

Regd. Office : Plot No. CF18/2, Street No. 175  
Action Area 1C, New Town, Kolkata – 700 156, INDIA  
Phone: 91-33-2340-0000/0011/0012/0013/0014, Fax: 2340-0002  
website : [www.mstcindia.co.in](http://www.mstcindia.co.in) • [www.mstcecommerce.com](http://www.mstcecommerce.com)

MSTC/CS/SE/265

06<sup>th</sup> September, 2021

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, Bandra Kurla Complex  
Bandra (E), Mumbai 400 051  
(Scrip Code: MSTCLTD)

Dear Sir/Madam,

**Sub: Annual Report 2020-21 of MSTC Limited**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company for the financial year 2020-21 along with the Notice of 56<sup>th</sup> Annual General Meeting (AGM) which has already been sent through electronic mode to the Members of the Company.

The Annual Report 2020-21 and the Notice of the 56<sup>th</sup> AGM is also uploaded on the Company's website at [www.mstcindia.co.in](http://www.mstcindia.co.in)

This is for your information and records.

Thanking you,

Yours faithfully,

For MSTC Limited

  
(Ajay Kumar Rai)

Company Secretary & Compliance Officer



# 56<sup>वीं</sup> वार्षिक रिपोर्ट th Annual Report

2020-21



सीआईएन / CIN : L27320WB1964GOI026211



श्री राम चंद्र प्रसाद सिंह  
माननीय केंद्रीय इस्पात मंत्री (07.07.2021 से प्रभावी)  
**Shri Ram Chandra Prasad Singh**  
Hon'ble Minister of Steel (w.e.f. 07.07.2021)



श्री धर्मेंद्र प्रधान  
माननीय केंद्रीय मंत्री - पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय, इस्पात मंत्रालय  
(06.07.2021 तक)  
**Shri Dharmendra Pradhan**  
Hon'ble Minister of Petroleum & Natural Gas & Minister of Steel  
(upto 06.07.2021)



श्री फगगन सिंह कुलस्ते  
माननीय इस्पात एवं ग्रामीण विकास राज्य मंत्री  
**Shri Faggan Singh Kulaste**  
Hon'ble Minister of State for Steel &  
Rural Development



श्री प्रदीप कुमार त्रिपाठी  
सचिव (इस्पात)  
**Shri Pradip Kumar Tripathi**  
Secretary (Steel)

  
आज़ादी का  
अमृत महोत्सव

# 56<sup>th</sup> वार्षिक रिपोर्ट Annual Report

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## निदेशक मंडल / Board of Directors



**श्री सुरेंद्र कुमार गुप्ता**  
अध्यक्ष सह प्रबंध निदेशक  
**Shri Surinder Kumar Gupta**  
Chairman & Managing Director



**श्रीमती भानु कुमार**  
निदेशक (वाणिज्यिक)  
**Smt. Bhanu Kumar**  
Director (Commercial)



**श्री सुब्रत सरकार**  
निदेशक (वित्त) एवं सीएफओ  
**Shri Subrata Sarkar**  
Director (Finance) and CFO



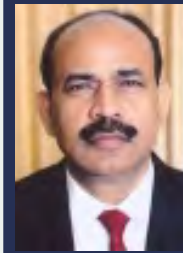
**श्रीमती रुचिका चौधरी  
गोविल**  
सरकारी नामांकित निदेशक  
**Smt. Ruchika  
Chaudhry Govil**  
Govt. Nominee Director



**श्री अवधेश कुमार चौधरी**  
सरकारी नामांकित निदेशक  
**Shri Awadhesh Kumar  
Choudhary**  
Govt. Nominee Director



**श्रीमती अपर्णा चतुर्वेदी**  
स्वतंत्र निदेशक  
**Smt. Aparna Chaturvedi**  
Independent Director



**श्री जी.आर. अलोरिया**  
स्वतंत्र निदेशक  
[05.09.2020 तक]  
**Shri G. R. Aloria**  
Independent Director  
[Upto 05.09.2020]



**डॉ. टी.वी. मुरलीवल्लभन**  
स्वतंत्र निदेशक  
[05.09.2020 तक]  
**Dr. T. V.  
Muralivallabhan**  
Independent Director  
[Upto 05.09.2020]



**डॉ. आर. एस. येली**  
स्वतंत्र निदेशक  
[08.03.2021 तक]  
**Dr. R. S. Yeli**  
Independent Director  
[Upto 08.03.2021]

## प्रबंधन दल / Management Team



श्री सुरेश माधवन  
मुख्य सतर्कता अधिकारी  
**Shri Suresh Madhavan**  
Chief Vigilance Officer



श्री सी.आर. गिरि  
महाप्रबंधक (सिस्टम्स)  
**Shri C. R. Giri**  
GM (Systems)



श्रीमती वी. वसन्ती  
महाप्रबंधक (अध्यक्ष एवं  
प्रबंध निदेशक के  
तकनीकी सचिव)  
**Smt. V. Vasanti**  
GM (TS to CMD)



श्री अरूप बैनर्जी  
महाप्रबंधक (विधि)  
[31.01.2021 तक]  
**Shri Arup Banerjee**  
GM (Legal)  
[Upto 31.01.2021]



श्री बी. मजुमदार  
महाप्रबंधक (प्रशिक्षण)  
**Shri B. Majumdar**  
GM (Training)



श्री अजय कुमार राय  
कंपनी सचिव एवं  
अनुपालन अधिकारी  
**Shri Ajay Kumar Rai**  
Company Secretary and  
Compliance Officer

कॉर्पोरेट पहचान संख्या  
**Corporate Identification No.**  
L27320WB1964GOI026211

लेखा परीक्षक  
एस. घोष एण्ड कं. एलएलपी  
सनदी लेखापाल

**Auditors**  
**S. Ghose & Co. LLP**  
Chartered Accountants

### बैंकर्स

बैंक ऑफ बड़ौदा  
बैंक ऑफ इंडिया  
एचडीएफसी बैंक  
इंडियन बैंक  
इण्डसइंड बैंक  
पंजाब नेशनल बैंक  
भारतीय स्टेट बैंक  
यूनियन बैंक ऑफ इंडिया  
केनरा बैंक  
सेंट्रल बैंक ऑफ इंडिया

### Bankers

Bank of Baroda  
Bank of India  
HDFC Bank  
Indian Bank  
IndusInd Bank  
Punjab National Bank  
State Bank of India  
Union Bank of India  
Canara Bank  
Central Bank of India

### सचिवालय लेखा परीक्षक

सौम्य ज्योति सील, अभ्यासरत कंपनी सचिव  
**Secretarial Auditors**  
Saumayo Jyoti Seal, Practising Company Secretary

### पंजीकृत एवं प्रधान कार्यालय

प्लॉट नं. सीएफ-18/2, स्ट्रीट नं. 175 एक्सन एरिया 1C,  
न्यू टाउन, कोलकाता-700 156, प. ब.  
दूरभाष: 91-33-2340-0000  
ई-मेल : mstcindia@mstcindia.in  
वेबसाइट : www.mstcindia.co.in

### पंजीयक एवं अंतरण अभिकर्ता :

मैसर्स अलंकित असाइनमेंट्स लिमिटेड  
अलंकित हाउस, 4E/2, झंडेवाला  
एक्सटेंशन, नई दिल्ली-110 055  
दूरभाष सं. -+91-11-4254-1951/+91-224348-1200  
ई-मेल-sarunraj@alankit.com/  
saching@alankit.com

### Registrar and Transfer Agents :

M/s Alankit Assignments Limited  
Alankit House, 4E/2, Jhandewalan  
Extension, New Delhi-110 055  
Tel : +91-11-4254-1951/+91-224348-1200  
E-mail : sarunraj@alankit.com/  
saching@alankit.com

### Registered & Head Office

Plot No. CF-18/2, Street no 175, Action Area 1C  
New Town, Kolkata – 700156, W.B.  
Phone : 91-33-2340-0000  
Email : mstcindia@mstcindia.in  
Website : www.mstcindia.co.in

## दृष्टि, ध्येय और लक्ष्य

### दृष्टि

- क) विश्व बाजार में ई-कॉमर्स की शीर्ष कंपनी बनना।
- ख) ट्रेडिंग के क्षेत्र में एक प्रमुख विश्वसनीय और पारदर्शी कंपनी बनना।
- ग) अनुपयोगी सामग्री को टिकाऊ एवं पर्यावरण-हितैषी पुनर्प्रक्रिया के माध्यम से उपयोगी सामग्री में बदलना।

### ध्येय

- क) ई-कॉमर्स के व्यापक उपयोग से पारदर्शिता और बेहतर कीमत सुनिश्चित करना।
- ख) परेशानी मुक्त और निष्पक्ष ई-कॉमर्स से ट्रेडिंग को शक्ति-सम्पन्न बनाना।
- ग) टिकाऊ एवं पर्यावरण-हितैषी पुनर्प्रक्रिया को बल देना।
- घ) निरंतर नवोन्मेष के माध्यम से अपने सभी स्टैक होल्डरों को वांछित परिमाण देना।
- ङ) निरंतर अपने कार्य-क्षेत्र में नए क्षेत्र की तलाश करना तथा अपनी सेवाओं की गुणवत्ता में लगातार वृद्धि करना।

### लक्ष्य

- क) ई-कॉमर्स की विश्वसनीय सुगम सेवा से विश्व स्तर पर सीमा पार व्यवसाय को शक्ति-सम्पन्न बनाते हुए भारत की हिस्सेदारी में वृद्धि करना।
- ख) अपने व्यवसायिक सहयोगियों को त्वरित और कुशल सेवाएं प्रदान करते हुए अपने व्यवसाय के प्रति ग्राहकों के अनुभव को बेहतर बनाना तथा ग्राहकों की संतुष्टि में महत्वपूर्ण-सकारात्मक योगदान करना।
- ग) भारत और अन्य देशों के सार्वजनिक और निजी क्षेत्र की कंपनियों की लेनदेन एवं बेहतर कीमत पाने के लिए अपना सुरक्षित और पारदर्शी ई-कॉमर्स प्लेटफॉर्म उपलब्ध कराना।
- घ) सक्षम, समर्पित और उत्प्रेरित कार्यबल का विकास करना।
- ङ) मेटल एवं ई-वेस्ट रिसाइक्लिंग के क्षेत्र में तथा ई-कॉमर्स प्लेटफॉर्म पर भावी व्यवसाय-वृद्धि के लिए ऐसी कंपनियों से संयुक्त उद्यम की कंपनी बनाना, जो इन उपक्रमों में समन्वयक की भूमिका निभाए।
- च) नियोजित पूंजी पर इष्टतम रिटर्न सुनिश्चित करने और नेट वर्थ पर 15% की वापसी हासिल करने के लिए उपरोक्त गतिविधियों को शुरू करना।
- छ) रिसाइक्लिंग क्षमता निर्माण में निवेश कर और स्क्रेप के सुनियोजित निपटान के लिए अपना पारदर्शी प्लेटफॉर्म देते हुए देश में पुनर्नवीनीकरण मेटल और ई-वेस्ट वस्तुओं की मांग बनाना और उनकी आपूर्ति में वृद्धि करना।

## Vision, Mission and Objectives

### Vision

- a) To be the global market leader in e-commerce domain.
- b) To emerge as a dominant player in secured and transparent trading.
- c) Creating value from waste resources through sustainable and eco-friendly recycling.

### Mission

- a) To ensure transparency and better price discovery through extensive use of e-commerce.
- b) To ensure hassle-free and fair e-commerce enabled trading.
- c) To promote sustainable and eco-friendly recycling.
- d) To strive for continuous innovation to deliver desired value to our stakeholders.
- e) To penetrate and expand the markets we handle and enhance the value of services we render on sustained basis.

### Objectives

- a) To increase India's share in global cross border trade by facilitating reliable e-commerce enabled trading.
- b) To improve customer experience and make a significant positive impact on customers' satisfaction by providing prompt and efficient services to business associates, driving improved loyalty to its business.
- c) To provide a secure and transparent e-commerce platform enabling better price discovery and meet the transactional requirements of Indian and cross border public and private sector enterprises.
- d) To develop and maintain a competent, dedicated and motivated workforce.
- e) To enter into joint ventures with enterprises offering synergy in the area of metal and e-waste recycling, prospective business on e-commerce platform.
- f) To undertake these activities so as to ensure an optimum return on capital employed and to attain a return of 15% on the net worth.
- g) To build demand and increase supply of recycled metal and e-waste commodities in the country by investing in recycling capacity building and providing a transparent platform for organized disposal of scrap.



