



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

e-assuring  
**INDIA**

MSTC/CS/SE/412

17<sup>th</sup> February, 2023

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 Monday, 13<sup>th</sup> February, 2023 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](http://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](http://www.mstcindia.co.in) / [www.mstcecommerce.com](http://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  
Q3 FY ‘23 Earnings Conference Call”  
February 13, 2023



**MANAGEMENT: MR. SURINDER KUMAR GUPTA- CMD**

**MR. SUBRATA SARKAR – DIRECTOR OF FINANCE**

**MR. AJAY KUMAR RAI- COMPANY SECRETARY**

**MSTC LIMITED**

**MODERATOR: MR. ANSH MANEK – EQUIRUS SECURITIES**



**Moderator:**

Ladies and gentlemen, good day and welcome to the MSTC Limited Q3 FY 23 earnings Conference call hosted by Equirus Securities. As a reminder all participants are in 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 an operator by pressing '\*' then '0' on your touch tone phone. Please note that this conference is being recorded. I will now hand the conference over to Mr. Ansh from Equirus Securities. Please go ahead, sir.

**Ansh Manek:**

Thank you. Hello, everyone. On behalf of Equirus Securities, I welcome you all to Q3 FY23 Earnings conference of MSTC Limited. From the management we have with us today Mr. Surinder Kumar Gupta, Chairman and Managing Director, Mr. Subrata Sarkar, Director of Finance and Mr. Ajay Kumar Rai, Company Secretary. We will begin the call with remarks from Management and then we can open the line for the question and answer. Now, I hand over call to Mr. Surinder Kumar Gupta. Over to you sir.

**Surinder Kumar Gupta:**

Good morning, everybody. All our investors who are present in investor call. Your company is doing very good and the performance is also satisfactory. overall performance for three quarters of current financial is better than the last financial year. Our total revenues have grown from INR 185 Crore to INR 202 Crore, I'm talking about the standalone basis and our profit also before tax has increased from INR 142 crore to INR 206 crore. In e-commerce, the company is increasing its footprint and trying to add in more customers. One very good development that has taken place which will benefit MSTC in two ways is about the recycling sector. Government of India has issued a notification that all vehicles, whether the central government, state government, Panchayat or any public sector units, vehicles which are older than 15 years will be compulsorily de-registered and those vehicles will be sold on MSTC portal only. So this will give us good market for the MSTC for sale of ELVs. Apart from that, our joint venture company MMRPL, which was working below capacity because of the non-availability of end of life vehicles, those units will get sufficient feed stock for processing, so I'm sure this development will benefit MSTC directly in their e-commerce revenues as well as it will benefit our joint venture company MMRPL to have more vehicles and not only break even, but even earn profits in the next financial year. So, this is one very positive development for us. Another thing that investor community is always anxious just to know about the FSNL. So, I want to inform all that the disinvestment process, which is being carried out by DIPAM is progressing well and now it is basically having at very definite level and number of meetings have been held and DIPAM wants to close this deal as soon as possible. So could be in next quarter or next to next quarter you will get some news on that front. We are not still sure about the timelines that the total process is being steered by DIPAM and we are giving



them all the support which is required. So, with this, I will hand over the call to our Director Finance who will tell you more about the financial figures. Thank you.

**Subrata Sarkar:**

Good afternoon to everybody and just as our CMD has briefed it was a very robust nine months performance. So, we are going by that volume part, during nine-month 2022-23 company crossed volume in the e-commerce INR 1602.66 billion in terms of value of goods transacted through its marketing and e-commerce vertical, which is 52.16% increase over value of goods traded during the same period in 21-22. So far consolidated revenue of the group is concerned, It is INR 646.79 crores during nine months of FY 22-23 vis-à-vis revenue of INR 699.48 crores in nine months of FY 21-22 on the same trajectory but the PBT is INR 218 Crore as compared to INR 167.63 Crore after last corresponding period increased by 30% and PAT, it is INR 165 Crore as compared to INR 103 Crore, increased by around 60%. So, it is a robust growth in the group as well as in the stand alone driven mainly by our e-commerce growth. Now coming back to standalone financials, as you can see that this total revenue, although it has shown a dip from INR 409 crore to INR 367 crore but that EBITDA pre provisioning has gone up from INR 169.79 crore to INR 289 crore and profit before tax has grown from INR 142.51 Crore to INR 206 Crore, and profit after tax, PAT, has grown from INR 88 Crore to Rs.163 Crore and EPS from INR 12.61 to 23.18 and the cash profit INR 11349.20 crore to INR 24548.86 crore, so it is a growth of around 50% plus. If we go by the segment wise, we can see that e-commerce revenue has grown by 19% from INR 205 Crore to 244.85 Crore and marketing revenue has shown a dip from INR 185 crore to 97 Crore. So, with this the profit after tax has grown from INR 88.74 crore to INR 163.17 crore. Now, the Consolidated group wise revenue almost remained on the flatter trajectory, dip of around 7% from INR 699.48 Crore to INR 646.79 Crore and EBITDA made quantum jump from INR 210.99 Crore to INR 314 Crore and provisions write off etcetera, taken care of. The profit before tax has gone from INR 167.63 Crore to INR 218.09 Crore, profit after tax, INR 103 Crore to INR 165 Core. So accordingly, the group earning per share has grown from INR 14.65 to INR 23.44. That is a jump up around 60%. And so far, PL is concerned, you can see that the total revenue although has gone down in the standalone basis and in the consolidated basis but our profit before tax on a standalone basis is up from INR 142 Crore to INR 206.70, which is 45.05%, and PAT from INR 88.74 Crore to INR 163.17 Crore. In the group in the consolidated basis, PBT has grown from INR 167.63 Crore to INR 218.09 Crore, up by 30% and PAT INR 103.15 Crore to INR 165 Crore up by around 60%. So that is all from our side. Now, we hand it over to you for your feedback. Please, sir. Hello. Now we can go for questions and answer session.



