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(भारत सरकार का उपक्रम)

MSTC LIMITED

(A Govt. of India Enterprise)

CIN : L27320WB1964GOI026211

e-assuring
INDIA

MSTC/CS/SE/312

17th February, 2022

1. The Dy. Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.
(Scrip Code: 542597)

2. The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
(Scrip Code: MSTCLTD)

Dear Sirs,

Sub: Transcript of Conference Call with the Investors/ Analyst

The Company had organized a conference call with the Investors / Analysts on Monday, 14th February, 2022 at 12:00 Noon IST. 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-700 156, प.ब.

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**“MSTC Limited
Q3 FY 2022 Earnings Conference Call”**

February 14, 2022



ANALYST: MR. DEPESH KASHYAP - EQUIRUS SECURITIES

**MANAGEMENT: MR. SURINDER KUMAR GUPTA, CHAIRMAN AND MANAGING
DIRECTOR - MSTC LIMITED**

**MRS. BHANU KUMAR, DIRECTOR, COMMERCIAL - MSTC
LIMITED**

**MR. SUBRATA SARKAR, DIRECTOR, FINANCE - MSTC
LIMITED**

**MR. AJAY KUMAR RAI, COMPANY SECRETARY - MSTC
LIMITED**



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Moderator: Ladies and gentlemen, good day and welcome to MSTC Limited Q3 FY22 Earnings Conference Call hosted by Equirus Securities Private Limited. 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 “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Depesh Kashyap from Equirus Securities. Thank you, and over to you, sir.

Depesh Kashyap: Yeah. Thank you, Lizann. Good afternoon, everyone. On behalf of Equirus Securities, I welcome you all to 3Q FY22 earnings conference call of MSTC Limited. From the management, we have with us, Mr. Surinder Kumar Gupta, Chairman and Managing Director; Ms. Bhanu Kumar, Director, Commercial; 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 can open the lines for Q&A. I now hand over the call to Mr. Surinder Kumar. Over to you, sir.

Surinder Kumar Gupta: Yeah. Good morning, all our investor friends. I'm sure you all must be delighted after seeing the third quarter results and whatever faith you have posed in the company, so you will see that the results are basically coming, I mean, that should reaffirm your faith in the company's future.

Our total revenue have increased on a very, very positive note, rise of around 67%. I mean, I'm talking about the standalone basis and I will talk about the consolidation basis, then the revenues have increased by around 45%. So, that is taking FSNL, as well as our JV company, MMRPL together. Marketing for MSTC has temporarily increased from INR 97 crore to around INR185 crore, but this is a temporary increase because of few obligations from the earlier entered contract. So now, these Marketing's volumes will be comparatively lesser and lesser in times to come. But if we see the E-Commerce, we have always been telling in all our investors con calls also and every form, that MSTC is primarily now into E-commerce. So, there our revenues have grown from INR137 crore approximately to more than INR 205 crore. That's a growth of around more than 50%. So that's a quite healthy jump.

Our profit-before-tax has increased from INR 67 crore to around INR 142 crore. That's a jump of almost more than double, 112% jump. Profit-after-tax has taken jump of 156%, and if you see the provisions, our provisions also are decreasing and whatever provisions are there,



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hopefully they will be over in the current financial year. We are expecting better financials as compared to this in terms of business, as well as the profitability also.

Our subsidiary company, FSNL is also doing quite well. They are basically the supporting arm of our integrated steel plant. Because of the better volumes in the steel plant and with operational efficiencies FSNL are able to perform well during the financial year. So overall, the combined profit and revenues for the company are very, very robust.

We have undertaken, apart from the spectrum auction, which we conducted the last year, this year, perhaps the spectrum auction will not be there, but the next financial year, spectrum auction again will get us good traction. Apart from that, some other agreements that we had done, they are gaining traction now. If you see the property auction of NPA as for public sector banks, last year the volumes were not that good. This year, the volumes, as well as the earnings are robust from that. So, that is gaining traction now and you must be seeing various ads in the newspaper, wherein a lot of NPAs under SARFAESI Act is being sold by banks.