## अध्यक्षीय संबोधन Chairman's Statement

प्रिय शेयरधारकों एवं निदेशक मंडल के सदस्यगण,

31 मार्च, 2021 को समाप्त वर्ष के लिए आपकी कंपनी की वार्षिक रिपोर्ट एवं लेखा आपके समक्ष प्रस्तुत करते हुए मुझे बहुत खुशी हो रही है। वित्तीय वर्ष 2020-21 हममें से कड़ियों के लिए बहुत ही मुश्किल एवं चुनौतियों से भरा रहा था। कोविड-19 महामारी ने अनिश्चितता और चिन्ता का एक माहौल बना दिया है। इसका लोगों के जीवन, जीविकाओं और व्यवसायिक कार्यों पर गहरा प्रभाव पड़ा है। मौजूदा हालात में, सुरक्षा और बेहतर स्वास्थ्य हमारी सबसे बड़ी प्राथमिकता बन चुकी है। वित्तीय वर्ष के दौरान, जहाँ एक ओर हमें जबरदस्त चुनौतियों और कठिनाइयों का सामना करना पड़ा है, वहीं दूसरी ओर हमने व्यवसाय में विस्तार आते देखा है जो परिकल्पना से परे था। हमें उम्मीद है कि हमारी तरक्की और उन्नति आगे बनी रहेगी जो आपकी कंपनी को आने वाले वर्षों में उसकी स्थिति को बेहतर बनाने में मदद करेगी।

**आर्थिक एवं व्यावसायिक परिवेश**

वित्तीय वर्ष 2020-21 बहुत ही अस्थिर और चुनौतियों से भरा था। कोविड-19 ने मानव जीवन के सभी पहलुओं में अकल्पनीय बदलाव लाया है। महामारी से आर्थिक क्षति का परिमाण अप्रत्याशित रहा था। आवागमन के साधनों पर प्रतिबंध रहने एवं आपूर्ति श्रृंखला में बाधा आने के कारण परिचालनीय चुनौतियाँ बढ़ती गईं। कोविड-19 के मामले में निरंतर उल्लेखनीय बढ़ोतरी आने से, आर्थिक दशा में तेजी से गिरावट आने लगी।

भारतीय अर्थव्यवस्था में मार्च-अप्रैल, 2020 के दौरान सख्त लॉकडाउन लगाए जाने के कारण वित्त वर्ष 2020-21 की पहली तिमाही में 23.9 प्रतिशत और वित्त वर्ष 2020-21 की दूसरी तिमाही में 7.5 प्रतिशत का संकुचन आया। तबसे, कई उच्च एवं सक्षम संकेतकों ने त्वरित एवं स्थायी सुधार दर्शाया है। हमारी अर्थव्यवस्था के बुनियादी आधार बहुत ही मजबूत हैं और लॉकडाउन से उबरते हुए आगे बढ़ रहे हैं, साथ ही आत्मनिर्भर भारत मिशन के दक्ष सहयोग ने हमारी अर्थव्यवस्था को सुदृढ़ता के साथ सुधार का मार्ग दिखाया है। कोविड-19 महामारी से उबरते हुए भारत की आर्थिक गतिविधियाँ बहुत तेजी से ऊपर उठी हैं, वित्त वर्ष 2020-21 की पहली तिमाही की अभूतपूर्व मंदी से निकलते हुए सरकार एवं आरबीआई द्वारा प्रदान किए गए असाधारण वित्तीय एवं धन संबंधी सहयोग से आगे बढ़ रहे हैं।

वित्त वर्ष 2020-21 में, आईटी-बीपीएम सेक्टर में नवाचार, प्रौद्योगिकी संग्रहण एवं दक्षता को आगे ले आने हेतु कई उल्लेखनीय संरचनात्मक सुधार किए गए हैं, जिसमें ओएसपी के नियम और शर्तों और उपभोक्ता संरक्षण (ई-कॉमर्स) नियम,

**Dear Shareholders & Members of the Board,**

It gives me immense pleasure to present to you the Annual Report and Accounts of your Company for the year ended 31st March, 2021. The financial year 2020-21 was most difficult and challenging one that many of us have faced. The Covid-19 pandemic has cast a shadow of uncertainty and anxiety, it has a significant impact on lives, livelihoods and the business operations. Presently, safety and well-being remains our highest priority. During the financial year, on one hand we have faced overwhelming challenges and hardship and on the other hand we have experienced business expansion that was not envisaged. We are hopeful that the growth and advancement will continue to help your company to improve its position in the coming years.

**Economic and Business Environment**

Financial year 2020-21 was a highly volatile and challenging one. Covid-19 changed almost every aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply.

The Indian economy witnessed a sharp contraction of 23.9% in Q1: FY 2020-21 and 7.5% in Q2: FY 2020-21 due to the stringent lockdown imposed during March-April, 2020. Since then, several high frequency indicators have demonstrated a V-shaped recovery. The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the astute support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. There has been rapid recovery in India's economic activity from the COVID-19 pandemic induced unprecedented lows of the first quarter of FY 2020-21 on the back of extraordinary fiscal and monetary support provided by the Government and RBI.

In 2020-21, a number of significant structural reforms have been undertaken to drive innovation, technology adoption and efficiency in the IT-BPM sector, including Relaxation of



2020 में रियायत लाया जाना शामिल है। इससे प्रतिभा तक पहुँचने में विस्तार लाने, रोजगार सृजन के अवसर बढ़ाने, डिजिटल सेवाओं के लिए भारत को वैश्विक गढ़ बनाने एवं इस सेक्टर को तरक्की और नवाचार की अगली श्रेणी तक पहुँचाने में उल्लेखनीय सहयोग प्राप्त होगा। बी2बी ई-कॉमर्स में 100% एफडीआई की अनुमति दी गई है। 4जी/5जी के लिए फाइबर नेटवर्क आरंभ करने से दूरसंचार प्रचालकों एवं भारत सरकार द्वारा किए जा रहे लगातार निवेश से भारत में ई-कॉमर्स को अच्छा प्रोत्साहन प्राप्त होगा।

कोविड-19 के कारण ग्राहकों की ओर से खर्च में कमी, आर्थिक मंदी और अनिश्चितता के बावजूद ई-कॉमर्स कंपनियाँ साल 2021 में उत्साहवर्धक बिक्री की उम्मीद कर रही हैं। चालू वर्ष 21 में, ऑनलाइन ग्राहक, ई-फार्मसी और सोशल कॉमर्स जोर-शोर से बढ़ोतरी की अपेक्षा कर रहे हैं। इंटरनेट इस्तेमाल करने वालों की बढ़ती तादाद लोगों के झुकाव को ई-कॉमर्स की ओर बढ़ाएगा।

#### समीक्षाधीन वर्ष के दौरान :

आपकी कंपनी ने महामारी का डटकर सामना किया है। एमएसटीसी के प्रत्येक सदस्य की वचनबद्धता और निष्ठा से वित्तीय वर्ष के दौरान आई चुनौतियों का मुकाबला करने में व्यवसाय को सहयोग मिला है। वित्त वर्ष के दौरान उत्पन्न हुई बाधाओं को देखते हुए, टीम ने अथक रूप से कार्य करते हुए परिचालनीय स्तर पर सराहनीय तरक्की हासिल की है। वित्तीय वर्ष के दौरान, आपकी कंपनी ने,

- ₹ 6391.33 मिलियन की कुल आय दर्ज की है।
- वित्तीय वर्ष के दौरान कुल ई-कॉमर्स व्यवसाय में लगभग 2% की वृद्धि दर्ज की गई।
- वित्त वर्ष के दौरान कर पश्चात लाभ ₹ 1010.70 मिलियन था जबकि पिछले वित्तीय वर्ष में यह राशि ₹ 752.03 मिलियन थी, इस वृद्धि में, मुख्य योगदान ई-कॉमर्स का था।

#### एमएसटीसी के फायदे

एमएसटीसी की ई-कॉमर्स में एक सेवा प्रदाता के रूप में एक महत्वपूर्ण भूमिका रही है एवं इस क्षेत्र में इसने बाजार में एक अग्रणी के रूप में अपनी पहचान बनाई है। भौतिक उपस्थिति और/या किसी अन्य विधि द्वारा संचालित किसी भी व्यावसायिक कार्यकलाप को ऑनलाइन कार्यकलापों में परिवर्तित करने की हमारी क्षमता ही हमारी प्रमुख शक्ति है। अधिकांश केन्द्र/लोक सेवा उद्यम/राज्य सरकार के विभागों एवं निजी क्षेत्र के संस्थानों के अपने उपभोक्ताओं को पारदर्शी, निष्पक्ष एवं विघ्नरहित ई-कॉमर्स सेवाएँ प्रदान करने में इसकी अपनी विशिष्टता रही है।

अपने व्यवसाय क्षेत्रों में एमएसटीसी ने हमेशा ही पहला कदम उठाते हुए लाभ प्राप्त किया है।

#### सहायक कंपनी

फेरो स्क्रैप निगम लिमिटेड कंपनी की 100% सहायक कंपनी है। वर्ष के दौरान, सहायक कंपनी का निष्पादन सराहनीय रहा है। एफएसएनएल का कर पश्चात लाभ ₹ 227.50 मिलियन था।

#### संयुक्त उद्यम-एमएमआरपीएल

आप तो जानते ही हैं कि कंपनी ने एमएमआरपीएल के माध्यम से संयुक्त उद्यम के जरिये रिसाइक्लिंग (पुनर्चक्रण) क्षेत्र में कदम रखते हुए, ग्रेटर नोएडा में भारत के प्रथम प्राधिकृत डिस्मैटलिंग एवं कलेक्शन सेन्टर की स्थापना की है, तत्पश्चात चेन्नई और पुणे में भी इस सेन्टर को स्थापित किया गया एवं आने वाले समय में ऐसे चार और कलेक्शन एवं डिस्मैटलिंग सेन्टर स्थापित किए जाने की योजना है। 31 मार्च, 2021 को समाप्त वर्ष के दौरान, संयुक्त उद्यम (जेवी) कंपनी ने ₹ 98.77 मिलियन की आय की है।

OSP Terms & Conditions, and Consumer Protection (E-commerce) Rules, 2020. This would significantly expand access to talent, increase job creation, make India a global hub for digital services and catapult the sector to the next level of growth and innovation. 100% FDI is permitted in the B2B E-commerce. Continuing investments by telecom operators and Government of India in rolling out fiber network for 4G/5G will help boost E-commerce in India.

Despite depressed consumer spending, economic slowdown and uncertainty created due to COVID-19, e-commerce players are expecting strong sales growth in 2021. Online grocery, e-pharmacy and social commerce are expected to witness strong growth in CY21. Rising penetration of internet users will drive e-commerce adoption among masses.

#### During the year under review;

Your company has weathered the pandemic very well. The commitment and dedication of every member of the MSTC has helped the business to overcome the challenges faced during the financial year. Considering the constraints faced during the financial year the team has worked relentlessly to achieve significant growth at the operational level. During the financial year your company;

- ◆ Has recorded total revenue of ₹ 6391.33 millions.
- ◆ Total e-Commerce business has recorded an increase of around 2% during the financial year;
- ◆ Profit after Tax during the financial year was ₹ 1010.70 millions compared to ₹ 752.03 millions in the previous financial year riding mainly on the e-commerce contribution.

#### MSTC Advantage

MSTC plays a very important role as a service provider in e-commerce and is a market leader in this sector. Our strength lies in our ability to convert any business activity conducted through brick and mortar method and/or in any other method to online activity. It has the distinction of serving majority of Central/PSUs/State Govt. departments and large private Institutions for providing transparent, fair & seamless e-Commerce services to its clients.

MSTC has always been availing first mover advantage in its business verticals.

#### Subsidiary Company

Ferro Scrap Nigam Limited is the 100% Subsidiary of the Company. During the year the subsidiary has performed well. The Profit after Tax of FSNL was ₹ 227.50 millions.

#### Joint Venture - MMRPL

As you are aware that our Company through MMRPL forayed into the recycling sector through JV, has set up India's first authorised Collection & Dismantling centre at Greater Noida and later at Chennai and Pune also and intends to set up four more Collection & Dismantling centres. During the year ended 31st March 2021, the JV Company earned an Income of ₹ 98.77 Millions.