**Moderator:**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press '\*' and then '1' on your Touch Tone telephone. If you wish to remove yourself from the question queue, you may press '\*' and then '2'. Participants are requested to use handset while asking the questions. Again, if you would like to ask a question, please press '\*' and then '1' now. The first question we have is from Mr. Nikhil Chandak from JM Family Office. Please go ahead.

**Nikhil Chandak:**

Hi. You know my question was if you could share more details, granular details on the Scrappage business, what exactly is the business plan, you know, the company is investing roughly INR 1.5 Crore is what I read from the press release to the TV, is that amount sufficient to get up for the opportunity which is coming up in scrappage over the next few years, you know from like how many centres you have to... how many centres do you target to go to, you know, the competitive intensity. What is the EBITDA you make per scrapped vehicle? I think if you can share some more granular details about this leg of the business, that'll be very useful.

**Surinder Kumar Gupta:**

Right now, we have six plants in operation and few more plants are coming. That will be, we are targeting our operation in the current financial year. What was actually this INR 1.4 Crore that we are basically investing more, so that will be basically whatever was the authorized share capital that will be fully subscribed, that is one reason, and as far as our company MMRPL is concerned, they have funds at their command because we have invested INR 30 Crore each. So, they already have funds so that there is no constraint as far as the capacity addition is concerned. Basically, we were very cautious in expansion because the number of vehicles were not coming from the public as well as the government also. And now government has realised that some with the sort of incentives and the policy initiatives government has taken, you see, when the policy was announced in September 21, right, since this is a basically state subject, RTO is a state subject, states were taking some time in understanding the implications of this policy, and there were certain incentives, in terms of reduced road tax concessions. So, what has happened is the states were initially not coming forth, they were not so ready to come out with their own policy notifications to give effect to these guidelines in their states. But Central has been very clear on this, that this is basically a benefit which will accrue to states in terms of more vehicles will be registered in the states. Apart from that Central announced total grant of INR 2000 Crore with respect to the state size. Some states getting INR 300 Crore, some states getting INR 50 Crore, that kind of... all these states were categorized based on their sizes. So, the Central laid down the guidelines that if you do these, these things, then this grant will be released. So, there were three main points in that, one was that you issue your policy notification so that you can license the RVSF. Second was you allow the road



tax concession and waiver of the pending dues. And third was you take the decision about the scrapping of Government vehicles. So, with that, now 16 or 17 states have already announced the policy guidelines. Number of states have announced the Road tax concessions. Six states have announced as on date that they have issued notification for government vehicles scrapping beyond 15 years to RVSF only. So now these states are coming in a very big way for implementation of policy in their states. So with this in mind, we are open to basically, and we will be always looking for the opportunity to open more plants. Apart from that, because the vehicles were not coming, so we were doing basically the setting of the plant on a very frugal budget. I mean, we were not spending too much because we were getting certain losses from the JV because we were not getting the adequate number of vehicles, we were working below the capacity. So now we hope with these developments we will be starting to get government vehicles and as we see that period for setting up a new plant is not very large, so it is three to four months. So as and when we see some traction up, we will be adding more plants. Apart from that, I mean it is not only the plant, we have had the collection centres also. So near a plant in 200 - 300 kilometres range. We have basically tied up all the collection centres where the vehicles are collected and when the sufficient load is there, those are transported to these facilities. So wherever collection centres are there and we see that there are different number of vehicles. So that gives a good data plan to set up a plant there only. So, by the end of this financial year, we will have total eight or nine plants. And in next year depending upon how the total things go, we can open many more plants and we are very open to infuse further equity also. So, there is no ambiguity on that.