We're also exploring new business opportunities in various areas and trying to reduce our dependence on scrap sale. Although, scrap is one big area with the emphasis on green steel these days, because the melting of scrap will always consume much less energy, much less natural resources, so that also is gaining traction. So of course, MSTC will hope to get benefit from that. Apart from that, I mean, property sale is one area where we are getting very good business.

So, with these few highlights, I'll hand over to our Director, Commercial so that she can apprise you further.

Bhanu Kumar: Thank you, Surinder Sir. Good afternoon...

Moderator: Sorry to interrupt. We're not able to hear you clearly.

Bhanu Kumar: Okay. Is that better now?

Moderator: Much better. Thank you.

Bhanu Kumar: Yeah. Yeah. So, good afternoon to all of you. As our CMD had already highlighted, this has been very good nine months for us in terms of our performance in E- Commerce. So, during the nine months ending December 31st, we have crossed the volume of around the INR1053.28 billion in terms of value of bids transacted through the E-Commerce and Marketing verticals, which is about 110% increase over the same time last year. The revenues have increased by about 45%. It is now at INR 6994 million in the first nine months, and this was around INR 482 crore --- INR4,824 million in the nine months of



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2021. PBT is around INR1676.39 million, compared to INR759.34 million in 2021.

Now all this could be possible mainly because of certain key projects that we did and also certain inputs and the E-Commerce activities in certain sectors. I'll just highlight briefly on those. We have done the 13 tranche of coal mine auctions and this has around 88 coal mines have been projected. This is an ongoing stage. Auctions are still going on. So, the actual benefit of this, as to how much extra will gain and what would be the revenue that the company will come in the coming months. We have also conducted sale of pond ash, which is actually a form of fly ash only for various plants of NTPC across the country, and now this has gained a good volume and this is a sustainable business for the time being. So, we have sold about INR176 crore worth of pond ash and we have earned about INR 1 crore or so as service income.

We have entered into an agreement with the LIC for disposal of their various materials that lie across various assets of LIC in the country. We have as a pilot project also sold shares of unlisted company for Andrew Yule & Company, which is a government company. The shares were sold on first attempt.

Now many of the coal blocks that were allotted in recent times in the last few years have already started production and many of those companies in the state government, as well as private sector, have --- are utilizing our services for sale of such coal and iron ore also. So, Odisha Coal and Power is one such companies with whom we have entered into an agreement . We are also in talks with other companies for sale of coal, as well as iron ore.

Kerala Forest Department has sold some sandalwood during this last quarter and that is also gaining some substantial revenue for the state. Major mineral blocks, two of them have been put to auction and successfully sold in the state of Karnataka. Some more are in the pipeline now. Apart from that, as CMD sir had said, the NPAs of the banks are also being sold through a portal and now the model has more or less stabilized and the volumes are coming in now. One main factor, because of which the revenue is quite appreciable is, because of the increase in key prices that has actually ended up in increase in the scrap prices also. Also, the iron ore, both in terms of volume, as well as the prices has substantially gained over last year and because of that, our revenue streams were really good, because that's on the percentage business, the service income is on percentage basis and the number of coal auctions that we are conducting, which again is a stable business for us, that has also increased in the last nine months. So, because of these factors contributing majorly to E-Commerce, the revenues are quite good.

And as already said, the Marketing activities are slightly lower in the current financial year we are slowly closing down the marketing



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activities, especially in the two models. And after probably this year, after the fourth quarter, there will not be much of activity in that segment. So, we are fully committed to focusing on the E-Commerce activities with newer products and business models. Thank you.