### निगमित सामाजिक दायित्व (सीएसआर)

दोस्तों, आपके सतत भरोसे, प्रोत्साहन और सहयोग ने हमारे कार्य-निष्पादन को बेहतर बनाने के लिए हमें प्रेरित किया है। हम जन-समुदायों और समाज में रहने वाले लोगों की जीविका को बेहतर बनाने के लिए प्रतिबद्ध हैं।

### परिचालनीय उत्कर्षता

आप जानते हैं कि आपकी कंपनी देश की एक प्रमुख स्टैंडएलोन ई-कॉमर्स कंपनी है। इसके कार्य क्षेत्र में, सेलिंग एजेंसी व्यवसाय, स्क्रेप एवं अन्य वस्तुओं की ई-बिक्री, ई-प्रोक्योरमेंट इत्यादि शामिल हैं। ज़रूरत के अनुसार निर्मित ई-कॉमर्स समाधान एमएसटीसी का एक प्रमुख नवाचार व्यवसाय मॉडल के रूप में उभरकर सामने आया है। कंपनी द्वारा निष्पादित प्रमुख परिचालनीय गतिविधियाँ निम्नानुसार हैं:

- शुरुआती अंश के तौर पर, स्पेक्ट्रम नीलामी का सफलतापूर्वक संचालन किया जिससे भारत सरकार के लिए ₹ 7,78,150 मिलियन की आय हुई है।
- राजस्थान राज्य में, शराब के दुकानों के लिए लाइसेंस के आवंटन हेतु आबकारी विभाग, राजस्थान सरकार के लिए ऑनलाइन नीलामियों का संचालन किया है।
- आंध्रप्रदेश राज्य में रेत परिचालनों के निष्पादन हेतु एजेंसी के चयन हेतु ऑनलाइन बोली मंच प्रदान किया है।
- साल 2020 के नवम्बर माह में, वाणिज्यिक कोयला खनन की नीलामी हेतु बोली का संचालन किया है।
- भारतीय कपास निगम लि. ने कॉटन बेल एवं कॉटन सीड की ई-नीलामी के लिए सेवा प्रदाता के रूप में एमएसटीसी को नियुक्त किया है। एमएसटीसी ने पोर्टल विकसित किया है और सफलता के साथ नीलामियों का संचालन किया है।
- एमएसटीसी ने सार्वजनिक क्षेत्र उद्यमों की रणनीतिक बिक्री हेतु 'निवेश एवं लोक परिसंपत्ति प्रबंधन विभाग' (भारत सरकार) के लिए वेब एप्लिकेशन विकसित किया है।

### भावी दृष्टिकोण

एमएसटीसी निर्णय लेने के उद्देश्य से लॉजिस्टिक्स, मूल्यांकन परामर्श कार्य और प्रौद्योगिकी प्रेरित सहयोग के नजरिये से अपने मौजूदा और भावी उपभोक्ताओं को अधिक मूल्य वर्धित सेवाएं प्रदान करने का अवसर ढूँढ रही है।

आपकी कंपनी अपने समाधान केन्द्रित दृष्टिकोण के विश्वास के आधार पर, नई टेक्नोलॉजी चक्र पर कदम बढ़ाते हुए तरक्की की असीमित संभावनाएँ देख रही है, जिसने इसे इसके उपभोक्ताओं के लिए उनका पसंदीदा ट्रांसफॉर्मेशन पार्टनर बनाया है।

### खनिज एवं खनिज ब्लॉक

एमएसटीसी विशेष रूप से निर्मित ई-कॉमर्स पोर्टल के माध्यम से देश में कोयले के ब्लॉक (प्रखंड) एवं सभी प्रमुख खनिज ब्लॉकों के आवंटन हेतु एक नामित एजेंसी है। देश के विभिन्न राज्यों में एमएसटीसी के ई-कॉमर्स पोर्टल के माध्यम से लघु खनिज ब्लॉकों का आवंटन भी चल रहा है।

### ई-रिटेल सॉफ्टवेयर

एमएसटीसी ने तेल विपणन कंपनियों के लिए एक अद्वितीय एग्जिम पोर्टल का विकास करते हुए अपनी एक विशेष पहचान बनाई है एवं इस प्रक्रिया में, एमएसटीसी ने सरकार एवं निजी क्षेत्र के संगठनों विशेषकर एमएसएमई (सूक्ष्म,

### Corporate Social Responsibility (CSR)

Friends, your continued trust, encouragement and support drive us to improve our performance. We are committed to participate in improving the livelihood of communities and societies at large.

### Operational Excellence

As you know your company is a major standalone e-Commerce Company in the country. The area includes selling agency business, e-sales of scrap and other commodities, e-procurement etc. Customized e-commerce solutions have emerged as major innovative business models of MSTC. Major operation activities undertaken by the company are as follows;

- ◆ Has successfully conducted Spectrum auction which has fetched revenue of ₹ 7,78,150 Million for Govt. of India in the first tranche.
- ◆ Has conducted online auctions for Excise Department, Government of Rajasthan for allotment of License for Liquor Shops in the State of Rajasthan.
- ◆ Has provided online bidding platform for selection of Agency to carry out Sand Operations in the State of Andhra Pradesh.
- ◆ Has conducted the bidding for Commercial Coal Mine auction in the month of November, 2020.
- ◆ Cotton Corporation of India has appointed MSTC as service provider for e-auction of Cotton bales & Cotton Seeds. MSTC has developed the portal and successfully conducted the auctions.
- ◆ MSTC has developed the web application for Department of Investment and Public Asset Management (GoI) for strategic sale of Public Sector Enterprises.

### Future outlook

MSTC is looking at giving more value added services to existing and future clients in terms of logistics, valuation consultancy and technology driven assistance for decision making.

Looking ahead, your company sees immense opportunities for growth riding the new technology cycle, powered by the belief that its solution centric approach makes it the preferred transformation partner within its customers.

### Minerals and Mineral Blocks

MSTC is a nominated agency for allocation of coal blocks and all major mineral blocks in the country through its very customized e-Commerce portal. The minor mineral blocks allocation is also happening through MSTC's e-Commerce portal in the various states in the country.

### e-Retail Software

MSTC has carved niche for itself by developing an unique Exim portal for Oil marketing companies and in the process MSTC has developed required expertise for providing

लघु एवं मध्यम उद्यम) को ई-रिटेल सॉफ्टवेयर समाधान प्रदान करने हेतु अपेक्षित विशेषज्ञता विकसित की है। इस क्षेत्र में एमएसटीसी के लिए भविष्य में अच्छे अवसर एवं संभावनाएँ मौजूद हैं।

#### निजी कंपनियों को लक्ष्य बनाना

एमएसटीसी निजी क्षेत्र से अनछुए ई-कॉमर्स व्यवसाय पर अधिक ध्यान दे रही है एवं अपने इस प्रयास के तहत एमएसटीसी ने रिलायंस इंडस्ट्री, इंडस टावर, टाटा पावर, एल एण्ड टी, जिन्दल ग्रुप, वेदांता आदि जैसे कुछ बड़े नामों के साथ स्वीकृति हेतु अनुबंध पर हस्ताक्षर किया है।

#### अवसर

- ई-कॉमर्स :** एमएसटीसी देश में एक प्रमुख स्टैंडएलोन ई-कॉमर्स सेवा प्रदाता के रूप में उभरकर सामने आया है। भारत सरकार की अग्रणी परियोजनाओं समेत नए एवं विविध व्यवसाय स्तरों में कदम रखने के साथ इन कार्यक्षेत्रों में बहुगुणा विकास लाने की प्रबल संभावनाएँ हैं।
- एमएसटीसी सरकारी एवं पीएसयू व्यवसाय को बरकरार रखते हुए निजी क्षेत्र की अनछुई संभावनाओं का उपयोग करने के लिए पुरजोर प्रयास कर रही है।
- पुनर्चक्रण क्षेत्र :** संयुक्त उद्यम मार्ग के माध्यम से पीपीपी मॉडल के जरिये एमएसटीसी पुनर्चक्रण नीति के गठन के लिए नई पहलों को प्रस्तुत करने में आगे रही है। ऑटोमोबाइल सेक्टर, ई-वेस्ट एवं सॉलिड वेस्ट मैनेजमेंट-सेक्टर जो कि एक उभरता सेक्टर है, में पुनर्चक्रण संयंत्र की स्थापना में अपनी महत्वपूर्ण भूमिका के साथ एमएसटीसी सबसे आगे है।

#### संकट

i) जीईएम पोर्टल - जोखिम कम होने का अवसर : क्रय के लिए जीईएम पोर्टल इस्तेमाल करने के सरकारी अनुदेश के साथ, आम वस्तुओं एवं सेवाओं का ई-प्रोक्योरमेंट व्यवसाय प्रभावित होगा। ई-प्रोक्योरमेंट की कार्य-परिधि में कमी आएगी; क्योंकि किसी भी निगम के व्यवसाय का बड़ा हिस्सा वस्तुओं एवं सेवाओं के क्रय पर खर्च किया जाता है।

ii) ट्रेडिंग व्यवसाय - नीति के अंतर्गत एमएसटीसी ने पारंपरिक ट्रेडिंग व्यवसाय में जोखिम अवस्थिति को ध्यान में रखते हुए सुरक्षित मार्ग अपनाया है।

iii) साइबर हमले - इस प्रकार के संकट की दिनों-दिन बढ़ती आशंका को देखते हुए साइबर हमले का जोखिम हमेशा के लिए बना रहता है। व्यवसाय परिचालनों को प्रभावित करने के अलावा, सुरक्षा उल्लंघन से प्रतिष्ठा पर आंच, दंड और कानूनी एवं वित्तीय देनदारियाँ उत्पन्न हो सकती हैं।

#### निवेशक सेवाएँ

दोनों ही डिपॉजिटरी अर्थात एनएसडीएल एवं सीडीएसएल में कंपनी के शेयर अभौतिकीकृत हुए हैं। लगभग 49000 शेयरधारकों में से 59 शेयरधारक अभी भी भौतिक स्वरूप में शेयर रख रहे हैं। मैं शेष शेयरधारकों से अनुरोध करता हूँ कि अपने शेयर को अभौतिकीकृत कराएं, ताकि "दावारहित बोनस सस्पेंस खाता" में पड़े हुए बोनस शेयरों को संबंधित शेयरधारकों के डिमैट खाते में स्थानांतरित किया जा सके। इसके अलावा, इससे शेयरधारक समय पर लाभांश पाने में सक्षम हो पाएंगे।

#### निगमित अभिशासन

आपकी कंपनी निगमित अभिशासन अभ्यासों के उच्चतम मानदंडों को हासिल करने के लिए हमेशा प्रयत्नशील रही है। सीपीएसई के लिए सार्वजनिक उद्यम विभाग

e-Retail Software solutions to the Government and private organizations particularly the MSME. This sector holds a great opportunity and potential for MSTC in future.

#### Targeting private companies

MSTC is casting more focus on the untapped e-Commerce business from the private sector and in this stride MSTC has signed big ticket agreement with Reliance Industries, Indus Tower, Tata Power, L&T, Jindal Group, Vedanta etc. to name a few.

#### Opportunities

- E-Commerce:** MSTC has emerged as a major standalone e-commerce service provider in the country. With its foray into new and diverse business verticals including the flagship projects of the Govt. of India, it has an immense potential to grow multifold in this arena.
- MSTC is endeavoring to harness the untapped potential in the Private Sector also, beside trying to retain the Govt. and PSU business.
- Recycling Sector:** MSTC through PPP model via joint venture route is spearheading the initiatives of framing a recycling policy, its pivotal role in setting up recycling plant in the automobile sector, e-waste and solid based management sector which is a sunrise sector.

#### Threats

- GeM portal - reducing opportunity in exposure:** With the Govt.'s directive to use the GeM Portal for purchases, the business in e-procurement of common goods and services will take a hit. The scope of work in e-procurement gets a bit downsized, as major percentage of any Corporation's business is spent on procurement of goods and services.
- Trading business - As a policy matter,** MSTC has decided to play safe in the traditional trading business due to the extent of risk involved.
- Cyber attacks - Risks of cyber-attacks** are forever a threat on account of the fast-evolving nature of the threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.

#### Investor Services

The Company's shares have been dematerialized in both the depositories, i.e., NSDL and CDSL. 59 Shareholders out of 49000 (approx.) shareholders are holding shares in physical mode. I would like to request to the remaining shareholders to get their shares dematerialized so that the bonus shares lying in the "Unclaimed Bonus Suspense Account" can be transferred to the demat account of the respective shareholders. Further, this will also enable the shareholders to receive the dividend on time.