**Nikhil Chandak:** Sir, How much CapEx per plant do you need to put in for one scrappage plant?

**Surinder Kumar Gupta:** That figures cannot be given because every plant will need a different kind of facilities. Depending upon the number of vehicles we are getting. A plant may have INR 70 crore, INR 80 Crore Capex also, a plant may be with a very less Capex also. That's not the issue. What we see is, as when the things become clear, we are ready to infuse more funds into the company. That's what I can answer.

**Nikhil Chandak:** Last question is if you could even broadly share the revenue metrics or the P&L metrics for say, you know, if one car is scrapped at your facility, you know, what is the revenue you earn out of that, just the act of scrapping and what is the margin you really make on that? I'm leaving aside the sale of scrap, just the scrappage, what revenue do you make and what margins do you make on scrapping, say one car, for example?



**Surinder Kumar Gupta:** You see, I say, It may not be a very straightforward answer I can give you; it depends upon the kind of vehicle I get. Like, if I get a vehicle in good condition, then I may be able to sell some certain spares also. Right? It's not that you melt the whole thing and that is not the purpose of any policy. You can always reuse certain spare parts and whatever is not usable, that must be basically recycled. So, there are twin purposes of that. So it is, I mean, a vehicle may give me 30% return, a vehicle may give me a 10% return. So, very definite figure, it is very difficult, and one vehicle can give me a return of 50% also. So, there is not basically definite, I mean, on the average, it's a good business. On the average, if we get the sufficient capacity, it's a very good business proposition. That is what I can assure.

**Nikhil Chandak:** Say based on the cars you would have scrapped so far; I'm just looking for an average number. Like what is the average revenue per car scrapped you make, for example?

**Surinder Kumar Gupta:** It's not possible to say this figure because there are a number of fixed costs, the labour costs that you apply, whether you process 40 cars in a month or you process 400 cars, so that will be distributed over them basically. Similarly, my lease rent, my security charges, all these charges will be adding up to the vehicles I process, isn't it? So, the more vehicles I get, the more profit I will get in that. So very difficult to say a number, definite number on each vehicle or even an average figure on each. Let us reach some capacity of say 50, 60, 70%, then we will be able to say something with certainty.

**Moderator:** Thank you. The next question is from Mr. Vikas Kasturi from Focus Capital. Please go ahead.

**Vikas Kasturi:** Hello. Good afternoon, sir. So, I had a couple of questions. The first one is does our e-commerce business have a realistic chance of touching the INR 300 Crore mark this year, I think we are at about INR 240 Crore – INR 250 Crores, so would we likely to touch INR 300 crores or go beyond that this financial year?

**Subrata Sarkar:** Another question, sir?

**Vikas Kasturi:** So, the other question is on slide five of the presentation under e-commerce, there is other income within e-commerce right on slide five of the investor presentation. So, could you please shed more light on what is this?

**Subrata Sarkar:** Yeah. So first, you have rightly pointed out it's 245 Crore this time. It all depends upon what happens. We have seen in the past also, like in the year, if you can recall, in the year 2020, everything was going very fine, suddenly in the month of March Covid came, and everything was spoiled. So, it is all depends upon the situation, if the circumstances remain as it is. Altogether



saying, right from the IPO in the last three years, we are keeping on saying, like it is an e-commerce related growth, and it has happened, e-Commerce has grown by leaps and bounds. So, it all happens if the circumstances remains positive. So I think we will be able to land up in a very positive result so far when we meet you people after the final result for FY 2022-23. And regarding your second question, so, we as an e-commerce operator, sometimes we derive some indirect revenue also, like the other fees etc. This is all about that only, nothing special though. It is not directly because of the service charge, some other revenue fees etc. So, it is all about like that only.

**Vikas Kasturi:**

Sure. Thank you, sir. I would just like to also place my request before the management. Sir, my humble request is that right now the investor presentation is the same as what you have in your quarterly filings. It's pretty much the same numbers presented in a presentation form. And I am sure myself and a lot of other investors would like to know more about the nature of the business. So, for example, what are the growth drivers in each of the lines of business? So, in the case of, so for example, the previous speaker, he asked the questions about the scrapping, and I had made similar notes. So, these are the kind of things that we would like to know more about, say the scrapping business. In the e-commerce business we would like to know what are the growth drivers? What is the different kind of auctions that we conduct, the number of auctions that we conduct. So, we would like to know more details about the business and the more you tell us the more we will be educated. So, my request to use to please make the presentation more detailed and more granular and so I have placed it before you, sir. Thank you.

**Surinder Kumar Gupta:** We understand your concern. We will see how we can address your concerns in the next presentation.