Subrata Sarkar:

Good afternoon, everybody. So, let us now discuss about the financials. So, first of all, the standalone financial for the nine months comparison, what we are doing as compared to 20-21 to 21-22, total revenue has increased from INR 2,445.31 million to INR 4092.39 million, that is a jump of around 67%, supported by EBITDA (pre-provisioning) from INR 1094.33 million to INR1697.92 million, that is jump of around 55%. Provisioning has gone down from INR 348.41 million to INR 217.86 million. So, contributing to PBT, PBT has gone up from INR 671.06 million to INR1425.11 million, it is a jump of around 112% and PAT from INR 345.62 million to INR 887.49 million, a jump of around 156.78% and thereby EPS from INR 4.91 to INR 12.61. And cash profit jumping from INR714.86 million to INR1134.92 million.

If we look at the segmental part, then we can see that revenue from E-Commerce has grown from INR 1369.16 million to INR 2056.65 million, a jump of around 50%. The breakup, E-Auction/E-sale, INR 1174.28 million has grown to INR1807.20 million. E-Procurement has gone slight down from INR74.10 million to INR43.50 million and others from INR 120.78 million to INR 205.95 million. Although, revenue from Marketing has gained little bit but it's a one- time phenomenon. We have already tapered it down and with that, profit-after-tax has come up from INR 345.62 million to INR 887.49 million.

Now, let us look at the consolidated result, that is result of the group as a whole. Here, where the total revenue has grown up from INR4824.98 million to INR6994.83 million, that is jump of around 45% and EBITDA has grown up from INR1331.82 million to INR2109.24 million, that is a jump of around 58.37%. Provision, it is down by 28% from INR360.17 million to INR256.98 million. Share of JV, there also JV has shown up positive side and from red, it has converted to black, that is from loss of INR12.46 million to INR 0.67 million profit. And with that, PBT comes from INR759.34 million to INR1676.39 million, a jump of 120% and PAT has jumped by 178% from INR371.33 million to INR 031.57 million and combined EPS again, has jumped by 178% from INR 5.27 to INR 14.65 and the cash profit has jumped from INR874.76 million to INR 1439.71 million and that's the total, all from our side. Now, I will hand it over to you.

Moderator:

Shall we open up for questions?

Subrata Sarkar:

Yes.

Moderator:

Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. Anyone wishing to ask a question, may please press "*" and "1" on your touch-tone telephone. If you wish to



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remove yourself from the question queue, you may press “*” and “2”. Participants are requested to use handsets for 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 Vikas Kasturi from Focus Capital. Please go ahead.

Vikas Kasturi: Am I audible?

Surinder Kumar Gupta: Yes.

Vikas Kasturi: Yeah. First of all, congratulations on a fantastic quarter. Sir, I just wanted to understand the vehicle scrapping business. So, for example, what is the cost of setting up a center? How many vehicles can be scrapped in the year? And have the government vehicles started getting scrapped? And is this line of business, working capital intensive? And what is the roles and responsibilities of MSTC and your JV partner? So, whatever information you can share would be most helpful, sir. Thank you.

Surinder Kumar Gupta: Yeah. You see, the investments as we envisage in this, is quite heavy. As the Government of India is laying great stress on vehicle scrapping, so what we believe is, when the large number of vehicles come, then we'll need a shredder, that costs something around INR70 crore to INR80 crore. So, those --- that kind of costing will be there in these centers, but right now, we are not incurring any that kind of cost, because the number of vehicles that we are getting is comparatively much less.

You see the policy has recently been issued by the Government of India, the state governments have yet to notify their policies. So, once the policies are notified and people get some sort of incentives and disincentives, so, I mean, as far as the disincentives are concerned, those are linked with the fitness centers, which are likely to be coming by end of '23 .So, what we believe is that the traction is here to come and the state governments are slightly reluctant in providing some sort of incentive. Center is pursuing with them. So, it is going to take some time for the vehicles to come. The private vehicles also are not that large and government vehicles also yet have not shown much of the traction in that.