#### Corporate Governance

Your Company always strives to attain highest standards of

## Chairman's Statement

(डीपीई) एवं सेबी (सूचीयन बाध्यता एवं प्रकटन आवश्यकता) विनियम, 2015 द्वारा गठित निगमित अभिशासन पर सरकारी अनुदेशों का कंपनी पूर्णतया पालन कर रही है। आपकी कंपनी अपने हितधारकों के यथा उपयुक्त लाभ के लिए निरंतर कार्य कर रही है एवं इन दायित्वों को पूरा करने के लिए अपने निगमित संचालन में बदलाव किया है। आपकी कंपनी ने कंपनी के निदेशक मंडल को नीतियों के बारे में यथा अवगत रखने के लिए प्रणालियों एवं कार्य-प्रक्रियाओं को स्थापित किया है, ताकि वे अपने दायित्वों का निर्वाह कर सकें एवं सभी हितधारकों के लिए मूल्य सृजन में वृद्धि ला सकें। आपकी कंपनी बदलते विधि-विधानों को अपनाने एवं पालन करने की दिशा में सर्वोत्तम प्रयास कर रही है एवं अपनी नियंत्रण सीमा के अधीन निगमित अभिशासन के अनुदेशों/मानदंडों का अनुसरण करना जारी रखा है।

### पुरस्कार एवं सम्मान:

वर्ष के दौरान आपकी कंपनी को अपनी गतिविधियों के विभिन्न क्षेत्रों में पहचान व सम्मान प्राप्त हुआ है। उनमें से कुछ महत्वपूर्ण उपलब्धियाँ निम्नानुसार हैं :

1. एमएसटीसी ने राजभाषा कार्यान्वयन के क्षेत्र में बेहतरीन प्रदर्शन के लिए निगमित कार्यालय श्रेणी में प्रथम पुरस्कार प्राप्त किया है।
2. कंपनी ने राजभाषा के कार्यान्वयन हेतु संसदीय राजभाषा समिति से भी प्रशंसा प्राप्त की है।

### मानव संसाधन

आपकी कंपनी ने हमेशा से ही अपने मानव संसाधन को एक महत्वपूर्ण संसाधन के रूप में विवेचित किया है एवं यह विभिन्न कर्मचारी लाभदायी कार्यक्रमों का संचालन कर रही है। इसके औद्योगिक संबंध बहुत ही सौहार्द भरे एवं सहभागी प्रकृति के रहे हैं। हमारे प्रिंसिपल एवं ग्राहकों तक आसानी से पहुँचने एवं ज्यादा व्यापार हासिल करने के लिए हमने भारत के कई शहरों में नए कार्यालयों का उद्घाटन किया है। इसके लिए अपने व्यवसाय को बढ़ाने के लिए अधिकारियों एवं सभी शाखाओं में गैर-कार्यपालकों को नियुक्त किया है, ताकि हर प्रकार के ग्राहकों की जरूरतों को पूरा कर सकें।

मैं आपको आश्चर्य करना चाहूँगा कि कोविड-19 के इस चुनौती भरे चरण में हम राष्ट्र के साथ हमेशा खड़े रहे हैं, आपकी कंपनी ने पीएम केयर फंड में ₹ 50.00 मिलियन का योगदान दिया है। इसके अलावा, कंपनी के कर्मचारियों ने भी अपने एक दिन का वेतन पीएम केयर फंड में जमा किया है।

कोविड-19 से प्रभावित परिवारों और दोस्तों एवं अन्य लोगों के साथ बने रहने की राह पर हम चले हैं। अपने कर्मचारियों और प्रियजनों के साथ बने रहने का हम हर मुमकिन प्रयास करेंगे।

### आभारोक्ति

मैं पूरी कृतज्ञता के साथ माननीय केन्द्रीय इस्पात मंत्री, माननीय इस्पात राज्य मंत्री, सचिव (इस्पात), अपर सचिव एवं एफए (इस्पात), अपर सचिव इस्पात एवं इस्पात मंत्रालय के अन्य अधिकारियों, रक्षा मंत्रालय, कोयला मंत्रालय, खनन मंत्रालय, नागरिक एवं विमानन, पेट्रोलियम, प्राकृतिक गैस मंत्रालय एवं केन्द्र सरकार के विभिन्न अन्य मंत्रालयों, सभी राज्य सरकारों, विभिन्न केन्द्रीय एवं राज्य सार्वजनिक क्षेत्र के उपक्रमों, निजी क्षेत्र की कंपनियों, बैंकों, शेयरधारकों, हमारे

Corporate Governance practices. The Company is complying with Government Guidelines on Corporate Governance framed by the Department of Public Enterprises (DPE) for CPSEs, and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 in letter and spirit. Your company is continuously working for the optimum benefit of its stakeholders and has thus moulded its corporate conduct to fulfill these responsibilities. The Company has established systems & procedures to ensure that its Board of Directors is well informed about the policies of the Company to enable them to discharge their responsibilities and to enhance the overall value of all stakeholders. Your Company is making best efforts to adapt and comply with the changing statutes and continue to comply with the Corporate Governance guidelines/norms to the extent within its control.

### Accolades and Recognitions:

During the year your company has received recognitions in various spheres of its activities. A few of the significant are as follows:

1. MSTC has received the first award in corporate office category for the best performance in the field of official language implementation.
2. Company has also received appreciation for implementation of official language from the Parliamentary Official Language Committee.

### Human Resources

Your company has always considered its human resource as the most important resource and has been conducting various employee benefit programs. The industrial relations have remained cordial and participative all along. We have opened offices in many cities in India so that we can reach out to our principals and customers easily and generate more business. Therefore, we have posted officers for expansion of business and non – executives all over the branches to cater the needs of all type of clients.

I would like to assure you that we continue to stand with the nation during the challenging phase of Covid-19, your company has contributed ₹ 50.00 Millions to the PM CARES fund, further the employees of the Company has also contributed their one day salary to the PM CARES Fund.

Our thought go out to the families and friends and to all those whose life is impacted due to Covid-19. We will continue to be with our employees and their dear ones in the best possible manner.

### Acknowledgement

I would like to place on record my gratitude to the Hon'ble Union Minister for Steel, Hon'ble Minister of State for Steel, Secretary (Steel), Additional Secretary and FA (Steel), Additional Secretary (Steel) and other officials of the Ministry of Steel, Defence Ministry, Coal Ministry, Mining Ministry, Civil & Aviation, Petroleum, Natural Gas Ministry and various other Central Government Ministries, all State Governments, various Central and State Public Sector

प्रिंसिपल और अन्य व्यक्तियों को वर्ष के दौरान उनके द्वारा दिए गए बहुमूल्य सहयोग एवं मार्गदर्शन के लिए अपना आभार व्यक्त करता हूँ। मैं विभिन्न कर्मचारियों द्वारा किए गए उनके ईमानदार प्रयासों के लिए भी अपनी कृतज्ञता व्यक्त करता हूँ। मैं सभी हितधारकों, ग्राहकों एवं आपूर्तिकर्ताओं को साल-दर-साल कंपनी के प्रति उनके विश्वास और भरोसे के लिए भी अपनी कृतज्ञता प्रकट करता हूँ एवं आपको आश्चस्त करता हूँ कि हमारे हितधारकों के लिए और भी बेहतर मूल्य सृजन हेतु हम अपने प्रयास को निरंतर जारी रखेंगे।

धन्यवाद,

जय हिन्द!



(सुरेंद्र कुमार गुप्ता)

अध्यक्ष एवं प्रबंध निदेशक

[डिन : 08643406]

स्थान : कोलकाता

तिथि : जून 25, 2021

Undertakings, private companies, the bankers, shareholders, our principals and others for their valuable assistance and guidance extended to the Company during the year. I also place on record the appreciation of the sincere efforts made by various employees at all level. I also express my gratitude to all stakeholders, customers and suppliers for the trust and confidence reposed by them on your Company year after year and assure you that we shall continue to create more value for our stakeholders.

Thanking you,

Jai Hind!



Place : Kolkata

Date : June 25, 2021

(Surinder Kumar Gupta)

Chairman and Managing  
Director

[DIN : 08643406]

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview of Indian Economy

The Indian economy witnessed a sharp contraction of 23.9% in Q1: FY 2020-21 and 7.5% in Q2: FY 2020-21 due to the stringent lockdown imposed during March-April, 2020. Since then, several high frequency indicators have demonstrated a V-shaped recovery. The fundamentals of the economy remain strong as gradual scaling back of lockdowns along with the astute support of Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. There has been rapid recovery in India's economic activity from the COVID-19 pandemic induced unprecedented lows of the first quarter of FY 2020-21 on the back of extraordinary fiscal and monetary support provided by the Government and RBI. Overall movement of high frequency indicators over Q1, Q2 and Q3 indicated speedy pickup in Q2 and growing convergence to pre-pandemic levels in Q3. As India's mobility and pandemic trends aligned and improved concomitantly, indicators like E-way bills, rail freight, GST collections and power consumption not only reached pre-pandemic levels but also surpassed previous year levels.

India remained a preferred investment destination in FY 2020-21 with FDI pouring in amidst global asset shifts towards equities and prospects of quicker recovery in emerging economies. Net FPI inflows recorded an all-time monthly high of US\$ 9.8 billion in November 2020, as investors' risk appetite returned. India was the only country among emerging markets to receive equity FII inflows in 2020.

India adopted a four-pillar strategy of containment, fiscal, financial, and long-term structural reforms. Calibrated fiscal and monetary support was provided, cushioning the vulnerable in the lockdown and boosting consumption and investment while unlocking. A favourable monetary policy ensured abundant liquidity and immediate relief to debtors while unclogging monetary policy transmission.

In 2021, a number of significant structural reforms have been undertaken to drive innovation, technology adoption and efficiency in the IT-BPM sector, including Relaxation of OSP Terms & Conditions, and Consumer Protection (E-commerce) Rules, 2020. This would significantly expand access to talent, increase job creation, make India a global hub for digital services and catapult the sector to the next level of growth and innovation. 100% FDI is permitted in the B2B E-commerce. Continuing investments by telecom operators and Government of India in rolling out fiber network for 4G/5G will help boost E-commerce in India.

India's e-commerce is expected to reach US\$ 99 bn by 2024, growing at a 27% CAGR over 2019-24, with grocery and fashion/apparel likely to be the key drivers of incremental growth. Online penetration of retail is expected to reach 10.7% by 2024, versus 4.7% in 2019. Online shoppers in India are expected to reach 220 million by 2025. Through its 'Digital India' campaign, the Government of India is aiming to

create a trillion-dollar online economy by 2025. Indian e-commerce is projected to increase from 4% of the total food and grocery, apparel and consumer electronics retail trade in 2020 to 8% by 2025.

Despite depressed consumer spending, economic slowdown and uncertainty created due to COVID-19, e-commerce players are expecting strong sales growth in 2021. Online grocery, e-pharmacy and social commerce expected to witness strong growth in CY21. Rising penetration of internet users to drive e-commerce adoption among masses. Expansion of online retailers from current up to 20,000 pin codes to 100,000 pin codes across India remains one of the key growth drivers, COVID-19 pandemic has led to a further rise in digital, contactless payments as customer behaviour has shifted from cash to card.

### Global Scenario

The year 2020 threw at the world a bedlam of novel COVID-19 virus, threatening all that was taken for granted mobility, safety, and a normal life itself. This, in turn, posed the most formidable economic challenge to the world in a century. The pandemic raised unprecedented health challenges on a global scale and posed unique policy dilemmas. Since 2018, the growth momentum in global output was on a weakened footing owing to various factors like trade tensions, political instability, slowed demand and reduction in industrial activity. COVID-19 pandemic accentuated the deceleration by causing severe demand and supply disruptions. Economic activity has been belaboured by reduced mobility, owing both to official restrictions and private decisions; uncertainty regarding the post-pandemic economic prospects and policies has impacted investment; concerns about the viability of global value chains; and the adverse impact on international trade and tourism.

Global output is expected to witness the sharpest contraction in a century, contracting in the range of 3.5% - 4.3% in 2020 as per the estimates provided by IMF and World Bank. The cumulative loss to global GDP over 2020 and 2021 is estimated at around USD 9 trillion. The estimates for global growth were revised upward through the year with easing of lockdowns and resurgence in economic activity in July-September quarter of the year. The rebound in global activity has, however, been uneven and subdued since the beginning of second half of the year due to resurgence in COVID-19 infection rates.

TREND IN GLOBAL GROWTH



Source: IMF  
Note: E is Estimate, F is Forecast.

The global economy is expected to see a rebound in 2021 with the International Monetary Fund (IMF) expecting 6% growth after an estimated contraction of 3.3% in 2020. While there is still uncertainty on the path with ongoing second wave of Covid 19, likelihood of third or fourth waves, and the emergence of new strains of the virus. However, this time the world has better visibility for future growth than in the last financial year. Overall business outlook across industries appears to be positive in all markets. This is expected to result in an expansion in enterprise spending on e-commerce services.

However, in the current financial year we have much better visibility for future growth than we did had last year.

### Company's Business

MSTC has two core business segments namely e-Commerce & Trading. MSTC plays a very important role as a service provider in e-Commerce and is a market leader in this sector. It has the distinction of serving majority of Central / State Govt. Departments, PSUs and a few leading Private Institutions for providing transparent, fair & seamless e-Commerce services to its clients.

