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MSTC LIMITED

Our Company was incorporated as "Metal Scrap Trade Corporation Limited", under the provisions of the Companies Act, 1956 on September 9, 1964 at Kolkata and the Certificate of Incorporation was issued by the Registrar of Companies, West Bengal at Kolkata ("RoC"). Subsequently the name of our Company was changed to "MSTC Limited" pursuant to the special resolution passed by the shareholders in the general meeting held on September 26, 1994 and a fresh certificate of incorporation consequent upon such change of name was issued by the RoC on November 9, 1994. For details of change in the name and Registered Office of our Company, please refer to the section titled "History and Certain Corporate Matters" on page 135 of the Red Herring Prospectus.

Registered and Corporate Office: 225-C, A. J. C. Bose Road, Kolkata – 700 020, West Bengal, India; Contact Person: Ajay Kumar Rai, Company Secretary and Compliance Officer; Tel: +91-033-2281-3088; Email: cosec@mstcindia.co.in; Website: www.mstcindia.co.in; Corporate Identity Number: U27320WB1964GOI026211

OUR PROMOTER: THE PRESIDENT OF INDIA ACTING THROUGH THE MINISTRY OF STEEL, GOVERNMENT OF INDIA

INITIAL PUBLIC OFFERING OF UPTO 17,670,400 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF MSTC LIMITED ("OUR COMPANY") THROUGH AN OFFER FOR SALE BY THE PRESIDENT OF INDIA, ACTING THROUGH THE MINISTRY OF STEEL, GOVERNMENT OF INDIA (THE "SELLING SHAREHOLDER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (THE "OFFER PRICE"), AGGREGATING TO ₹ [•] MILLION (THE "OFFER"). THE OFFER INCLUDES A RESERVATION OF UP TO 70,400 EQUITY SHARES AGGREGATING TO ₹ [•] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES FOR ALLOCATION AND ALLOTMENT ON A PROPORTIONATE BASIS ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET OFFER. THE OFFER AND THE NET OFFER WILL CONSTITUTE 25.10% AND 25.00% RESPECTIVELY, OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

*A discount of ₹ 5.50 per Equity Share on the Offer Price will be offered to the Retail Individual Bidders ("Retail Discount") and a discount of ₹ 5.50 per Equity Share on the Offer Price will be offered to the Eligible Employees bidding in the Employee Reservation Portion ("Employee Discount").

QIB Category: Not less than 75% of the Net Offer

Retail Category: Not more than 10% of the Net Offer

Non Institutional Category: Not more than 15% of the Net Offer

Reserved Category: 70,400 Equity Shares for Eligible Employees

PRICE BAND: ₹ 121 TO ₹ 128 PER EQUITY SHARE OF FACE VALUE OF ₹ 10 EACH

THE FLOOR PRICE IS 12.1 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 12.8 TIMES THE FACE VALUE OF THE EQUITY SHARES

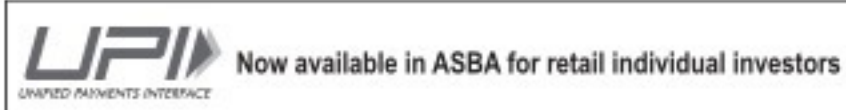
BIDS CAN BE MADE FOR A MINIMUM OF 90 EQUITY SHARES AND IN MULTIPLES OF 90 EQUITY SHARES THEREAFTER

ASBA *

Simple, Safe, Smart way of Application !!!

*Applications Supported by Blocked Amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account. For details, check section on ASBA below.

Mandatory in public issues. No cheque will be accepted.



*ASBA is a better way of applying to issues by simply blocking the fund in the bank account. For further details check section on ASBA below: "ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail individual Investors. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure – Issue Procedure of ASBA Bidders" beginning on page 286 of the Red Herring Prospectus. The process is also available on the website of AIIB and Exchanges in the General Information Document. "ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in. List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. ICICI Bank Limited has been appointed as Sponsor Bank for the Offer, in accordance with the requirements of the SEBI Circular dated November 1, 2018.