As far as we are getting --- I mean, whatever the capacities we have set up, it is basically, we are not able to utilize those kinds of capacities as of now. So, that is why presently, we are not investing that heavily in these, I mean in one center, but we are trying to open a number of centers with less capital, so that the business doesn't suffer much of the losses. That is why in 3, 4 years we have got slightly, I mean, we are almost on breakeven now. This is just because of the slightly lesser cost in plant setup, Regarding your third question about the roles and responsibilities of both JV partners, here, we have



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entered into a JV agreement with them where the roles are very clearly specified. But one thing is very clear here, that day-to-day operations and total, in fact --- our second partner, Mahindra Interstate, as they have got total freedom as far as the operations are concerned, there is no interference from any side regarding their operations, and most of the business decisions are being taken in the Board meetings with complete consensus on both sides.

So, what we believe is, what we have seen is, just I'll say a small trailer and when the full picture comes, that would be a good business for us and will also improve the environment. Thank you.

Vikas Kasturi: Sir, a follow up question. So, you --- so can we understand that the operations, day-to-day operations would be taken care by Mahindra for all the centers? Is that the understanding, sir?

Surinder Kumar Gupta: Yeah. All the centers.

Vikas Kasturi: Okay. And if I may ask another question, sir, in the E-Commerce side of the business, are you seeing any impact of the talent attrition, sir? Thank you.

Surinder Kumar Gupta: Yeah. I mean we have seen --- we are seeing something but not that large as in private IT companies are there. We are seeing some attritions but not that significant. I mean, it's not so significant to impact our business or operations.

Vikas Kasturi: All right. Thank you, sir. I'll come back in the queue.

Surinder Kumar Gupta: Okay. Thank you. Next please.

Moderator: Thank you. The next question is from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited. Please go ahead.

Dixit Doshi: Yeah. Thanks for the opportunity. Am I audible?

Surinder Kumar Gupta: Yeah.

Dixit Doshi: Yeah. So, congratulations on the good numbers. My first question is on the E-Commerce segment. So, you mentioned that the scrap prices were good and also, in other than the scrap, in iron ore also we have a percentage of sales as a service income. So, can you elaborate, what percentage of revenue comes as a percentage of revenue and what percentage of E-Commerce revenue is a fixed price revenue?

Bhanu Kumar: Actually, the revenue model for each product or each service is defined by the roles and responsibilities that MSTC has to undertake. So, if it is a very complex kind of a portal, then there are some fixed charges, as well as percentage charges. But if it is a very routine kind



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of a thing, as in the case of iron ore, that's why I mentioned iron ore, it's a percentage because it's a very normal kind of, very stable model, which has been there for almost 8 years, 10 years now. So, it is very difficult to say that which product has which kind of revenue model. It is a combination of both.

Dixit Doshi: Yeah. But let's say in the current quarter our revenue from E-Commerce is around INR80 crore. So, is it fair to assume that more --- around 50%, 60% of revenue would be percentage of revenue and the balance would be fixed price?

Bhanu Kumar: See, I would say that....

Dixit Doshi: A broad percentage number would be fine.

Bhanu Kumar: No, no. See, if you see, sub-segment of E-Commerce, scrap and iron ore will be on percentage basis, but the rest of it is a combination. So, it is very difficult to estimate the percentage like that.

Dixit Doshi: Okay. And how much would be scrap and iron ore of the total year earnings?

Bhanu Kumar: Scrap is about 40% to 50% in our total earning and iron ore, as I said, the last quarter was, the last nine months were very, very good and that's why it has seen quite an impressive performance but that may not be the factor every year.

Dixit Doshi: Okay.

Bhanu Kumar: This year that has been the major factor. Okay.

Dixit Doshi: Okay. Okay. My second question is, now this last quarter, in Q2, we have mentioned that the risky receivables, which you used to mention around INR100 crore has come down to INR25 crore to INR30 crore. So how much it would be now?

Bhanu Kumar: Can you repeat your question?

Dixit Doshi: So, in Q2 call, you have mentioned that the risky receivables from the Marketing segment was around INR25 crore, INR30 crore only. So, has it come down further?

Bhanu Kumar: Yeah. It has come down substantially. Now what we are left with, is just about INR13 crore to INR15 crore, which will be provided for in the last quarter.

Dixit Doshi: Okay. So, from next year onward, whatever receivable would be there, would be either E-Commerce or in Marketing, it would be 100% -- right?