#### A. e-Commerce Business

MSTC is a major standalone e-Commerce service provider in the country. MSTC has introduced e-Commerce in various commodities such as scrap, coal, Iron ore, minerals, Agro/forest produces, fly-ash etc. Apart from this, MSTC has also undertaken the e-Auction of land, buildings, apartment, banks' NPAs and also assets under DRT, organic Agri produce etc.

Spectrum auctions, coal mine auctions, e-Auction of sand Mining blocks in UP and exim-product of IOCL, cotton bales, NPA's of Banks have been the signature events in the recent past.

Development of portal for regular auction of coal and mineral blocks (both major & minor) has been the reflection of Government's faith in MSTC's e-Commerce services.

#### Selling Agency Business

For a long period of time, MSTC has been acting as the selling agent of a large number of Government departments/PSUs for disposal of scrap, surplus stores, old Plant & Machinery, e-waste, hazardous items, obsolete items, etc. MSTC's processes enable the sellers to achieve their annual revenue generation target from such disposal activities. MSTC offers complete package of services from preparation of the auction catalogue to the issuance of delivery order with minimum human efforts. Major industries in private sector are also reposing their faith on MSTC's e-auction system for disposal of their scrap and surplus stores for generating valuable revenue.

#### E-Sales

Starting with sale of coal through e-Auction way back in 2004, MSTC has been developing different modules of e-Auction to cater to the various needs of different sellers of items. Besides coal, MSTC is selling other minerals like manganese ore, iron ore, lignite, chrome ore, bauxite etc. and various other products like raw petroleum coke, human hair, fly ash etc. MSTC is a nominated agency for all major mineral blocks and minor mineral blocks in various states/UT's.

#### E-Procurement

In e-procurement, MSTC provides e-Tender and e-Reverse auction services backed by mandatory STQC certificate for quality requirements. Although, MSTC made a modest beginning in FY 2013-14 but it has made a significant growth in the subsequent year and is poised for exponential growth in future. The system complies with the guidelines framed by STQC for quality and security checks. A new user friendly portal and updated version with enhanced features for e-procurement has been launched this year. In this e-procurement enterprise application, all the buyers and vendors can be registered in this single application. The application provides various advantages like common vendor base that can be used by all the clients, no downtime for development of independent portals and simple role based activation of buyers is required, added security measures etc.

#### E-Solutions

Over the years, MSTC has delivered certain key e-bidding packages for various ministries of Government of India. During the last fiscal, MSTC has further strengthened and made improvements in its various platforms for e-bidding solutions like DEEP, TBCB, SHAKTI, eBKray portal etc.

MSTC has collaborated with Department of Agriculture, Cooperation and Farmers' Welfare (DAC&FW), Ministry of Agriculture and Farmers' Welfare (MoAFW) for development of Jaivik khedi portal whose primary objective is to promote consumption of organic farming and consumption of organic food in the country. During the last fiscal, MSTC signed an agreement with Department of Posts to make organic farm produce available on door delivered basis to consumers. Thus, it is a step to bridge the gap between producers and consumers.

MSTC has been nominated by Indian Bank Association (IBA) as the agency to develop an e-auction portal to function as an integral part IBA's eBKray website for sale of mortgaged properties of different banks under SARFAESI Act. The said portal became operational in December'2019 and during the fiscal 4,344 properties were sold for the Public Sector Banks valued at more than ₹ 29,680 Million.

## Management Discussion and Analysis

### Few of the noteworthy E-Solutions developed by MSTC are as follows:

#### a. Spectrum Auction:

MSTC was appointed as the transaction advisor cum software developer and operator of spectrum auction by Department of Telecommunication (GoI). The developed application was used for conduction of 'Simultaneous Multiple Round Ascending' (SMRA) Auctions for sale of frequencies under various bands like 700 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2300 MHz and 2500 MHz. Total revenue earned by Govt. for the auction conducted in FY 2020-21 stands at ₹7,78,150 Million.

#### b. Coal Mine auctions:

MSTC has developed and is operating the portal for Ministry of Coal (GoI), to auction Coal Mine for sale of coal (commercial mining) as per the Mines and Minerals (Development and Regulation) Act 1957 as well as other related acts. The e-bidding process comprises of two stages- (a) Technical cum IPO and (b) forward auction. In FY 2020-21, 38 mines were put up for auction out of which 20 mines have been successfully auctioned. 67 coal mines have been earmarked for sale in the FY 2021-22 by Government of India.

#### c. EXIM Portal for Petroleum Industry:

The online bidding platform for Export & Import of petroleum products has been developed & delivered to IOCL. The EXIM portal is fully operational and IOCL has continued to utilize the EXIM portal during the last fiscal.

#### d. e-RaKAM (e-Rashtriya Kisan Agri Mandi) Portal:

MSTC Ltd had launched a nationwide electronic portal – e-RaKAM for trading in the agriculture produce. The online trading platform which primarily deals in food grains, vegetables, fruits, spices and all agriculture related commodities and connected farmers directly with consumers. MSTC has launched forward trading in

pulses, oilseeds and millets among a number of other such commodities to make the platform successful.

This portal will eliminate multi layers of middlemen and help farmers get remunerative prices for their produce besides promising rich produces at reasonable prices to consumers also.

Cotton Corporation of India has appointed MSTC as service provider for e-auction of Cotton & Cotton Seeds. MSTC has developed the portal and successfully conducted the auctions.

#### e. Online Draw System for selection of LPG Dealership:

Online Draw System is the process to select the applicants out of the eligible applicants, in secured and transparent manner, without any human intervention. In the current system, online applications are requested from the interested candidates and then from these candidates, eligible candidates are allowed to take part in the draw. This software is used in events to conduct online draws and display the names of the winners on the screen. The system is easy to use and ready for more complex draws. The application is developed with random number generation algorithm for conducting on-line computerized draw of lots (Online Computerized Draw System) by selecting only one eligible candidate at each time out of the total eligible applicants. Shuffling occurs for the names of the applicants along with their details in random order at the press of a button. Visualization of the shuffling process for display on the screen is there.

#### f. MSTC has successfully conducted Rajasthan Liquor Shop Licensing contract through e- Auction mode on behalf of Rajasthan State Excise Department. The auctioning event was conducted for 34 districts. Total no. of shops belonging to these districts which has been auctioned stands at 7665.

#### g. MSTC has developed an application software for IOCL wherein Tender cum auctions/independent auction can



CMD during 55th AGM held through Video Conferencing



CMD receiving the first prize of NARAKAS, Kolkata for the year 2019-20



be floated for finalization of Transporters for bulk POL (Petroleum Oil Lubricant). The application has various sophisticated mechanism, like auto evaluation and determination of provisional allotments based on pre fixed rules, maintaining optimum allotment to reserved categories etc.

- h. Directorate General of Hydrocarbons has empanelled MSTC as one of the service providers for conduction of e-bidding events by 'gas exploration and selling agencies'. Currently 'Hindustan Oil Exploration Company Limited' has committed to use MSTC's services for conducting their e-bidding events.
- i. MSTC has developed the web application for 'Department of Investment and Public Asset Management (GoI)' for strategic sale of Public Sector Enterprises. The updated version of the portal which would include the modified requirements of DIPAM may soon be utilized for conduction of the events.
- j. DIPAM Asset Monetization: As per the renewed directives from GOI, DIPAM shall be monetizing the assets of various CPSE. For the same, MSTC has been appointed as the Auction service provider. A dedicated portal is being developed for this purpose wherein unutilized assets will be monetized through tender followed by auction or independent auctioning mode.
- k. Transmission Service Provider (Interstate/Intrastate TBCB): Ministry of Power, Govt. of India notified "Tariff Based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for Encouraging Competition in Development of Transmission Projects" (Guidelines). In line with provisions of the guidelines, Bid Process Coordinator like RECTPCL and PFCL are conducting events, using the services of MSTC for Interstate Transmission system (ISTS) projects. This also includes solar power and wind power projects.
- l. MSTC has recently launched it's mobile app, developed by the in-house team. The app can be used by all the bidders to participate in General Scrap Auctions. At the same time, it can be used by sellers and ADMIN to perform associated functions like entry of reserve prices, view live auctions, see auction related reports etc. In future, the app may be expanded to cover all other functionalities and auction types that are available in the web version of MSTC portal.
- m. MSTC has also ventured into the domain of Retail software development and is developing a comprehensive e-solution for 'Rubber Board'. It includes 'Human Resource Management', 'Pay and Allowance management' and 'Self Service management' packages.
- n. A specially designed and customized procurement portal has been developed for establishment of FGD (Flue-gas desulfurization) plant and other projects of Corporate Contracts Unit of NTPC at its various Sewage Treatment Plants. The procurement process shall be

tendered followed by Reverse Auction and the bidding shall be in multicurrency.

e-Commerce business constitutes about 99.85% (99.10% in 2019-20) of the total volume of business of the Company during FY 2020-21. It contributed 80.11 % (69.27% in 2019-20) of the total operational income.

## B. Trading Business

In trading business, which constituted 0.15% (0.90% in 2019-20) of the total volume of business during FY 2020-21, MSTC acts as a facilitator for procurement of raw material on behalf of buyers and charge mark-up on percentage basis.

This business contributed 1.65% (4.27% in 2019-20) of the total operational income of the Company.

The trading division was engaged in import as well as domestic sourcing of bulk industrial raw material for actual users as well as traders. This division looks after sourcing, purchase and sale of industrial raw materials like Heavy Melting Scrap, Low Ash Metallurgical Coke, HR Coil, Naptha, Crude Oil, Coking Coal, Steam Coal etc. on behalf of various industries. Due to various issues and associated risk factors, this particular business model has been completely stopped.



CMD inaugurating the Annual Cultural Programme of MSTC Limited

MSTC also had another scheme under which procurement is done backed by Bank Guarantee (BG) from the Customer. Customers who have sanctioned BG limits can use the same to procure raw materials / commodities for their projects or for trading. In this model, MOA is signed with the Customer after following the laid down process. Procurement is done on behalf of the Customers backed by 110% BG opened on any Scheduled commercial Bank. The payment is released to the Supplier by way of LC/RTGS in facilitator mode for import or domestic procurement. The material is directly shipped to the customer thereby eliminating the need for storage which results in saving on account of warehouse and custodian charges. MSTC's entire exposure is covered by the Bank Guarantee submitted by the party/Customer.

The Service charge earned from this segment was ₹41.70 Million during the year.

### C. Recycling:

MSTC has set up India's first authorised Collection and Dismantling center at Greater Noida, for the scientific recycling of End of Life Vehicles (ELVs) and white goods through its Joint Venture, Mahindra MSTC Recycling Private Limited (MMRPL) with Mahindra Intertrade Ltd, wherein the ELVs are purchased for de-polluting, dismantling and converting the metallic parts into bales in an environmental friendly manner. MMRPL has further operationalized Collection & Dismantling centres at Chennai and Pune and intends to set up more Collection & Dismantling centres in the current financial year.

### Diversification of Growth and future developments

MSTC in association with the Ministry of Road Transport and Highways, Ministry of Heavy Industries, Society of Indian Automobile Manufacturers (SIAM) and other such bodies has taken up for enactment of a Law for incentivizing compulsory scrapping of End of Life Vehicles as existing in other developed and developing countries. In the near future, Govt. of India is likely to come up with a policy in this regard.

### Future Outlook

1. MSTC is looking at giving more value added services to existing and future clients in terms of logistics, valuation consultancy and technology driven assistance for decision making.
2. MSTC is a nominated agency for allocation of coal blocks and all major mineral blocks in the country through its customized e-Commerce portal. The minor mineral blocks allocation is also happening through MSTC's e-Commerce portal in the various states in the country.

The selection of Mine Developer-cum-Operator is mostly done through e-Procurement portal of MSTC.

In addition, all the major minerals including coal are being sold through e-Auction portal of MSTC barring a couple of mines for mineral in Barbil area which is at the confluence of Orissa, Jharkhand & West Bengal.

## Management Discussion and Analysis

3. Although MSTC has made inroads into forest and Agri sector in India but has to play lead role for huge market in India through aggressive marketing strategy and rendering seamless services. The niche market, such as organic produces and natural grown Agri-horti produces of North-East are the target market for MSTC.
4. MSTC has carved niche for itself by developing an unique exim portal for Oil marketing companies and in the process MSTC has developed required expertise for providing e-Retail Software solutions to the Government and private organizations particularly the MSME. This sector holds a great opportunity and potential for MSTC in future.
5. MSTC has been conducting regular auction for moveable and immovable assets as NPAs for Government as well as private companies. But the recent move of banks for consolidation of the sale of NPAs by a single service provider has become operational.
6. MSTC is casting more focus on the untapped e-Commerce business from the private sector and in this stride MSTC has signed big ticket agreements with Reliance Industries, Indus Tower, Tata Power, Vedanta, Jindal Power Ltd. etc. to name a few.
7. Besides, the possibility of inclusion of e-Waste recycling plant which can also extract & recover precious metals availability in the e-Waste with the proposed Auto Shredding Plant, is also being considered.