**Vikas Kasturi:** Thank you, sir.

**Moderator:** Ladies and gentlemen, participants are limited to two questions at a time. The next question we have is from Mr. Dixit Doshi from Whitestone Financial Advisor. Please go ahead.

**Dixit Doshi:** Thanks for the opportunity. So, my first question is about this, first in opening remarks you mentioned about the notification that all the 15 years or old vehicles will be sold on MSTC platform of all the PSU and government vehicles. So, this above 15 year will be sold on your platform or it will be scrapped?

**Surinder Kumar Gupta:** Please repeat your question, sold on platform or...?





- Dixit Doshi:** or it will be scrapped? All 15-year-old vehicles will be scrapped or it will be sold, let's say second hand market on our platform?
- Surinder Kumar Gupta:** Both Mr. Doshi. All will be scrapped, and it will be sold on our platform. And one more thing, it will be sold to only RVSF, the people who are authorized to process these vehicles under the central notification. So, it will be sold to only those people. So, they will be compulsorily scrapped. They will be sold through our portal, and those will be sold to only RVSF.
- Dixit Doshi:** Okey. So basically, let's say our JV with Mahindra wants to scrap this vehicle. They will also participate on our platform's auction, and they can then win there and scrap?
- Surinder Kumar Gupta:** Exactly.
- Dixit Doshi:** Okay, understood. And is there any rough estimate that how many vehicles would be there right now above 15 years old? Only the state government, government and PSU?
- Surinder Kumar Gupta:** Yeah. What the government figures we are getting is around 15 lakh, we are getting estimate of around 15 lakh vehicles or more.
- Dixit Doshi:** Okay. And this auction, this will be like, let's say, whatever we will be selling, it will be on a percentage of fee of the value, or it will be like a coal auction where we get some fixed fee for making the portal?
- Surinder Kumar Gupta:** It will be a percentage. What we have said is that up to March we will not charge any percentage, we will be charging zero so that the sector get impetus, but beyond March we will charge 3% on the whatever the value of transaction. This information is available on our website also.
- Dixit Doshi:** Okay, so 3% of value from 1<sup>st</sup> April, like let's say from FY24 onwards. That's very helpful. My second question is, you mentioned that our Mahindra JV is operating at a very low capacity utilization. So can you just broadly say at what capacity utilization it would be currently?
- Surinder Kumar Gupta:** You see, our plans have come in operation at different points of time, right? So this figures will be able to perhaps share during the next investors' concall but, I mean, that computation becomes slightly complex. It will be different for different plans. So that figure, ready we don't have but we will try to address this thing in next call.
- Dixit Doshi:** And if you try to address that then together, if you can broadly, let's say when you will post the MARCH numbers, if you will be able to do, let's say, revenue of the JV and the number of vehicles sold, scrapped for the FY23, that will also be helpful if you can get those numbers also in the next conference.



**Surinder Kumar Gupta:** We will see how best we can give you more information on that.

**Dixit Doshi:** Okay. Now, coming to our e-commerce business, so, this quarter the revenue has seen some drop from year-on-year also and the quarter-on-quarter also. So is it fair to assume that this entire drop is predominantly due to the reduction in the scrap prices or is there a decrease in the revenue from any other business also?

**Surinder Kumar Gupta:** You see there are two things in that when you rightly said, one is the slight decrease/slight dip in scrap price because there we get the percentage as our service charge. So the price of commodity decreases my revenue decreases. That is one factor. Second factor is in every quarter there some gain, which is some, like say if I sell power plant and if I sell a power plant for INR 300 crore, so that INR 7 Crore - INR 8 Crore revenues could be added there in my revenues of that quarter. So, in the last corresponding quarter last year, there were a few plants there, which gave me good revenue last year, which were not there in this quarter. We are expecting in next quarter. So, it's not basically something that the people have gone out of us and they are not doing the auctions. So, it's largely robust but these are some, I mean, I will say that a slightly exceptions because this is normal market basically, normal market scenario, nothing unusual about this slide downward.

**Moderator:** Thank you, Sir. Ladies and gentlemen, just a reminder, if you would like to ask a question, please press '\*' and then '1'. Participants are also limited to two questions at a time. You may rejoin the question queue once your two questions are done. The next question we have is from Keshav Garg, Counter Cyclical PMS. Please go-ahead sir.

**Keshav Garg:** Just wanted to understand that we have been constantly mentioning that the provisions and marketing division are behind us, but if we see for the nine months, then again, the provisioning has gone up year-on-year. So, from around INR 26 Crores last year nine months to INR 80 Crore in first nine months of this financial year. So, going forward, how confident are you that this is the last of the provisioning losses that we are seeing and also is there any scope of the write back in future?