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- Bhanu Kumar:** Yes, that's correct.
- Dixit Doshi:** Okay. And this quarter, in standalone operation, we have around INR11 crore of other income. So, is there any one-off or it's a normal treasury income?
- Subrata Sarkar:** Let me answer you. Basically, the other incomes are generally not standardized type of thing. It keeps on fluctuating but we hope that this type of revenues will keep on going. But of course, it may fluctuate. It is not part of our operating income.
- Dixit Doshi:** Okay. But this quarter in INR11 crore, it's mainly interest on our treasury or is there anyone one-off?
- Subrata Sarkar:** Pardon?
- Dixit Doshi:** This quarter the other income was INR11 crore. So, it's mainly the interest income on our cash book, cash balance or is there any one-off income in this?
- Subrata Sarkar:** Basically, it's a mix of all. Basically, we have certain dividend income also, certain treasury income also. It is a mix of --- it's a mixed batch. That much I can say.
- Dixit Doshi:** Okay. And last question from my side. Any update on sale of FSNL?
- Subrata Sarkar:** So, the Government of India has already taken a conscious decision. In the particular EGM, we have taken the consent of the shareholder also. We are all aware. We have given this thing to the stock exchange also. So, the process is now triggered in and it is on the track. So as and when the new processes and all these things are happening, we will let you know through our bulletin in the share, the DSP section. So, we will let you know.
- Dixit Doshi:** Okay. Okay. That is it from my side. Thanks.
- Subrata Sarkar:** Okay. Thank you.
- Moderator:** Thank you. The next question from on the line of Maanvardhan Baid from Laurel Investment Advisors. Please go ahead.
- Maanvardhan Baid:** Good afternoon, sir. Congratulations on a good set of numbers. Sir, just wanted to understand on the E-Commerce side. Since we are into multiple domains on the E-Commerce side, could you give us a breakup into which segment contributes how much in terms of revenue to us? And sort of maybe, even if you could give a break-up of the segments which you see sustainable and which are kind of, maybe a one-time kind of an income? So that will help us understand this business a little better.



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Bhanu Kumar:

See, in E-Commerce basically, we have a scrap sale which has been our forte traditionally. We are also into e-sale of coal, iron ore and a lot of other products like the block's assets, forest produce, lot of minerals, etc. And we also have a very customized E-Procurement portal, which has not gained much traction because of the presence of gem. As far as scrap business is concerned, I have been saying repeatedly, the income is about 40% to 50%. Total revenue of E-Commerce, out of that, about 40% to 50% is from scrap sale. Then about 20% to 25% is from E-Sale but, this again is a combination of fixed price sale, as well as percentage basis. As I said, this depends on what kind of service we are giving and E-Procurement, we do not envisage a big growth in that area. So, as far as scrap is concerned, this again is linked to the steel sector. If the steel prices go up, the scrap prices also go up. And since it is a percentage basis then because of that the revenue will also be good.

Now, iron ore and coal are such things that the market forces decide as to how they will perform and regarding our customized portals or other minerals and all, again, it depends on the market economics. So, the basic breakup is 40% to 50% from scrap, about 20% to 25% from E-sale and the rest from other revenue streams.

Maanvardhan Baid:

Right.

Bhanu Kumar:

This is the breakup, and we are now more --- focusing more on this E-Sale business because properties have gained some traction now. Fly ash, properties and a lot of raw materials we are selling and earlier some of the raw materials of private sector was being sold directly by them, but now they're also seeing some value in our services and increasingly they are utilizing our services. So, maybe in coming years, the E-sale segments will go up.

Maanvardhan Baid:

Fair enough. A bit that you mentioned about the private sectors seeing value in the services that MSTC provides, can you sort of elaborate this a little more, so that we can understand what is it that MSTC brings to the table?

Bhanu Kumar:

Yeah. Yeah. Jindal Steel is one such company who has utilized our services for sale of iron-ore. We are in talks with certain Tata Group companies also and a lot of people who have taken iron ore and coal blocks and other mineral blocks have approached us but --- we are still in talks and so, I cannot reveal more names now.