### Some of the major opportunities MSTC is pursuing:

- a. The recent initiative of the Government for sale of mineral blocks, both major and minor, through e-auction has also opened window of opportunity for MSTC and it has signed agreement with most of the State Governments which may yield positive results to the revenue of MSTC.
- b. MSTC is exploring e-auction of sand mining block in other states in line with Uttar Pradesh model.
- c. Govt. of Rajasthan has appointed MSTC for e-Auction of Royalty Collection Contract, Excess Royalty Collection Contract (ERCC), Prospective License-cum-Mining Lease (PL cum ML) and Mining Lease for minor minerals.  
MSTC is exploring the possibility of liquor license auctioning in other states based upon the success of such an event in Rajasthan.
- d. MSTC has signed an agreement with NAFED to sell the food grain lying with various godowns in the country through e-auction. Procurement of the same is also within the ambit of agreement through e-reverse auction.
- e. e-Procurement is another potential area in which MSTC is making a rapid stride to grab the business. MSTC has introduced multi broker facility to make much deeper dent in the e-procurement domain of business.
- f. Govt. of India has engaged MSTC for implementation of

its various flagship of Innovative schemes through its e-Commerce portal. Some are already implemented and some are upcoming. One such scheme is disinvestment of CPSE through e-Commerce route and is being spearheaded by DIPAM.

- g. MSTC has successfully conducted e-auction of coal linkages for unregulated sector such as cement, steel, sponge iron, etc. The e-auction of coal linkage has commenced under Shakti scheme by Ministry of Coal.
- h. The successful portals for EXIM products for IOCL has paved way for development of such portal for other OMC's both public and private.

### Discussion on Financial Parameters with respect to Operations and Performance

#### Performance

##### A) Agency Business

This year the total volume of Agency Business stands at ₹ 10,51,016.10 Million, against ₹ 4,20,415.90 Million in 2019-20. Break-up for the year 2020-21 vis-à-vis 2019-20 is as follows:

Business Segment	Volume of Business (₹ in Million)	
	2020-21	2019-20
Scrap Disposal	45,704.20	42,209.10
e-Sale	8,49,103.80	2,38,621.50
Coal e-Auction	74,297.00	70,399.90
Iron ore e-Auction	81,911.10	69,185.40
<b>Total (A):</b>	<b>10,51,016.10</b>	<b>4,20,415.90</b>

##### B) E-Procurement

Business Segment	Volume of Business (₹ in Million)	
	2020-21	2019-20
e-Procurement	2,36,947.00	8,41,973.20
<b>Total (B):</b>	<b>2,36,947.00</b>	<b>8,41,973.20</b>
<b>Total (A+B):</b>	<b>12,87,963.10</b>	<b>12,62,389.10</b>

##### C) Trading

The performance of the Trading Division shows a total volume of business of ₹ 1,895.90 Million, against ₹ 11,523.20 Million in 2019-20. Break-up for the year 2020-21 vis-à-vis 2019-20 is as follows:

Business Segment	Volume of Business (₹ in Million)	
	2020-21	2019-20
Imported materials	0.00	201.20
Indigenous materials	1,895.90	11,322.00
<b>Total (C):</b>	<b>1,895.90</b>	<b>11,523.20</b>
<b>Grand Total (A+B+C)</b>	<b>12,89,859.00</b>	<b>12,73,912.30</b>

### Risks and Concerns

#### Agency Business

The Selling Agency business has inherent risk since principal can any time decide to do the selling job themselves. Of late, principals are resorting to tendering and small players are quoting very less rate of service charge owing to their less investment in infrastructure and nil obligations towards CVC guidelines and IT Act, 2000. However, because of quality and transparency, MSTC has retained most of the business in this segment.

Being a PSU, MSTC has to follow all the guidelines issued by CVC, regulation of IT Act 2000 and other audit requirements of STQC for which, MSTC has to invest huge amount towards Systems infrastructure, whereas, the private players are not under any such obligation. Therefore, unless Government Departments and PSUs insist upon fulfillment of criteria in line with CVC guidelines by the service providers in the tender documents, it would be increasingly difficult for MSTC to get orders, since private players, having scanty infrastructure, can afford to quote very low service charge.

#### Trading Business (BG Backed)

MSTC is presently sourcing materials against receipt of Bank Guarantee for 110% of value from the customers which is relatively risk free being backed by Bank Guarantee.

#### COVID-19 Effect

The COVID-19 pandemic continues to challenge businesses in every possible way and has amplified existing risks. Operating in an uncertain and ever-changing environment. Operational challenges mounted due to restricted movement and disrupted supply lines during the first few months of the pandemic. As the second wave of the pandemic unfolds with predictions of a third wave in the offing, our focus continues to be on our people's health & safety, meeting the demand arising out of evolving consumer needs, and protecting our business model.

#### Litigation risks

Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. This risk is inherent to doing business across various countries and commensurate with the risk faced by other players similarly placed in the industry. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk. Adverse rulings can result in substantive damages.

#### Breach of data protection laws

Data privacy and protection of personal data is an area of increasing concern globally. Many countries are enacting their Data Privacy regulations to ensure protection of personal data. Violation of data protection laws or security

## Management Discussion and Analysis

breaches can result in substantive liabilities, fines or penalties and reputational impact.

### Cyber attacks

Risks of cyber attacks are forever a threat on account of the fast-evolving nature of the threat. In addition to impact on business operations, a security breach could result in reputational damage, penalties and legal and financial liabilities.

### Business model challenges

Rapidly evolving technologies are changing technology consumption patterns, creating new classes of buyers within the enterprise, giving rise to entirely new business models and therefore new kinds of competitors. This is resulting in increased demands on the company's agility to keep pace with the changing customer expectations. Failure to cope may result in loss of market share and impact business growth.

### Intellectual Property (IP) infringement and leakage

Risk of infringement of third-party IPs may lead to potential liabilities, increased litigation and impact reputation and loss of ownership right, revenue and value.

### Risks, Internal Control Systems and their adequacy

Risk Management Policy in MSTC for trading was introduced in the year 2008-09. The policy has been last revised on 05th April, 2018. MSTC makes it certain that the internal control system functions within the risk appetite of the Company

and is being fine-tuned to include more safeguards for being more effective.

Risk Management Policy for another segment of business i.e. e-Commerce has also been introduced in 2015-16 to have necessary safeguards in this business too.

M/s. Nirupam and Associates, M/s Biswas Das Gupta and Roy and M/s P.K Chopra and Co., Chartered Accountants were assigned with the Internal Audit function of the Company for the year and their reports are put up to the management at regular intervals and summarized statement of important issues are placed before the Audit Committee. The Audit Committee analyses the functions of the internal control system and recommendations of the committee are put up to the Board and those are implemented as per the considerations of the Board. Audit Committee also considers various financial statements for risk analysis and control.

### Conservation of Energy and Resources

MSTC works primarily in the field of procurement of scrap materials, especially ferrous scraps from different consumers and trading of those scraps for recycling. Thus, MSTC works for the conservation of the natural resources, reduction in pollutants, conservation of energy by recycling ferrous scraps into a re-useable form. MSTC is in a way, a recycling Company that consolidates facilities and auctions scrap of various types for reuse after processing by its buyers.

### Key Financial Ratios:

Key Ratios	FY 2020-21	FY 2019-20	Change in %	Reason for Difference/Remarks
Debtors Turnover	2.29	1.04	28.70	Due to Covid-19, there was some delay in realization in trading business.
Inventory Turnover				Not Applicable
Interest Coverage Ratio	0.06	0.17	-67.84	MSTC is almost debt free Company as on 31st March, 2021, hence the interest outgo has gone down significantly. As a result of which the ratio has improve significantly.
Current Ratio	1.01	0.96	4.58	No significant difference
Debt Equity Ratio				Negligible Not Considered
Operating Profit Margin (%)	26.81	15.59	11.22	The Difference is in normal course of business.
Net profit Margin (%)	23.63	9.05	14.58	Due to significant increase in PAT figures as compare to last year.
Return on Net Worth (%)	28.47	26.87	1.60	No significant difference

### Cautionary Statement

Statements under "Management Discussion and Analysis" are on Company's projections and estimates. Actual results may materially differ from such projections and depends on economic condition and industry demand in the relevant domestic and international market. Government regulations including fiscal regulations and other incidental factors may also affect the projections and estimates.

For and on behalf of the Board of Directors



Place : Kolkata  
Date : June 25, 2021

(Surinder Kumar Gupta)  
Chairman and Managing  
Director  
[DIN : 08643406]

## BOARD'S REPORT

To,  
The Shareholders  
MSTC Limited

The Directors are pleased to present the 56th Annual Report on the business and operations of the Company together with the Audited Financial Statements, Auditor's Report and comments of the Comptroller & Auditor General of India for the year ended 31st March, 2021.

### Financial Highlights of the Company

The Profit after Tax stands at ₹1010.71 Million in Financial Year 2020-21 as against ₹752.03 Million last year.

The Standalone Financial results of the Company for the financial year 2020-21 and 2019-20 are given below:-

	(₹ in Million)	
Particulars	2020-21	2019-20
Volume of Business	12,89,859.00	12,73,912.30
Profit (Loss) before tax	1,146.81	1,294.91
Tax	136.10	542.88
Profit after tax	1,010.71	752.03
Paid up capital (Equity)	704.00	704.00
Reserves	2,845.59	2,094.31
Dividend (%)	44%	33%
PBT Per Employee	3.42	3.76
Earnings per share (₹)	14.36	10.68

(Face value ₹10/-)

### Operational Highlights:

1. **Spectrum Auction:** During the financial year MSTC has successfully conducted Spectrum auction which has fetched revenue of ₹7,78,150 Million for Govt. of India.
2. **Coal Block Auction for Commercial Mining:** The bidding for Commercial Coal Mine auction was concluded in the month of November, 2020. Out of 38 mines put up for

auction 19 mines have been successfully auctioned. The bidding portal of MSTC was able to generate huge competition among the bidders.

3. **Allotment of License for Liquor Shop:** MSTC has conducted online auctions for Excise Department, Government of Rajasthan for allotment of License for Liquor Shops in the State of Rajasthan.
4. **Selection of Agency for Sand Operation in A.P.:** Department of Mines & Geology, Andhra Pradesh, appointed MSTC for providing online bidding platform for selection of Agency to carry out Sand Operations in the State of Andhra Pradesh. In this process MSTC played the role of a Transaction Advisor as well as e-tendering service provider.

### Covid-19

Financial year 2020-21 was a highly volatile and challenging year. Covid-19 changed almost every aspect of human lives in ways never imagined. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply. Our focus was on our people's health & safety.

As the country navigated through the crisis, the Government and the Reserve Bank of India took effective measures to support a robust economic recovery. The Union Budget 2021 focused on regaining the growth momentum in the economy through several measures including keeping tax rates stable and enhancing investments in infrastructure.

MSTC holds employee well-being in high regard. An advisory guide on corona virus, guidelines for travel to work and updated office etiquette were issued. The Company has taken proactive measures to comply with various directions / regulations / guidelines issued by the Government and local bodies to ensure safety of workforce across all its offices. Further, Employees who were affected by COVID were provided with necessary help and aid to ensure their recovery. Help was also extended to the immediate families of the employees in need.



CMD, Director(Finance) and Director(Commercial) attending the Annual Cultural Programme of MSTC Limited



CMD presenting the Official Language Commendation Plaque for the year 2019-20

As a responsible member of the communities the Company has contributed ₹ 50.00 Million to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund). All the employees of the Company have also contributed one day salary to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund).

Due to outbreak of 2nd wave of Covid-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of 2nd wave of Covid-19, and that the management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities.

### Dividend

The Board of Directors of your Company is pleased to recommend a final dividend of ₹ 4.40 per equity share of the face value of ₹ 10 each (@ 44%), payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date. The total proposed dividend for the year aggregates to ₹ 309.76 Million. The dividend pay-out will be in accordance with the Company's dividend distribution policy. The Dividend Distribution policy as formulated by the Company may be accessed at the web link [https://www.mstcindia.co.in/MSTC\\_Static\\_Pages/frontpage/newpolicy/DIVIDENDDISTRIBUTIONPOLICY.pdf](https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/DIVIDENDDISTRIBUTIONPOLICY.pdf).

### Reserves

The Reserves stand at ₹2845.59 Million as on 31st March 2021.

### Changes in Share Capital

The authorized share capital of your Company as on 31st March, 2021 stands at ₹ 1500.00 Million divided into 150.00 Million equity shares of ₹ 10.00 each. During the year under review there is no change in share capital of your company.