**Subrata Sarkar:** This is basically, let me clear very clearly everything, this a figure is provision/write-off, so this INR 80 Crore is nothing, but it is appearing on both sides. If you see the other income, you see it has gone up like anything, you see. It is only INR 95 lakhs of provisions has been made during this nine-month period. Provision is INR 95 Lakhs; Balance is on both sides because we are writing off certain old Provisions. So it is because of that it is appearing on the income as well as the expenses side, number one. Number two so far write back is concerned, this year we have already written back around INR 4.5 crore and INR 5 Crore, although very meagre sum, but they



are written back. So, we hope that in the next results also we will be able to tell you something positive about this. But again, I repeat in this year the fresh provisions is only INR 95 lakh, as far as standalone financial is concerned.

**Surinder Kumar Gupta:** And I will add. You can be rest assured that there is no further provisioning as far as the marketing is concerned. We have provided for everything and this INR 95 lakhs about for the e-commerce only, that's a very meagre sum for a figure of around INR 250 Cores to INR 235 Crores, INR 95 Lakhs like very meagre sum as far as provision for e-commerce is concerned. So, marketing provisions are behind us as of now.

**Keshav Garg:** Absolutely, well understood Sir, and thank you very much for that clarity. Also, as far as, this vehicle Scrappage is concerned, you mentioned that the old government vehicles will be scrapped through your portal and only the qualified bidders can bid in that, and our JV with M&M is also one such party. So who are the other prominent people? Is TATA steel also participating or they also have that kind of business? Are they present in the scrappage business? And so, who are the other competitors in the same business?

**Surinder Kumar Gupta:** You see the RVSF are coming up and basically, it's a very, very vibrant market and states are basically giving the licences for setting up the plants, I mean, approvals for setting up the plants. The complete information about this is available on the MORTH (Ministry of Road Transport & Highways) website, that how many RVSF are there? So, any RVSF who comes, who is approved in MORTH Portal, they are eligible to apply to us and get registered. So, I mean, as of now, the players are not very large, but I'm sure with the policy initiative and government sincerity, more people will come. Right now, the competition is not that good. I'm not sure about the name of parties because individual departments will deal it, and we in management never tend to know who the people are. So that's e-commerce operation, which is basically a separate thing. And our JV is a separate thing. So, we don't basically gather that kind of data. Also, it may be available with our system, but that's not really required.

**Keshav Garg:** Right, sir. Well understood and lastly, if you could just tell us something about the litigation with Standard Chartered that, where are we currently and how much money we have already deposited and in the worst-case scenario, if we lose the litigation, then how much more money do we need to provide?

**Subrata Sarkar:** Let me answer you one by one. First, as we have seen through our declaration in the stock exchange and our financial results, the note has been given. So, our appeal has been restored by Honourable Bombay High



Court and it is now lying with the DRAT. So, the outcome of the appeal, of course will decide the fate of this case, number one. Number two, we have already deposited INR 90 Crore with DRAT as a pre-condition to this appeal. Number three, we do not envisage any further maturity at this moment, the condition as is there, and as far as provisioning is concerned, so, total amount that has been demanded by the standard charter through this order has already been provided for in the workbooks of accounts. So, nothing about the profitability and as far as litigation is concerned it will sub judice, so it will all depend in the future, what happens afterwards.

**Moderator:** Thank you, sir. The next question we have is from Harshad Jain from RAH Investment. Please go ahead.

**Harshad Jain:** Hello. Very good afternoon. My first question would be regarding that in this particular quarter we had a dip of around 9% in our e-commerce segment. One is the lowest scrap scrappage price. But the other thing that in this quarter we have sold a Hyderabad plant about INR 500 Crore and even Hyderabad Plots about INR 600 Crore. So may I know the specific reason that why there was a dip in this current quarter on e-commerce segment?

**Subrata Sarkar:** Yeah. Let me address.... HMD is in last financial year. You see what happens, It is a mixed bag of everything. So one single plant or one single big event cannot boost or fill it like a big revenue out, it comes after a lot of like a beehive structure. Lot of activities, lot of e-commerce is peculiar, is all about like the revenue are in parcels. So, it is a combination of all the parcels that gives us the relief and whatever dip is there, it is not that very significant. As already explained by our CMD earlier in the answer to earlier questions also, it is a common phenomenon which keeps on fluctuating during quarter to quarter. And it all happens at the end of the year. We hope and you see the nine months figures, nine months we are already ahead of last. So, that is the trend, and we hope that we will be able to match at least last year's figure. So, one single, that we want to emphasize, one single event or couple of events does not give that much of relief, it is a combination of lot of things. You will appreciate the fact. So that's the point.

**Harshad Jain:** Exactly. And, and as for the past record, track record of last three years, our Q4 is predominantly very heavy and considering the scrap prices has recovered, Iron ore how much it has recovered, almost 35% from the lower end from three months. So can we expect a massive Q4 in terms of sales?

