment, except for certain business, which is happening traditionally, and it is backed by, any trading is backed by 110% bank guarantee. And to make it as secure as it can be and have no impact on the

financials of the company in the near future as far as realization is concerned. So, it is very small and insignificant part of our revenue as well as in the volume of the business. Now our main foray is the e-commerce segment. So basically, if you can see, like in the e-commerce segment, we basically are a platform, basically, we develop a platform to provide the E-auction services to various Governments, PSUs, and of course, the certain private sector players. Of course, the private sector players are not that much in number, but we are trying to open to them also and we are also pioneers in e-procurement solution. And what you can see that some of the flagship projects of the Government of India, like, mines and natural resources auction, allocation auction, and of course spectrum recently, which has happened. So that is our main business so far, E-commerce is concerned. So here we can we do, develop this E-auction platform and facilitate the e -auction of different things like scrap other e- materials like Mineral resources. Timber forest produces and other like spectrum, etc. Recently we are developing a dedicated platform, what CMD sir has told in his opening remarks that SIMS for Ministry of Steel, So we are into that also, So basically it is the mixed bag in the e-commerce part, So I hope I will be able to brief you. And in brief, I was able to explain to you the nature of the business that we are.

Mr. Vinay: Yes, yes, I got it. So, this e-commerce revenue that you are getting is the revenue from whatever auctions that are carried out on the site, Right? So therefore, whatever you will get some percentage of the volume traded.

Mr. Subrata Sarkar: Not always, we have got different revenue stream. Also, sometimes we get on one time basis. Sometimes we get on the volume traded basis, sometimes we get on the turnkey basis. So, different revenue streams are there.

Mr. Vinay: Is it for this quarter, it has got reduced because of the election and what they call the code of conduct that was in place that you didn't have too many options. Why has the e-commerce, because that seems to be the biggest, other than scrap recovery, that is the bigger chunk of your revenue, right?

Mr. Subrata Sarkar: Yes, partially, very, very partially, yes. Because of certain logistical and lifting because the vehicles were used in there, but partially but some part is of course, that CMD has explained that couple of revenue stream that we have lost, like Coal India, which has been now develop their own portal and doing this. So, this is a mixed effect. But obviously, certain customers we have lost. And for that we are trying and striving hard and of course, as explained, quarter three we expect that revenue streams should come back on line and more than make up for this by quarter three and onwards.

Mr. Vinay: Okay, and Coal India was what part of your revenues in FY 24 last year?

Mr. Subrata Sarkar: Look actually by percentage, which is very difficult to quantify because a lot of we are doing the whole auction and some kind of specialized auction on behalf of Coal India. But like with the customer left, so some percent obviously it has impacted.

Mr. Manobendra Ghoshal: It was a major customer. So yes, that has had a significant impact, but we should be able to, hopefully, make up that impact in the next couple of quarters.

Mr. Vinay: Okay. Thank you. Thank you.

Mr. Deep Modi: Thank you. Ladies and gentlemen, just a reminder. Anyone who wishes to ask a question may press star and one on your touchtone telephone. I will repeat, anyone who wishes to ask a question may press star and one on your touchtone telephone. The next question is from the line of Mr. Miraj from Arihant Capital, please go ahead.

Mr. Miraj: Hello, Thank you for the opportunity, Sir, Good afternoon. Just a couple of clarifications, because while I was on the call, my line got disconnected twice or thrice. So, I just want to clarify what you mentioned if it's right or not. First thing is that, regarding the slowness in business right now, one of the reasons is that Coal India, Coal India has now opened up their own portal, as they were mandated, and the business coming from them has stopped. This is the first thing, right?

Mr. Manobendra Ghoshal: Yes, that is true.

Mr. Miraj: And the other thing, regarding one of the changes in MOA that you mentioned, that, regarding data centers and recycling. On the data center front, you are saying something that it is an asset light aspect only. Can you just repeat that part as my line got disconnected at that point.