### Directors Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors shall state that:

- a) In preparation of the Annual Accounts, applicable Indian Accounting Standards (IND- AS) have been followed along with proper explanation relating to material departures.
- b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021 and of the profit of the Company for the financial year 2020-21.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.

- d) The Directors have prepared the Annual Accounts for the year ended 31st March, 2021 on a going concern basis.
- e) The Directors had laid down internal financial controls of the Company and that such systems were adequate and operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### Directors & Key Managerial Personnel

Shri Surinder Kumar Gupta, Chairman and Managing Director, Smt. Bhanu Kumar, Director (Commercial) and Shri Subrata Sarkar, Director (Finance) and Chief Financial Officer are Whole-time Directors of the Company. Shri Surinder Kumar Gupta is also acting as Chairman and Managing Director of Ferro Scrap Nigam Limited (FSNL) and Chairman of Mahindra MSTC Recycling Pvt. Ltd. (MMRPL). Smt. Bhanu Kumar is also acting as Director of Ferro Scrap Nigam Limited. Shri Subrata Sarkar is also acting as Director of Mahindra MSTC Recycling Pvt. Ltd. (MMRPL).

During the current financial year Dr. Promodita Sathish, Govt. Nominee Director, Shri Gangaram Aloria, Dr. T.V. Muralivallabhan and Dr. R.S. Yeli, Independent Directors ceased to be the member of the Board. The Board places on its record sincere gratitude for the valuable guidance and support rendered by the aforesaid Directors during their long association with the company.

During the financial year Shri Awadhesh Kumar Choudhary was appointed as Govt. Nominee Director in place of Dr. Promodita Sathish.

Smt. Ruchika Chaudhury Govil, Govt. Nominee director is retiring by rotation and being eligible offered herself for re-appointment. The Directors recommended her re-appointment in the ensuing Annual General Meeting of the Company.

The Company has received necessary declaration and certificate from all the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and rules made there under.

A separate meeting of Independent Directors was held during the year.

The provisions of Section 134(3)(p) of the Companies Act, 2013 require a listed entity to include a statement indicating the manner of formal annual evaluation of performance of the Board, its Committees and of individual Directors. However, the said provisions are not applicable for Government Companies as the performance evaluation of Directors is carried out by the Administrative Ministry as per laid down evaluation methodology.

A brief profile of the Directors proposed to be appointed and reappointed at the ensuing AGM is provided in the Corporate Governance Report section.

The details of the Key Managerial Personnel of the Company as on the date of this report are as follows;

Sl. No.	KMP	Designation
1.	Shri Surinder Kumar Gupta	Chairman and Managing Director
2.	Smt. Bhanu Kumar	Director (Commercial)
3.	Shri Subrata Sarkar	Director (Finance) & CFO
4.	Shri Ajay Kumar Rai	Company Secretary & Compliance Officer

The provisions of Section 134(3)(e) of the Companies Act, 2013 regarding the policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided in Sec 178(3) are exempted for Government Companies

### Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Hence, the provision of section 188 of Companies Act, 2013 as amended are not attracted. Details of all related party transactions are provided in the financial statement in notes to accounts. Thus, disclosures in Form AOC-2 are not required. Further there are no related party transactions with the Directors and KMP or other designated persons, which may have a potential conflict with the interest of the Company. All Related Party Transactions are placed before the Audit Committee for approval.

The Company has a related party transaction policy and the same has been uploaded on the website of the Company at [www.mstcindia.co.in](http://www.mstcindia.co.in).

The details of the related party transactions during the financial year are provided in note no. 39 of the financial statement.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

In accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are given in **Annexure-I** to this Report.

### Corporate Governance Report

Separate details on Corporate Governance Report along with the Compliance Certificate on Corporate Governance are attached herewith as **Annexure-II** and form part of the Board's Report.

### Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Board's Report.

### Business Responsibility Report

Business Responsibility Report is attached herewith as **Annexure III** and forms part of the Board's Report.

### Annual Return

In compliance of Section 92 of the Companies Act, 2013 and Rules made thereunder, the Annual Return for the financial year 2020-21 is available on the Company's Website at <https://www.mstcindia.co.in/content/Shareholder.aspx>

### Corporate Social Responsibility

The Company is seriously committed to social upliftment. In line with the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 & DPE guidelines, the Company has constituted a CSR Committee which functions as per the Govt. guidelines and the Company's CSR policy. The CSR Policy of the Company has been approved by the Board and is hosted on the website of the Company.

The Company has transferred ₹ 5.40 Million from its CSR fund on 30th March, 2020 to PMCARES FUND in pursuance of the appeal/ directions of the Ministry of Steel.

Annual Report on Corporate Social Responsibility as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is placed as **Annexure IV**.

### Secretarial Audit

In compliance with Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Shri Saumayo Jyoti Seal (Membership No. - F9766), Practicing Company Secretary has been appointed as the Secretarial Auditor for the year 2020-21. The Report of the Secretarial Auditor as prescribed is enclosed as **Annexure V** to this Report.

### The Secretarial Auditor has made following observations;

With respect to constitution of Board of Directors of the Company and the committees thereof, there exists shortage in the number of Independent Director during the financial year under review.

In this regard it is clarified that your Company is a Govt. Company under the administrative control of Ministry of Steel and neither the Board nor the Company is empowered to appoint Independent Directors as the power to appoint Independent Director vest with Government of India as per the Government guidelines.

The Secretarial Audit Report of Company's unlisted material subsidiary i.e. Ferro Scrap Nigam Limited (FSNL) also forms part of the Board's Report and is enclosed as **Annexure VI**. The Secretarial Audit Report of FSNL does not contain any qualification, reservation, adverse remark or disclaimer.

### Auditors

Pursuant to Section 139 of the Companies Act, 2013, the

## Board's Report

Comptroller and Auditor General of India, has appointed M/s. S Ghose & Co LLP Chartered Accountants (FRN: 302184E), as Statutory Auditors of the Company for the year 2020-21. The report of the Auditors is attached to the Financial Statements of the Company. Management replies on the comments/observations of the Auditors are placed as **Annexure VII** to the Board's Report.

### Comments by the Comptroller and Auditor General of India (CAG)

The comments of the CAG on the Annual Accounts of the Company in terms of Section 143(6) (b) of the Companies Act, 2013, shall be deemed as part of the Board's Report.

### Number of Meetings of the Board

The Board met seven times during the financial year 2020-21. The details of number of meetings of the Board of Directors held during the year 2020-21 form a part of the Corporate Governance Report.

### Disqualification of Directors

Pursuant to Section 164(2) of the Act and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Directors have intimated that, they stand free from any disqualification from being a Director.

### Notice of Interest by the Directors

Pursuant to Section 184(1) of the Act, Rule 9(1) of the Companies (Meetings of Board and its Powers) Rules, 2014 and applicable provisions of SEBI, all the Directors have given Notice of Interest.

### Committees of the Board

MSTC has constituted four committees of the Board viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee, details of which are provided in the Corporate Governance Report.

### Audit Committee

The Company has in place a board level Audit Committee, in terms of the requirements of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI

(Listing Obligation & Disclosure Requirements) Regulations, 2015, the details in respect of which are given in the Corporate Governance Report. Further, there has been no instance where the Board of Directors has not accepted the recommendation of Audit Committee.

### Corporate Social Responsibility (CSR) Committee

In compliance of Section 135(1) of the Act, read with Rule 5 of the Companies (CSR Policy) Rules 2014, the Company had constituted the CSR Committee of the Board with Smt. Aparna Chaturvedi, Independent Director as Chairman, Shri Awadhesh Kumar Choudhary, Govt. Nominee Director and Shri Subrata Sarkar, Director (Finance) as members.

### Subsidiary Company and Joint Venture

#### Ferro Scrap Nigam Limited

Ferro Scrap Nigam Limited is the 100% Subsidiary of the Company. The Operational result are given:

	(₹ in Million)	
Particulars	2020-21	2019-20
Total Revenue	3,649.69	4,098.96
Profit/(Loss) Before Tax	320.65	460.17
Profit/(Loss) After Tax	227.50	305.76

The detailed information relating to the subsidiary Company in form AOC-1 in compliance with Section 129(3) of the Companies Act, read with Rule 5 of Companies (Accounts) Rules forms part of Annual Report as **Annexure VIII**.

#### Mahindra MSTC Recycling Pvt. Ltd

MSTC had entered into JVA with Mahindra Intertrade Limited and formed a Joint Venture Company "Mahindra MSTC Recycling Pvt. Ltd.". MSTC through this JV, has set up India's first authorised Collection and Dismantling centre at Greater Noida, Chennai and Pune and also intends to set up four more Collection & Dismantling centres. The Company's output from the recycling operations was well received by the market. During the year ended 31st March 2021, the Company earned an Income of ₹ 98.77 Million as against a figure of ₹58.32 Million in previous year.



CMD and Director (Finance) during Blood Donation camp of MSTC organized by MSTC employees' Recreation Club



Employees donating blood during Blood Donation camp



### Consolidated Financial Results

In accordance with the provisions of the Companies Act, 2013 and the Accounting Standards issued by the Institute of Chartered Accountants of India, your Company has prepared the Consolidated Financial Statement for the group, including its subsidiary and joint venture.

The Summary of Consolidated Financial Results are as follows:

Particulars	(₹ in Million)	
	2020-21	2019-20
Profit (Loss) before tax	1,358.84	1,667.43
Tax	229.25	697.29
Profit after tax	1,129.59	970.15
Paid up capital (Equity)	704.00	704.00
Reserves	4,875.53	4,035.23
PBT Per Employee	4.06	4.85
Earnings per share (₹)	16.05	13.78
(Face value ₹10/-)		

### Material Changes and Commitments, if any, affecting the Financial Position of the Company

There are no material changes and commitments affecting the financial position of the Company that have occurred between the close of the financial year ended 31st March, 2021 and the date of Board's Report.

### Details of Significant and material order passed by the Regulators, Courts and Tribunals

No significant and material order has been passed by the Regulators, Courts and Tribunal impacting the going concern status and the Company's operation in future.

### Particulars of Loans, Guarantees or Investments

Details of Loan, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 and Rules made there under are given in the notes to the financial statements.

### Public Deposits

Your company has not accepted any deposits under the Companies Act, 2013 during the financial year ended 31st March, 2021.

### Compliance with DPE Guidelines and Policies

The guidelines and policies issued by the Department of Public Enterprise from time to time are duly complied with by the Company.

### Compliance with Secretarial Standards

Your Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

### Internal Financial Controls

Your Company has put in place adequate internal financial controls for ensuring the efficient conduct of its business in adherence with laid-down policies; the safeguarding of its assets; the prevention and detection of frauds and errors; the accuracy and completeness of the accounting records; and the timely preparation of reliable financial information, which is commensurate with the operations of the Company. M/s. Nirupam and Associates, M/s Biswas Das Gupta and Roy and M/s P.K Chopra and Co. were the Internal Auditor of the Company for the year and their reports are put up to the management at regular intervals and summarized statement of important issues are placed before the Audit Committee.

### Systems

MSTC's IT infrastructure is by far the most sophisticated and robust in the country to take up ecommerce services in a secure and transparent manner for more than 1,50,000 clients across the globe.

MSTC's IT Department is equipped with the powerful RISC based IBM Power Series Servers having robust processing power and can serve more than ten thousand of concurrent hits. The servers are highly energy efficient leading to saving of power and these servers are in operation with redundancy & high availability disaster recovery mode for providing uninterrupted services to our stakeholders like Principals, Bidders & other users.

Mumbai Disaster Recovery site is also having a similar set up as in Kolkata Data Center.

MSTC is concerned with information security issues and has left no stone unturned to achieve maximum security by installing different OEM Next Generation Firewall, Intrusion Prevention System (IPS), Managed Distributed Denial of Service (MDDoS), SSL etc.

The much needed security features 'Write Once Media' which captures the Audit trails on a non-editable tamperproof media, has been the hallmark of MSTC's e-Commerce system.

### SSL Encryption

SSL (Secure Sockets Layer) is the standard security technology for establishing an encrypted link between a web server and a client end browser. This link ensures that all data passed between the web server and browsers remain private and integral. We have implemented 256-bit SSL in our web server with enforcement of TLS 1.2 & above.

All network equipment like routers, switches are from CISCO/CHECKPOINT and are totally ready for IPv6 migration. Security Appliances like Firewalls, IPS are in place to prevent unauthorized intrusion with latest signatures.

Periodical Application Security Testing is conducted by

STQC, a Govt. of India Department. MSTC ensures security through periodical penetration, vulnerability & performance testing by STQC. MSTC conducts its business through a dedicated 155.52 MBPS ILL and also has a standby ILL connectivity taken from a different provider and with a point-to-point(P2P) connectivity between DC & DR for data synchronization.