Maanvardhan Baid:

No. So...

Bhanu Kumar:

But Jindal...yeah, Jindal is one such company who has put faith in us.

Maanvardhan Baid:

So, madam, not looking at names at all. What I want to understand is, that, what is the USP that MSTC offers to a private player?



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Bhanu Kumar: It has the largest buyer base and a very transparent system. It's very user friendly and very transparent system, which people see to be good for their business, for their sales and for sustained sale of material, raw material. Buyers also see that it's quite easy for them to buy material through our portal.

Surinder Kumar Gupta: You see, I will supplement what madam has said. You see, whenever principle comes to us for selling their product, he's assured that he will get the best prices, right. When a buyer comes to us, he's assured that, I mean the products that our platform is offering, so he will have the large quantities all over India, wherever the iron ore, scrap, properties, whatever is available, he will find. So, we have basically crucial mix of buyer and seller. Apart from that, as madam has said is, the user-friendly interfaces for the buyer, as well as seller, and other things that find assurance with --- especially the government sector is, the complete transparent process and quite robust systems.

So, we are keeping the security of the system in quite high --- we have high security for the system, so that our systems are safe and no --- nothing --- I mean, adverse kind of comments have --- I mean, even the courts and every --- at all the forms, our portals have stood every kind of scrutiny from the CAG, from this --- from all agencies, even the courts. Wherever there's some cases and some bidders have gone against in the court for some reason or other, so the courts have also posed faith in the MSTC system. So, it gives comfort to buyer, as well as seller and the best price for both of them. So, that is one USP of the MSTC. That is why the people are coming to us.

Maanvardhan Baid: Yeah. Thank you. And so, one last question from my end. So, can you give us an update on the agriculture side? Jaivik is a platform that we have. How is that doing? And what do you see in the future for that particular?

Bhanu Kumar: Jaivik Kheti, the challenges are still there, especially in terms of logistics and connecting to the farmers as such. We are still working on that and the Ministry of Agriculture has also put in a lot of efforts in this area. We're trying to onboard more logistics service providers and once they are in place, maybe it will gain some traction and we will be able to transact some volumes. But as of now, it is not much.

Maanvardhan Baid: Okay. Fair enough, ma'am. Thank you so much.

Moderator: Thank you. A reminder to the participants, anyone wishing to ask a question may please press “*” and “1”.

The next question is on the line of Harshad Jain from RHA Investment and Advisory. Please go ahead.

Harshad Jain: Hi. Congratulations to the whole team for such a fantastic set of numbers. Coming back to the previous question from previous



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participant, I just want to know that, as you mentioned that your E-Commerce business consists of 40% to 50% share from scrap market. So, if the steel prices and if the scrap prices go down, so do we expect a degrowth in revenues for E-Commerce?

Bhanu Kumar: No, it doesn't actually mean that there will be a degrowth because the volumes, amount of scrap that is being generated, that is still there and that is going up. So, even if there is a small fluctuation, the volumes will make up for it.

Harshad Jain: Okay. So, are we doing anything else apart from scrap to increase the market share from other segments?

Bhanu Kumar: Yes. Actually, in scrap itself we are trying to rope in as many private sector big companies as possible and newer models of business are also being seen as to, if we can bring in more aggregators for the scrap business as such, maybe we will be able to, if not grow the business by leaps and bounds, at least sustain the levels that we are in.

Harshad Jain: Okay. So, since we have grown 25% from quarter-on-quarter on the E-Commerce front, so can we expect INR80 crore plus quarterly E-Commerce revenue going forward and --- for the next financial year?

Bhanu Kumar: Actually, that would be difficult to say because this last quarter, as I mentioned, the main contributor has been iron ore sales, which was very, very good, both in terms of volume, as well as in terms of prices. So now, that are slightly dropped and stabilized. So, I'm not too sure whether so much iron ore will be mined and will be put up for auction. So, it depends on the iron ore mining companies and the prices. What will be the prices in the next year, it's very difficult to say at this stage.