Mr. Manobendra Ghoshal: So, what I was saying is that traditionally MSTC has been an asset light company. So, it is not that there is any kind of plan to have very massive CapEx inputs into any kind of, we would prefer not to, invest in major Capex unless it is something which, makes a huge amount of business sense or the returns are substantially, justifiable. So as far as data centers is concerned, we in any case, as a normal case of maintenance and expansion, we have our own data center. Obviously there is an element of Capex in terms of software and hardware, which has to be constantly upgraded and so on. So as far as data center, it is the enabling provision of, you know, data centers. Also, being a part of our MOA and as a service itself is something that we enabled so that if an opportunity comes across in the future, we would be well positioned to take it. That is what I was referring at.

Mr. Miraj: Okay, perfect. Thanks a lot for that. Just a question regarding our e-commerce business now. So since Coal India is now they started their own. So we have actually been trying to get a lot more accounts. I believe for the last 4 or 5 quarters we've been talking about adding more accounts. And I think in one of the quarters we did add a few accounts as well. Can you explain that what pillars, what verticals are we looking at to add more accounts? So is it regarding, you know, nationalized banks somewhere where, you know, we can have the auctions of the properties that real estate properties that they acquired.

Mr. Manobendra Ghoshal: We have been doing the auctions of properties for nationalized banks. So basically, the kind of growth that one looks at is related areas. So it would not be really fair to ask me to specify what is the sector of the client, because that would, you know, put us at a competitive disadvantage. But basically, any company would want to leverage the kind of strengths that it already has, So there would be multiple sectors that we are already working in in terms of minerals, in terms of stressed assets. And it is a question of finding out which are other entities who would basically be looking at, you know, disposal of these assets and want to use a digital e-commerce platform for it. So that is the general direction, So that is the organic growth of, finding more clients or finding more entities, who are into e-commerce of the kind of things that we already are doing. And apart from this, we have also been working at integrating services. So that is a separate line of business, which would be a somewhat inorganic growth, which would build upon what we are doing and are developing more upstream or downstream activities. So that's two ways that one thinks of growing, which is what MSTC has also been.

Mr. Miraj: Perfect, Perfect. Understood. And so, as you were talking that a lot of competition has actually come in. Could you let me know who the current competition is, current competitors that we are facing stiff competition from. So, any like, like peers that we can name.

Mr. Manobendra Ghoshal: It's not really, you know, very fair to ask me to name, but yes, there are at least 2 or 3 major entities, in the private sector or in the joint sector, which also work in a similar way that MSTC is, and of course, there are multiple players who deliver the vanilla auction services. Of course, what we would like to think is that the total bouquet of services that is delivered by MSTC is not really matched by almost anyone else in the business.

Mr. Miraj: Okay, and just lastly, before I get back in with you, if you could let me know our net debt or current net debt as of Q1, and what do we plan to do with the cash that is available, Almost 1100 crores as of FY24.

Mr. Subrata Sarkar: Yes, just now we will get back to you on the cash front because it is basically, we have not drawn our balance sheet as far as this quarter is concerned. So because it is required in the half yearly basis. So obviously, we will let you know about the cash and equivalent in the Quater 2 call, and by that time this year, will also get matured, and we will have enough opportunities for the utilization of the funds and all these things. A clearer outlook would be available. So we will be able to give you a clearer picture at that particular point of time.

Miraj: Perfect, So okay. And we will converge again in Q2. Thank you so much and all the best for the future.

Mr. Manobendra Ghoshal: Thank you, Thank you very much.

Mr. Deep Modi: Thank you, the next question is from the line of Mr. Ananth from Mountain for Finance, Please go ahead.

Mr. Ananth: Hello.

Mr. Manobendra Ghoshal: Hello, Good afternoon.

Mr. Ananth: Good afternoon. Can you hear me? I just need to confirm some data point. You said your e-commerce segment had increased 15% in volume. However, it decreased 15% in value. Am I correct?

Mr. Manobendra Ghoshal: That's right!

Mr. Ananth: And are we concentrating more on the E-procurement version because I think I heard someone say that procurement we are pioneers, but predominantly our vertical has always been e-auction.

Mr. Manobendra Ghoshal: In fact, e-procurement in terms of revenue stream has been, even though volumes have been increasing, the revenue stream is not a very significant or major part of our overall revenue stream. Most of our bread and butter and jam comes from auctions.