**Subrata Sarkar:** Yeah, again, I'm telling you, you see there are two things. One, like the price of the thing, second, the person who wants to sell and you know that already it has been announced that Iron ore now is not under the Supreme Court judgement. It is now open. Okay. So, people are having a thinking of a lot of opportunities. So, if at all, all the sale that used to happen through us

comes to us, of course there will be a good revenue out of that. So again, it is a matter to watch and see let us hope for the best, but we must watch and see what happens next in the month of February or March. February is now going and March, March is of course, as you said, is a good month. But let us see what happens. If some unusual thing does not happen, it will be of course, a good and robust thing that will happen.

**Moderator:** Thank you, sir. Ladies and gentlemen, just a reminder, if you have any follow up questions, please press '\*' and '1' to join the question queue. The next question is Rahul Shah, an individual investor. Please go ahead.

**Rahul Shah:** Hi, sir. My question was on the similar lines to previous one, just any guidance going forward for the next financial year in terms of revenue and margins for the business on a consolidated level would be nice, thank you.

**Subrata Sarkar:** Yeah, you see first what we have kept on telling, like for the couple of years, of course the focus is on e-commerce. And what we are trying to do is like to expand our horizons in the different fields of the e-commerce. So, we will be mainly, so far, if anything does not go unusual, we will be mainly guided by this e-commerce and driven by this e-commerce related revenue for the next financial year, number one. Number two, if it all depends on.... these are all ifs and buts because, you know, we are basically a service provider, if industry does well, we follow the path. So, it is all about how the industry behaves and everything goes in the market. So accordingly, our results go up and down like that only. But the focus will be on the e-commerce related revenue only. As far as current projections are concerned.

**Surinder Kumar Gupta:** I'll add to that, I mean, apart from that, we are basically diversifying also in e-commerce. Previously, scrap used to be major factor, now scrap gives 50% revenue and 50% are coming from other commodities. So, we are spreading our basket and we are looking for more and more commodities. We are looking for more and more sector where our e-commerce system can be expanded. So, if there is some downward cycle in one commodity, we are sure that will be tied it over without much of hiccups. It may be some downfall here and there, but overall, the growth trajectory, I mean we are working with such a focus that our growth remains intact.

**Rahul Shah:** Sounds good and all the best.

**Moderator:** Thank you. The next question we have is from Krishan Kothari, an individual investor.

**Krishan Kothari:** Sir, I have a question regarding the GeM portal. Just want to know as far as competition is concerned the government has, kind of passed the circulars asking most of the government departments to auction their scrapped



vehicles, property, land, etcetera through the GeM portal. So, how do you see this? Do you see that a big competition to you?

**Surinder Kumar Gupta:** As of now GeM, very few people are using GeM Portal and our are far superior to the GeM Portal. They just give a portal service and we are doing the complete end to end, basically sale operation for many products. So, our services are far superior than GeM. And some people who had gone to GeM, they are coming back to us because they are not getting the kind of rates for their products there. So, we are sure that we will be able to, we are working hard to tide over this as far as the sale part is concerned.

**Krishan Kothari:** So what if tomorrow the government mandates that all government departments have to do their auctions only through GeM?

**Surinder Kumar Gupta:** You see, we cannot speculate on what government orders will be there. So as of now, we don't see any possibility of that kind into that because that will decrease the, I mean, they will not be able to sell their product at the market rate by using GeM. And many of the people don't have the organization to do all these kinds of work. So, definitely and another thing is that our business is, not only government, I mean central government department, our business is many PSC, our business is with state government, our business is with the many private houses and not only scrap, so many kind of things. So, I don't see really that the kind of affect it might have on our portal, even if something is mandated, although I don't think it is a possibility as of now. I don't see it. We don't know about if government does it, but as of now, we are not seeing any visibility of that, or we have not heard anything on that.

**Moderator:** Thank you. The next question have is from Piyush Shah. Please go ahead.

**Piyush Shah:** Yeah. Thanks for the opportunity. Sir, I have one very basic question. I am attending the call first time. Just wanted to understand the business model. When we say e-auction that we do, how is our revenue model? So just, is it like, in stock broking, when a broker executes his trade, he gets a commission on the value of the trade. So, is that, that when we earn our revenue, is it connected to the value of the auction that is one? Or is it like somebody who gives a marriage hall where he gets fixed rate. Irrespective of the type of wedding which happens, he gets a fixed rent on the hall, which he gives. So, for us, which is the revenue model, is it like the broker link, which is connected to the value of the auction, which happens or is it like a fixed revenue, which we earn when we provide our platform for auction? Could you please help me understand this better?