Risks to Investors:

- The Book Running Lead Manager associated with the Offer has handled one public issue in the past three years out of which none closed below the issue price on listing date.
- The average cost of acquisition per Equity Share for our Promoter and Selling Shareholder is ₹ 0.049 per Equity Share. The Offer Price at the upper end of the Price Band is ₹ 128.
- Weighted Average Return on Net Worth for last three full financial years based on Restated Financial Statements is (2.55)%.
- The Basic and Diluted EPS for FY 2016, FY 2018 and half year ended on September 2018 is negative.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder in consultation with the BRLM, on the basis of assessment of market demand for the Offered Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and this Offer Price is 12.1 times the face value at the lower end of the Price Band and 12.8 times the face value at the higher end of the Price Band. Investors should also refer to the sections titled "Risk Factors", "Our Business", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 25, 117, 169 and 227 of the Red Herring Prospectus, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Competitive Strengths

We believe the following are our strengths which form the basis for computing the Offer Price are: 1. One of the leading PSU entities engaged in providing e-commerce services to customers in a most transparent, fair and secured manner; 2. Ability to create a virtual marketplace for any physical commercial activity thereby creating value for all the stakeholders; 3. First mover advantage on account of domain expertise in providing e-commerce services thereby helping to boost our business; 4. Robust, advanced and scalable technology platform; and 5. Experienced management team and qualified workforce. For further details please refer to the section titled, "Our Business – Our Strengths" on page 119 of the Red Herring Prospectus.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer to the section titled "Financial Statements" on page 169 of the Red Herring Prospectus.

Some of the quantitative factors which may form the basis for computing the Offer Price, are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

As per our Restated Financial Statement:

Financial Year ended / Period ended	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
2016	(35.10)	(35.10)	1
2017	19.77	19.77	2
2018	(0.92)	(0.92)	3
Weighted Average	0.28	0.28	
Half year period ended on September 30, 2018*	(2.26)	(2.26)	

* Not annualized

Note:

- The face value of each Equity Share is ₹ 10.
- Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year adjusted for bonus approved after the period ended September 30, 2018.
- Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year adjusted for bonus approved after the period ended September 30, 2018.
- The EPS has been calculated in accordance with Indian Accounting Standard 33 – "Earnings per Share" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act.

2. Price/Earning (P/E) ratio in relation to the Price Band of ₹ 121 to ₹ 128 per Equity Share:

Sr. No.	Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
1.	Based on basic EPS for Financial Year 2018 on Restated Financial Statements	NA	NA
2.	Based on diluted EPS for Financial Year 2018 on Restated Financial Statements	NA	NA

Since EPS is negative, therefore P/E is not ascertainable

For further details, please see the section entitled "Basis for Offer Price" on page 84 of the RHP.

BID/OFFER PROGRAMME

BID/OFFER OPENS ON WEDNESDAY, MARCH 13, 2019 | BID/OFFER CLOSES ON FRIDAY, MARCH 15, 2019

In case of any revision to the Price Band or in case of force majeure, banking strike or similar circumstances, the Bid/Offer Period will be extended by at least three (3) additional Working Days, following such an event, subject to the Bid/Offer Period not exceeding ten (10) Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate Member and by intimation to Self-Certified Banks ("SCSBs"), the Sponsor Bank, and other Designated Intermediaries, as applicable.

This Offer is being made in terms of rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"). The Offer is being made through Book Building Process in terms of Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, upto 70,400 additional Equity Shares has been reserved for allocation and allotment on a proportionate basis to Eligible Employees bidding in the Employee Reservation Portion, subject to valid bids being received from them at or above the Offer Price. All Bidders, shall mandatorily participate in the Offer through an Application Supported by Blocked Amount ("ASBA") process by providing details of their respective bank account in which Bid Amount will be blocked. For details, please refer to the section titled "Offer Procedure" on page 286 of the Red Herring Prospectus.

Bidders/Applicants should ensure that DP ID, PAN, the Client ID and UPI ID (if applicable, in case of RIB and Eligible Employees) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN and Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, see the section titled "History and Certain Corporate Matters" on page 135 of the RHP and Clause III of the Memorandum of Association of our Company. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see the section titled "Material Contracts and Documents for Inspection" on page 331 of the RHP.

LIABILITY OF THE MEMBERS OF THE COMPANY: Limited by shares

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 1,500,000,000 divided into 150,000,000 Equity Shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of our Company before and after the Offer is ₹704,000,000 divided into 70,400,000 Equity Shares of face value of ₹ 10 each. For details of the Capital Structure, see "Capital Structure" on the page 62 of the RHP.

Names of the signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them : Given below are the names of the signatories of the Memorandum of Association of our Company and the number of Equity Shares subscribed by them at the time of signing of the Memorandum of Association of our Company – 50 Equity Shares of face value of ₹100 each was subscribed by S. A. Nathani, A. M. Elijah, S. C. Lau, Viren J. Shah, N. S. Gilani, O. P. Tania and Minerals & Metals Trading Corporation of India Limited.