Mr. Ananth: Okay Okay, thanks. That's just another suggestion. Please, could you upload your investor presentation a little earlier? I mean, this time it was a half an hour call.

Mr. Manobendra Ghoshal: We will definitely endeavor to do that. And our apologies for the inconvenience caused. We will certainly you know; this is we'll note, and we'll do this in time. So, we will definitely try to do it earlier. Noted, certainly.

Mr. Ananth: Thank you.

Mr. Deep Modi: Hello, Mr. Ananth, your voice is not audible. As the line seems to be disconnected, we will move to the next question. The next question is from the line of Mr. Rajesh, an individual investor, please go ahead.

Mr. Manobendra Ghoshal: Yes, Mr. Rajesh, tell us.

Mr. Rajesh: Good afternoon, sir, am I audible?

Mr. Manobendra Ghoshal: Good afternoon, sir.

Mr. Rajesh: My first question is, the contribution of the private sector in the e-commerce business, Especially the scrap business is only 10% as per the last, you know, communication that we had. So why is it so low?

Mr. Manobendra Ghoshal: I think as far as the private sector is concerned, the right people to talk about, low contribution would be someone in the private sector. But nevertheless, as far as our, take on it is concerned, is that, most competitors, whether in the private or public

sector, provide the vanilla auction services, basically simply the auction platform itself. We, as MSTC, have been traditionally providing a full array of services, right from helping the seller to create the auction, to create a catalog to determine what should be the lot size, what should be the reserve price, and so on and so forth, and right up to post auction activities that the seller would have to do, including the integration for payments and so on and so forth. So, that is one of the reasons why MSTC is a pioneer and has consistently been having a large market share in this segment.

Mr. Rajesh: Despite whatever you said right now, that you, MSTC, provides an array of services. Again, So the question still remains, why is it that the private sector is not a big contributor in the scrap business?

Mr. Manobendra Ghoshal: So that is not something that, you know, if, a seller, or a buyer essentially gets a higher array of services, I would think that they would basically go for that service provider, isn't it? Right? If I understand your question correctly.

Mr. Rajesh: Yes sir, So my question was that since MSTC provides an array of services, as we just mentioned, why is it that the private sector is still not a big contributor.

Mr. Manobendra Ghoshal: You are talking about private sector as a part of our business, our customer base. Yeah, Okay, no, I was talking in terms of private sector being also a service provider. So as far as the business of the private sector is concerned, most private sector entities have a direct 1 to 1 arrangement, which is what is substantially different from public sector entities or government entities which would normally go through an auction process. Now, what we have been trying to educate people about is that overall revenue realization for the private sector also would be higher to go through a process like this, which is what has been helping us get into the private sector and onboarding more and more clients of that sort.

Mr. Rajesh: Okay, All right. So, my second question would be on the car recycling business. I think Mr. Prakash also had some questions. If we look at the last six years or so, there's hardly been any contribution from MMRPL as far as the revenue is concerned or even as far as the PAT is concerned.

Mr. Manobendra Ghoshal: So here, as far as the details of the business are concerned, I mean, we as MSTC is an investor in MMRPL. I mean, it's a joint venture. So very broadly speaking, yes, there has been a time required for the entire framework of a vehicle. The end of life vehicle recycling to get implemented, first of all, as the overall central framework, and then in the different states where individual enabling framework has to be put in terms of regulations and laws. So that has been taking a time, and that is what has basically led to a situation where the Unorganized sector is more by individual individuals for end-of-life vehicles recycling. Now, once these enabling provisions and this framework comes in terms of MoRTH guidelines that should reverse. For anything new, it is obviously going to take amount of time for kind of framework to get implemented.

Mr. Rajesh: It's already been six years Sir since MMRPL was formed. So..

Mr. Manobendra Ghoshal: We are also looking forward to the implementation being fast tracked by the different, you know, entities.

Mr. Rajesh: Okay, so last question, any update on the fintech business for which you had, you know, change in MOA?

Mr. Manobendra Ghoshal: So that is another area where we would be examining what are the possibilities and as and when we come across firm possibilities, we will update our investors and our stakeholders.