- Subrata Sarkar:** Yeah. Thank you very much. Your question is full of answer itself. You have explained the answer in a very good manner that we have to tell you because it is a mixed bag of revenue model. One is the value based, where we do the auction, we get a percentage of value, and another is an event based. We do the event, and we get event-based charges, irrespective of the volume credit to that event, whether the auction is successful or not, we get our service charges. So, like it is just a mixed bag of everything. So, it depends upon the situation and depends upon the client and the person who needs what type of revenue model. It's both the revenue model in our e-commerce business segment.
- Piyush Shah:** Okay. So, when we say about scrapping of vehicles, I believe there it is going to be 3% of the value of the vehicle, which is scrapped. So, there could be percentage linked. Is that, is that correct understanding?
- Subrata Sarkar:** Yeah. Actually, our CMD, in the previous question has told like that up to March it is available in the public domain also and there will be no service charge, just to promote this kind of environment friendly thing and have a right... just to popularise the thing, it has been done. And from April onwards that is FY23-24 there is service charge that you mentioned which will be applicable on scrapping of the vehicles, which is being auctioned through our portal to RVFS, means certain restricted population.
- Moderator:** Thank you sir. Ladies and gentlemen, just a reminder, if you have any follow up questions, please rejoin the question, press '\*' and then '1'. In the next question we have is a follow up from, Dixit Doshi, Please go ahead.
- Dixit Doshi:** My two more questions. Firstly, if you see our other income was almost INR 20 Crore this quarter. And in this if I go to the segment revenue of the standalone numbers then there is some INR 5 Crore in the marketing revenue, INR 8 Crore in the others, and maybe let's say INR 7 Crore would be in e-commerce. So, can you mention about the nature of this other income, INR 20 Crore?
- Subrata Sarkar:** Yeah, we just now talked about the e-commerce nature. Apart from getting our service charges, we derive certain fees, other fees, registration fees, etc. So that is booked in the other income from this e-commerce business. And you know, as far as others is concerned, we have got the dividend from our subsidiaries, that is here in the miscellaneous and in the marketing we derive certain interest over the amount, that is there in the marketing, that is part of these things. So that is broadly the nature. It covers a lot of miscellaneous items also. And of course, certain interest amount also is there in the other income also.



- Dixit Doshi:** Okay. And my last question is, we in last couple of years, we did partnership with, let's say Reliance, L&T, Bharti Airtel and many more in the private sector but I think the volumes have not picked up. So, what are the difficulties we are facing and let's say out of the current total revenue of e-commerce, how much will be from the private sector?
- Surinder Kumar Gupta:** We don't maintain this kind of data that how much is from private or government. You see, I mean, scrap is one thing, which continuously is arising from the principles and the arising unless, I mean, that depends upon their business operations. So whatever the volumes are arising, they will give it to us only. That is what we can assure. So, what is their generation, we are not very sure about that.
- Dixit Doshi:** Okay. And if I could ask just one more question. So, in terms of the e-auction of the properties held by the banks through there in NPA, how is the traction there? I mean, are we getting the volumes there also?
- Surinder Kumar Gupta:** Yeah, there we are getting good volumes. I mean, and now the success rate has also increased.
- Dixit Doshi:** And it's on the value, right? Percentage?
- Surinder Kumar Gupta:** No, there we don't get in the terms of percentage, there we get the revenue per property sold. So that's the kind of model and I think that is a quite good number of properties now we are selling there. I don't have the figures, but the number of properties sold are sufficiently good to give us a robust revenue on that.
- Moderator:** Thank you, sir. The next question, we have is a follow up from Keshav Garg. Please go ahead.
- Keshav Garg:** Sir, wanted to understand that sometime back last year, there was a new item that the public sector banks are making their own portal for this auction of these properties instead of using MSTC and Coal India was also planning in house scrap disposal portal. So, have you seen any movement on any of these trends and has our business from Coal India or from public sector banks decreased?
- Surinder Kumar Gupta:** First thing about the public sector banks, there is no progress on that and we are selling their properties as usual and there is no news on that front. As far as the Coal India is concerned, we are doing our obvious business with Coal India. In fact, Coal India has recently got a new portal developed from us. There is a basically policy change by the government as far as the coal auctions is concerned. And as per the new policy, we have already developed a portal for Coal India. Coal India doing the auction from their own portal, we don't think a real possibility in a very near term.