Harshad Jain: But we have other things lined up, such as NPA auction and...

Bhanu Kumar: Yeah. They are there. The NPA auctions are there, the coal auctions are there and other minerals also, and more and more private players are coming for sale of their minerals. So those things are there, but it will be difficult to say, whether it is going to be INR80 crore or INR100 crore or INR50 crore. What I can say is, the business is sustainable, the models are sustainable, but the volumes, the market forces will decide.

Harshad Jain: Okay. And one more question would be regarding the dividend payouts. So, this quarter we paid a dividend of INR 6.5, which translates to almost INR43 crore to INR45 crore, which is almost like 100% of our profits for current quarter. So, can you throw some light that why there is such a huge jump in dividend payout ratio and will this be a new norm going forward?



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- Subrata Sarkar:** You know, there was a long --- after we got listed, the first year, there was no dividend at all, if you can remember and our management and the Board felt that investors should be rewarded and they have posed faith and confidence in our company. So, as an endeavor to that particular thing it has been thought by the management, so let us have some kind of reward for our investors who have shown such a keen interest in our company. That's the philosophy working behind that. So we are hopeful because the results are very good. So, that is also the driving force for such a high dividend.
- Harshad Jain:** So, what will be the dividend payout ratio for maybe financial year '23?
- Surinder Kumar Gupta:** You see --- I mean, that cannot be presented as of now, but I will say one thing in supplement to what our DF has said is, our model of business is such that the investments required is not that large, right.
- Harshad Jain:** Yes.
- Surinder Kumar Gupta:** So, whatever investments that we are making is in our JV company, right.
- Harshad Jain:** Right.
- Surinder Kumar Gupta:** So, we'll always, I mean, having enough surpluses, so that to reward the shareholders. So, that is what we expect as on date.
- Harshad Jain:** Okay.
- Surinder Kumar Gupta:** I think I have replied to your queries, sir
- Harshad Jain:** Yes. Yes, sir. Thank you so much. And one last question would be, can you provide some insight on cash on books at the end of December 31st?
- Subrata Sarkar:** Yeah, because you know December, as per the SEBI guidelines, we have only drawn up our P&L and all these things. So, we have to wait till March results, but that much we can say that from our company side, we are better placed and you can see from that cash profit that we have shown you, that there is enough sustainable cash for the company as of now.
- Harshad Jain:** Okay. And one last question would be, can we expect some kind of big revenue for next financial year from scrappage thing?
- Subrata Sarkar:** So, as you see that in the consolidated results, that already the company has come up from the red to black. It has shown profit. So -- - but that will of course, any payout from their side will depend upon how much investment is required to get traction.



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Harshad Jain: No, no. I was asking that how much centers can we expect by the end of next financial year? And how much revenue do we expect. like probably INR500 crore, INR1,000 crore?

Subrata Sarkar: So, I think we are trying to expand the PAN India and we were just waiting for the response of the government policy, as earlier in this con call, our CMD has already highlighted, the state governments are yet to come up with their corresponding guidelines in this regard. So, as and when this is coming up, we will be doing but we are ready. We are poised for PAN India growth and we can have, as they call, we can immediately go for expansion. So, we are ready for that. That much we can tell from our side.

Harshad Jain: Okay. Thank you so much and all the very best for future.

Subrata Sarkar: Thank you.

Moderator: Thank you. A reminder to the participants, anyone wishing to ask a question may please press “*” and “1”. As there are no further questions, I now hand the conference over to the management for their closing comments. Ladies and gentlemen, thank you for patiently holding. We now have the line for the management reconnected. Over to you, sir.

Surinder Kumar Gupta: Yeah. So basically, I was saying that the investors have kept faith in us. We are working very hard and all our employees are working very hard to provide best services to all stakeholders in our portals, our E-Commerce services and we hope to further better our results in the coming time and the faith that investors have kept in our company, we want to give them good return. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Equirus Securities Private Limited that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you