Mr. Rajesh: Okay, thank you, Thank you sir.

Mr. Deep Modi: Thank you. The next question is from the line of Mr. Vinay Nadkarni from Hathway Investments, please go ahead.

Mr. Vinay: Yes, my question was on the FSNL selloff. Nothing has happened so far, right? No further.

Mr. Manobendra Ghoshal: This is something which is being handled by the DIPAM. So, it would not be appropriate for us to comment on this.

Mr. Vinay: Yes, but if I see the revenues from this company and the margins that contributes to your top line and bottom line, it's pretty significant, isn't it? So, if that gets sold off as MSTC we will have a setback in terms of its earnings.

Mr. Manobendra Ghoshal: I would not like to speculate, you know, because that is as I said, I mean, the entire process is being decided upon and, you know, processed by the DIPAM.

Mr. Vinay: My question was slightly different. My question is knowing that this is going to happen once today or tomorrow or maybe five years later, whenever it happens.

Mr. Manobendra Ghoshal: I would not presume and we should not go there.

Mr. Vinay: Let me frame my question differently. Okay, Okay, let me frame my question differently. I'm saying in terms of there for additional streams of revenue, One is that scrapping that you have, which you are saying is taking its time to develop. The other is the e-com revenue, which is, you know, you are trying other revenue to really grow that. I was told that there was some, some ticketing arrangements were done with Reliance Indus Tower and Tata Power earlier, any anything like that, anything with private sector, which the earlier question was also related to.

Mr. Manobendra Ghoshal: We have reached out to the private sector, and we have onboarded clients in fact more than one client, more than one major client. And we hope that the trend will continue and we will be able to convince the private sector also that auctioning scrap or auctioning assets that they no longer use, much better option for them also. So this is something that our teams have been very consistently working on and we have had some success. We hope to have more success in the future as well.

Mr. Vinay: Okay and your business, is it related only to metal scrapping, or even plastic or other recycling can be..

Mr. Manobendra Ghoshal: We are completely sector agnostic. So we have not only been, you know, auctioning or providing an e-commerce platform for scrap, but also for resources, for even intangible assets like spectrum and so on and so forth. So we are across all kinds of sectors, if anything needs to be sold through a process of an auction or, so that is something that MSTC has an expertise in creating the process and putting it on the digital platform.

Mr. Vinay: Okay, Thank you very much, that's all.

Mr. Deep Modi: Thank you. Ladies and gentlemen. Just a reminder, anyone who wishes to ask a question may press star and one on your touchtone telephone. The next question is on the line of Mr. Saurabh Ginodiya from SMISF Limited, please go ahead.

Mr. Saurabh: Yeah, so thank you for the follow up opportunity. This question is basically to Mr. Sarkar. After our last year's e-commerce vertical, revenue was like 364 crores. So can you just broadly help us give some breakup between scrap sales, coal auction, E-sales and other segments. A very broad breakup would be helpful.

Mr. Subrata Sarkar: Yeah, I think I didn't have that handy. basically, scrap is around 50% of the total revenue, e-commerce revenue, It is a broader. So still it is a main breadwinner for MSTC, So still it is a 50% of that pie that is coming up from the E-auction. It is still happening and still that is being maintained almost simply for the years.

Mr. Saurabh: Okay and what would be the revenue from Coal India contribution last full year?

Mr. Subrata Sarkar: That is exactly the figure is not particularly segmented. But of course, what you can see the drop this year, it is basically attributed to the mainly to the revenue from Coal India because on quarter-to-quarter basis we have lost that particular client. So that is the main drop in that quarter-to-quarter basis.

Mr. Saurabh: Okay So sir, to point here, we as shareholders, we are quite concerned about the Coal business revenue which is going down. And as we had mentioned that we intend to make up for this lost sales from the customer maybe in the next couple of quarters. So just wanted to understand what is the roadmap which we have set, which will take care or compensate for this loss or loss in revenue from Coal India?

Mr. Manobendra Ghoshal: It will basically be, you know, sectors of resources and minerals, which is, as I said, I mean, it is an organic kind of growth of finding more customers or more clients of the kind of work that we are already doing. And we have certain possibilities which are looking good. We will update you further about it as and when we have firm orders.