LISTING: The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE and NSE for the listing of the Equity Shares pursuant to letters dated February 13, 2019 and February 18, 2019, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which shall be available for inspection from the date of the Red Herring Prospectus, up to the Bid/Offer Closing Date, please refer to the section titled "Material Contracts and Documents for Inspection" on page 331 of the Red Herring Prospectus.

DISCLAIMER CLAUSE OF SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. Investors are advised to refer to page 267 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE (The Designated Stock Exchange) : It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 268 of the RHP for the full text of the disclaimer clause of the BSE.

DISCLAIMER CLAUSE OF NSE : It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 268 of the RHP for the full text of the disclaimer clause of the NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Offered Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page 25 of the Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE OFFER	COMPANY SECRETARY AND COMPLIANCE OFFICER
 Equirus Capital Private Limited 12th Floor, C Wing, Marathon Futorex N. M. Joshi Marg, Lower Parel, Mumbai 400 013, Maharashtra, India Tel.: +91-22-4332-0600; Email: mstc.ipo@equirus.com Investor Grievance E-mail: investors@grievance@equirus.com; Website: www.equirus.com Contact Person: Ankesh Jain/Gaurav Phadke; SEBI Registration No.: INM000011286	 Alankit Assignments Limited 205-208, Anarkali Complex, Jhandewalan, Extension, New Delhi -110 055 Tel.: +91-11-4254-1951/+91-22-4348-1200; E-mail: sarunraj@alankit.com/saching@alankit.com Investor Grievance E-mail: mstcgr@alankit.com; Website: www.alankit.com Contact Person: S. Arunraj/Sachin Gupta; SEBI Registration No.: INR000002532	Ajay Kumar Rai MSTC Limited 225-C, A. J. C. Bose Road, Kolkata – 700 020 West Bengal, India Tel.: +91-33-22813088; Email Id: cosec@mstcindia.co.in Investors can contact our Company Secretary and Compliance Officer, the Book Running Lead Manager or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as those relating to share certificates, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt or unblocking of funds by electronic mode.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the Risk Factors contained therein before applying in the Offer. Full copy of the RHP will be available on the website of the SEBI at www.sebi.gov.in, the website of the BRLM at www.equirus.com, the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application form can be obtained from the Registered Office of MSTC LIMITED : Tel: +91-033-2281-3088; BRLM : Equirus Capital Private Limited : Tel: +91-22-4332-0600; Syndicate Member : Equirus Securities Private Limited : Tel : 91-079-6190 9561 at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, CRTAs and CDPs participating in the Offer. Bid cum Application Forms will also be available on the websites of BSE, NSE, and at the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Axis Capital Limited, Edelweiss Securities Limited, Eureka Stock & Share Broking Services Limited, HDFC Securities Limited, IIFL Securities Limited, JM Financial Services Limited, Kavya Stock Broking Limited, Kotak Securities Limited, LKP Securities Limited, Motilal Oswal Financial Services Limited, SBICAP Securities Limited, Sharekhan Limited, SMC Global Securities Limited.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be availed by all the investors. For details on the ASBA process, please refer to the details given in the ASBA Form and Abridged Prospectus and also please refer to "Offer Procedure" on page 286 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA Forms can be obtained from SCSBs, the list of which is available on the website of SEBI at https://www.sebi.gov.in/sebweb/other/OtherAction.do?doRecognisedFpi=yes&ntmlid=35 and Syndicate Members, Registered Brokers, CRTAs and CDPs.

UPI: Retail Individual Bidders & Eligible Employees can also bid through UPI Mechanism

BANKERS TO THE OFFER/PUBLIC OFFER ACCOUNT BANK/REFUND BANK: HDFC Bank Limited and ICICI Bank Limited.

SPONSOR BANK : ICICI Bank Limited

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place : Kolkata

Date : March 9, 2019

For and on behalf of the Board of Director of MSTC LIMITED

Sd/-
Company Secretary and Compliance Officer

MSTC Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, an initial public offering of its equity shares and has filed the Red Herring Prospectus with the Registrar of Companies. The Red Herring Prospectus is available on the website of SEBI at www.sebi.gov.in, BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and the website of the BRLM at www.equirus.com. Investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see "Risk Factors" beginning on page 25 of the Red Herring Prospectus.

The offer and sale of the Equity Shares has not been and will not be registered under the United States Securities Act of 1933, as amended ("Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A promulgated under the U.S. Securities Act, "Rule 144A") in reliance on the exemption from registration requirements of the Securities Act provided by Rule 144A, and (ii) outside the United States in offshore transactions in reliance on Regulation S promulgated under the Securities Act. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. There will be no public offering of the Equity Shares in the United States.

CONCEPT