- Keshav Garg:** Great. Sir, also what is the net cash that we are having on our books as of now?
- Subrata Sarkar:** Sir, please wait for certain time, 30<sup>th</sup> of September, we have already declared our balance sheet and everything. So please just wait for a couple of months, we will be ready with all the balances and all these things, but I can assure you, like, with that provisioning things are gone, and we are realizing almost a very good status. So, it will be a good position. As far as, our earnings are there, they are converted into a cash in a very good ratio, right now that much we can say. Please wait for couple of months when our March figure will be ready, and we will be ready with your answer. Nothing to hide from you, you have got every right to get this figure, sir.
- Moderator:** The next question we have is from Harshad Jain, as a follow up. Please go ahead.
- Harshad Jain:** Yeah, considering our last quarter balance sheet as on September 30th, we were holding around cash balance of around INR 1000 Crore. So any plans to distribute the same via special dividend or through buyback or through a bonus option, also something else because that is on our book?
- Subrata Sarkar:** We have already given a good dividend, Sir. We will appreciate 63%. So, we are already on the level of last year. Already. So, we are always thinking as far as shareholders are concerned to appreciate their values as well as to make them those who have shown loyalty. So, it is their only, we are thinking, we are not sitting on the balances. We will utilize it in a proper way. We have certain liabilities that must also be met. So that is the answer. You must think in totality, not directly on the asset part, sir.
- Harshad Jain:** Sure. And my last question would be regarding the scrappers front, as Mr. Surinder Kumar Gupta mentioned that we would be having almost eight to nine plants by end of this financial year. So, from Q1 FY24 onwards, can we expect a 100% capacity utilization of all the plants?
- Surinder Kumar Gupta:** Very, very difficult to give so definitive figure but you see there are two parts of it. Let us understand it, one is the government vehicles, right? And then the second is the private vehicles also, the private vehicles also must come in a big number so that the capacity is fully utilized. But I can say whatever vehicles coming with the drive, the seriousness of the government will have the sufficient vehicles, so that we will not only break even, but we also earn some profit. If we get a 100%, definitely, we would like to reach 100%, before we reach 100%, we will expand the capacity. So, it's our intention to always be above the market, so that we are not lacking in the capacity when the vehicles come to us. So that is what our total strategy has been there and we want to encash on the first mover advantage, we want to



maintain that advantage and so that we are ahead of our competitors whenever they come up with their plans. So, we want to have the footprints, which covers most part of the country. That is what our strategy is.

**Harshad Jain:** Okay. And my last suggestion would be one very good thing started by you, not on stock exchange side, but on Twitter side, that you provided a monthly update on January front. So, can we do it on regular basis? A monthly update on stock exchange update?

**Surinder Kumar Gupta:** Okay. We will note this suggestion.

**Harshad Jain:** Because investors would come to know that what exactly our company is doing, what is a growth roadmap.

**Surinder Kumar Gupta:** Okay. We will see more in detail, and we will try to address the interest shown by you. We will incorporate it suitably.

**Harshad Jain:** Sure, sure. Thank you so much.

**Moderator:** Thank you, sir. The last question we have is from Krishan Kothari.

**Krishan Kothari:** Mr. Gupta, this question is again regarding the scrappage policy. You mentioned that Central government vehicle must be sold on the MSTC portal to RVSF. Does this also hold through for state government vehicles?

**Surinder Kumar Gupta:** Yeah. This holds good for State government, this holds good for all the public sector vehicles, this holds good for even the vehicles up to the Panchayat level. So, where all the government has ownership, all those vehicles are included in the estimate of these 15 Lakh vehicles.

**Krishan Kothari:** Okay. And all of these have to be auctioned only through the MSTC Portal?

**Surinder Kumar Gupta:** Yes.

**Krishan Kothari:** Okay. One last question. What is the current capacity for dismantling that MMRPL has over the six centres put together?

**Surinder Kumar Gupta:** I think this information is something which normally we don't make it public because it is basically business confidentiality, basically as far as the competition is concerned, for that business information normally we are not diverging. Please excuse us for this.

**Krishan Kothari:** Okay. Thank you.

**Moderator:** Thank you sir. Ladies and gentlemen, that concludes our question-and-answer session. I will now hand over back to management for any closing remarks. Please go ahead, sir.



**Surinder Kumar Gupta:** So, before I hand over to our director Finance to sum up, I can only say that the e-commerce market is very promising market and we are sure that we will be able to achieve good results and will be able to fulfil the aspirations of our investor community. Second thing is the kind of emphasis that government has put on the circular economy because of this G20 summit, so, we are seeing more traction in this rapid policy. So having the first mover advantage in the vehicle scrappage, so definitely our company will be beneficiary in the total government schemes for that. Subrata, you want to say something.

**Subrata Sarkar:** Just going by our CMD sir's closing remarks, it will be an e-commerce driven growth in the coming quarter and of course, as far as vehicle is concerned, we will keep it at bare minimum. Thank you very much for your cooperation and continuous support to the company that we have made it. Thank you again.

**Moderator:** Thank you gentleman. Ladies and Gentlemen that concludes today's conference. Thank you for joining us, you may now disconnect your lines.