Mr. Saurabh: Okay, So what I understood is that this will be mainly driven from addition of new customers and new verticals.

Mr. Manobendra Ghoshal: Essentially, yes.

Mr. Saurabh: Okay but, Sir, any color, if you can just broadly help with some understanding, what are these new verticals which we are trying to explore?

Mr. Manobendra Ghoshal: We are looking, as a set of integrated services. So basically, other than auction services, we were looking upstream and downstream at what else we can do to add value to the customer. So we would like to in fact talk about it when we roll out those rather than, you know, at this point of time.

Mr. Saurabh: Okay, So Q2 also may be impacted on the e-commerce vertical side because of the steps we are taking to get these losses from Coal India. Is my understanding correct?

Mr. Manobendra Ghoshal: That may be likely. We are looking at what are the ways we can do to alleviate that in the short term.

Mr. Saurabh: Sir whatever efforts we are doing in that direction, the full benefit can be expected only next year or maybe from Q3, Q4 onwards?

Mr. Manobendra Ghoshal: It should start happening. The revenue stream should start happening from new initiatives in Q3 I mean, things that we are working on at this point of time, So Q3, Q4 onwards, there should be significant.

Mr. Saurabh: When you say significant, it will be like a double digit high, double digit low, double-digit numbers.

Mr. Manobendra Ghoshal: I would not like to speculate on numbers, but yes.

Mr. Saurabh: Okay and sir, also you can just give us some understanding regarding the scrap prices, how they have behaved over the last, let's say one year or so, and any outlook which you can share on this.

Mr. Manobendra Ghoshal: The major indicators over the last year like year on year quarter, there would be probably a decrease in the prices of scrap to the extent of 6 to 8%. But by and large, I mean these are issues which fluctuate over the last quarter they would probably be an increase. And then so these are cyclic in nature. They have been over the last three years varying between in a range of plus minus 10%.

Mr. Saurabh: Okay and any additional outlook can you share on these prices?

Mr. Manobendra Ghoshal: It's not something that again, this is largely market driven in terms of availability and in terms of the demand, naturally, with a lot of circularity, being, envisaged in all kinds of sectors, the requirement of scrap has gone up and it will remain up because the amount of scrap that is available is definitely lower than what is required, for the ferrous industries and as well as for just about any major industry which has inputs from scrap as, as, input material, particularly in the ferrous industry, So the demand is always going to be, at least for the foreseeable future, as per industry projections, is definitely more than the availability. I think this is, of course, the long-term picture.

Mr. Saurabh: Understood.

Mr. Deep Modi: Thank you, this was the last question, I would now like to hand the conference over to the management for the closing remarks.

Mr. Manobendra Ghoshal: Great, I would like to thank all the stakeholders who have taken their time out and, you know, every time that you ask us a question, it also makes us introspect and rethink and also look at what we are doing and whether we are doing it. So that guidance is always a very welcome thing and I look forward to your guidance, and I look forward to your input over the next quarters and the financial years, Thank you so much.

Mr. Deep Modi: On behalf of Equirus Securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines, Thank you.

Safe Harbour: The transcript for the Investors' Call has been made for purposes of compliances under SEBI (Listing and Disclosure Requirements) Regulations, 2015. For the transcript, best efforts have been made, while editing translated version of voice file for grammatical, punctuation formatting, others etc., that it should not result any edit to the content or discussion. The audio recording of transcript is available at website of the company, viz. [www. https://www.mstcindia.co.in](https://www.mstcindia.co.in). In case of discrepancy, the audio recordings available at website of the company shall prevail.

This discussion is based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, are reasonable and may include forward-looking statements. Forward-looking statements involve known and unknown risks, contingencies, uncertainties, market conditions and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance, or achievements expressed or implied by such forward-looking statements. The Company disclaims any obligation or liability to any person for any loss or damage caused by errors or omissions, whether arising from negligence, accident, or any other cause. Readers of this document should each make their own evaluation and assessment of the Company and of the relevance and adequacy of the information and should make such other investigations as they deem necessary.