MSTC has developed an in-house browser independent e-Procurement solution with e-tendering, e-reverse auction, e-reverse auction with L1 matching and many other models. General Financial Rules, CVC guidelines, IT Act 2000 and its Amendment of 2008 have been adhered to in this e-Procurement application and the said service has been certified by STQC.

MSTC server in Kolkata is manned round-the-clock throughout the year. The Systems dept. is well equipped with qualified professionals whose skills are continuously upgraded with training on latest technology.

MSTC's System Department is ISO 27001:2013 certified by STQC.

MSTC e-Commerce division is also ISO 9001:2015 Quality certified.

MSTC e-Commerce System is appraised to CMMI Level-3 Dev.

### Developments of Information Technology during 2020-21

- 1) MSTC e-Bidding Portal on Spectrum Auctions is certified by STQC Kolkata that included all the testing like Functional testing, CVC and IT Act compliance Audit, Web Application Security Testing, Performance Testing, Vulnerability Assessment & Penetration Testing and the certificate is valid till 24th July, 2022.
- 2) Security is in place by two different OEM Checkpoint & CISCO Next Generation Firewall at two levels.
- 3) ISO 9001:2015 certification is also maintained as per standards and this certificate is valid up to 9th December, 2023.
- 4) MSTC Systems division is CMMI Level 3 appraised. The same is valid up to 18th September, 2022 and version upgradation is under process.
- 5) Imperva Write-once management device (EOL device replaced with new device) is in place for better management & monitoring of activities related to data.
- 6) Security of our corporate website www.mstcindia.co.in was enhanced by implementing 256 bit Secured Socket Layer and this site has received compliance certification as per GIGW from STQC and is valid till 04th February, 2022.
- 7) Customized e-Commerce solution for Rajasthan State Excise Department Liquor shop Leasing auction has

been developed and made live where huge participation and rate hike is seen in a big way.

- 8) In 2020-21, MSTC had executed 52,716 no. of Auctions/ events through its portal as compared to previous year figure of 46,535 which could not be increased further due to COVID-19 pandemic.
- 9) MSTC In-house Java Team developed and implemented many customized ecommerce solutions like Spectrum auction portal, CCI Cotton Bales/Export e-auction portal, Coal Block Auction portal for Commercial Mining, HSIIDC e-auction portal, IT TDS implementation, Digitally signed AL/DO, Rajasthan Liquor Shop Licencing e-auction portal, Meghalaya Coal Scheme implementation etc.
- 10) MSTC In-house dotnet Team developed and implemented many customized solutions like HSIIDC Software to weigh the loaded vehicles and generate bills accordingly, E-Office application, Jaivikkheti Mobile App developed in REACT NATIVE (Earlier it was there but it was based on web view), MSTC eAuction App, Single Sign On and dash board for accessing the Internal Apps etc.
- 11) In FY 2020-21, MSTC has generated revenue from operations from service charges on e-Commerce to the tune of ₹ 2,027.80 million (previous year ₹1,831.40 million).
- 12) 40 nos. of new agreements were signed with Principals during FY 2020-21 in e-Commerce.
- 13) During FY 2020-21, MSTC has generated ₹ 73.50 million revenue through development of Customised Portal with new features.
- 14) In FY 2020-21, MSTC has signed 5 nos. of new Agreements with Principals for providing solution with QCBS based procurement for goods and services.
- 15) MSTC has implemented Data Analytic Tools with effect from 19th February, 2021 as value added service to its auction portal.
- 16) In FY 2020-21, MSTC has procured goods and services through GeM portal and such procurement percentage comes to 34.10% of total procurement made during the FY 2019-20.

### MOU PERFORMANCE

The Memorandum of Understanding (MoU) with the Government of India setting performance parameters and targets for the year 2020-21 was signed by Chairman and Managing Director of the Company and Secretary (Ministry of Steel), Govt. of India, on 23rd November, 2020. MoU targets for the Company continue to be more challenging and tougher over the years. However, the Company has been continuously striving to achieve new heights in terms of

performance numbers surpassing all previous achievements. The performance rating for the financial year 2020-21 is under evaluation.

### Human Resource Development (HRD)

MSTC Limited has always considered its human resource as the most important resource. With the increase in volume of business and employees retiring from the Company, recruitment has been undertaken at the entry level of both executive cadre and Junior Computer Assistant posts. Total of 06 (six) persons have joined our company through direct recruitment during the year 2020-21.

Since we are a people oriented company, development of employees through training has been an important area of HR activities. Emphasis was laid on competency building of employees for higher roles in the Company. The company has trained 12 (twelve) executives so far and 04 (four) more have been nominated in various training programs held by Centers of excellence in India on topics for capability enhancement and skill development. The topics for training were chosen to promote overall development and to foster understanding, collaboration, teamwork and leadership qualities amongst the employees in the organization. Further 119 executives so far and 50 more have been nominated, were trained in-house for development of their capabilities.

### Welfare of Weaker Sections

The Presidential Directives issued from time to time in regard to reservation, relaxation, concession, etc. for the SC/ST/OBC/PWD candidates pertaining to the policies and procedures of the Government were duly observed. The directives in matters concerning recruitment and promotion regarding the weaker sections have been duly complied with. All Departmental Promotion Committees and Selection Committees (in case of recruitment) constituted during the year had representatives of SC/ST community. Out of 06 (six) no. of persons recruited during the year, 01 (one) person belonged to OBC category.

During the year, 8 ST, 16 SC, 30 OBC and 4 PWD employee of the Company, were sponsored for in-house and Institutional training programmes. In addition, all possible cooperation and assistance was provided to the MSTC SC/ST Employees' Council, which function primarily to safeguard the interest of the reserved section of employees of the Company.

### Empowerment of Women

MSTC is a Corporate Life Member of Forum of Women in Public Sector (WIPS) and women employees were nominated in the programs organized by WIPS. Internal Complaints Committees constituted in all the offices of MSTC have been functioning successfully. Periodical meetings and Complaint redressal, awareness programs, etc. are also duly conducted by the Committees.

### Disclosure under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MSTC has in place a mechanism for prevention and redressal of sexual harassment of women employees at the workplace, in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committees (ICCs) have been set up in all the offices of the Company for rendering necessary assistance to and dealing with complaints, if any, of all the women employees of the Company. All employees (permanent, outsourced, trainees etc.) are covered under this policy. Workshop are held with an objective to create awareness among the employees.

- (a) Number of Complaints filed during the financial year 2020-21 : Nil
- (b) Number of complaints disposed off during the financial year 2020-21 : NA
- (c) Number of Complaints pending as on end of the financial year 2020-21 : Nil



CMD and other officials during the Annual Sports of MSTC Limited



CMD, Director(Commercial) and other officials of MSTC along with their families during Annual Picnic of MSTC

## MANPOWER STATISTICS OF MSTC AS ON 31-03-2021

	HO	ERO	PATNA	RANCHI	GUWAHATI	NRO	DEHRADUN	RAIPUR	JAIPUR	CHANDIGARH	WRO	NAGPUR	SRO	BANGALORE	TRIVANDRUM	VIZAG	AMRABATI	BHPL	VADODARA	HYDERABAD	BHUBANESWAR	LUCKNOW	TOTAL
EX	92*	9	2	4	4	16	0	6	7	8	15	1	9	10	9	7	0	7	10	7	5	8	236
NEX	30	7	0	1	0	9	0	1	1	0	12	0	5	7	3	10	0	1	7	3	0	2	99

\*Posted in MMRPL.

## SC/ST/OBC/PHYSICALLY HANDICAPPED STATUS AS ON 31-03-2021

GROUP	TOTAL	SC(%)	ST(%)	OBC(%)	PHYSICALLY HANDICAPPED (%)
A	236	34(14.40)	16(6.77)	59(25.00)	8(3.38)
B	5	2(40.00)	NIL	NIL	NIL
C	88	18(20.45)	3(3.40)	23(26.13)	2(2.27)
D	6	2(33.33)	NIL	NIL	NIL
<b>TOTAL</b>	<b>335</b>	<b>56(16.71)</b>	<b>19(5.67)</b>	<b>82(24.47)</b>	<b>10(2.98)</b>

## MALE/FEMALE EMPLOYEES AS ON 31-03-2021

Groups	Male	Female	Total
EX	195	41	236
NEX	82	17	99
<b>TOTAL</b>	<b>277</b>	<b>58</b>	<b>335</b>

## Grievance Redressal Mechanism

Your Company is providing Public Grievance Redressal Cells. There are total 8 (eight) cells in regions and branches of the organisation and there are a Nodal Officer and a Public Grievance officer in the Head Office. There is facility of online registration for lodging grievance on the Company's website [www.mstcindia.co.in](http://www.mstcindia.co.in). MSTC has also implemented Centralized Public Grievance Redressal and Monitoring System (CPGRAMS) for online receipt and disposal of public grievances, so that grievance can be sorted out immediately and to take action to solve the cases. Some grievances are also received by post. Action is taken to address and redress grievances received from outside and from staff of the organisation.

Apart from the cells, a Grievance Committee is also constituted at Head Office. The Grievance Committee makes recommendations after examination of the grievances and comments obtained from the concerned department/region/branch. The Grievance Committee meets at periodic intervals to review the cases. The Centralized Public Grievance Redressal and Monitoring System (CPGRAMS) and Public Grievance site of the Company are monitored regularly by the Head Office. Report on Public Grievance Redressal is sent to the Administrative Ministry.

## Statement of Public Grievances for the period of 01.04.2020 to 31.03.2021

Grievances outstanding as on 01.04.2020	Grievances registered in 2020-21	Grievances redressed in 2020-21	Grievances outstanding as on 31.03.2021
02	30	29	03

## Right to Information Act 2005

Your Company has aligned with the online RTI portal launched by DoPT and all the applications / appeals received through the portal have been disposed off through the portal, namely <https://rtionline.gov.in>.

Provisions of RTI Act 2005 were complied with for processing the RTI applications and appeals received in all offices of MSTC. There is one Transparency Officer, one First Appellate Authority, one CPIO, one Nodal Officer in MSTC, Head office and every region/branch has one PIO for effectively processing the RTI applications received at various locations of the Company.

All quarterly reports have been uploaded online on CIC site. During 1st April, 2020 to 31st March, 2021, a total 88 RTI applications have been received through online and by post. A total of 23 First Appeals have been received. Out of the

above, 84 RTI Applications and 19 First Appeals have been disposed of. The remaining RTI applications/appeals are under process.

### Official Language

Continuous efforts are being made for publicity and effective implementation of official language in all the units of the company and the progress made in this regard is being continuously reviewed and monitored. Official Language Monitoring Committee has been reconstituted during the financial year.

**Efforts to Promote Use of Official Language:** In order to promote use of Official Language in your Company, the following activities had been undertaken:

- (a) Hindi Computer Workshops;
- (b) Development of e-office software to promote use of Hindi
- (c) In-House Hindi Training;
- (d) Induction Programme for newly joined Officers/ Supervisors;
- (e) Implementation of various incentive schemes.

Chairman and Managing Director participated in the half yearly e-meeting organized by Narakas on 26th August, 2020 and Officials also enthusiastically participated in various competitions organized by Narakas.

"E-Rajbhasha Trimas-2020" was organized online among all India MSTC offices. During this period Hindi competitions and workshops were organized in Head Office, Regional and Branch Offices. It had 114 prizes in various Hindi competitions.

### Rajbhasha Award:

MSTC has received the first award in corporate office category for the best performance in the field of official language implementation.

Company has also received appreciation for implementation of official language from the Parliamentary Official Language Committee.



CMD, Director (Commercial), Director (Finance) and CVO with other officials, taking pledge during observation of Vigilance Awareness Week

### Vigilance Setup

Vigilance is defined as watchfulness and alertness. Being watchful & alert and thereby ensuring a corruption free environment in the organization is the responsibility of the Vigilance department. MSTC Ltd is having a full-fledged Vigilance setup headed by the Chief Vigilance Officer (CVO), who is appointed for a fixed tenure by the Central Government with the approval of Central Vigilance Commission (CVC). The CVO and the vigilance setup functions as the extended arm of CVC, the apex statutory anticorruption body of the Nation. The Vigilance department also acts as a link between the organisation and other anti-corruption agencies like CBI, Anti-Corruption Branches (ACB) of State Governments and Administrative Ministry etc. on vigilance related matters.

Vigilance function essentially is a management function and is part of the checks that are required for healthy growth of the organization. Vigilance department takes up the anti-corruption fight mainly on two fronts – Preventive & Punitive. It includes detecting irregularities, analysing and finding out reasons for such irregularities and making effective systemic improvements to curb them.

During the year 2020-21, 19 inspections were carried out by Vigilance including surprise checks. 86 Property Returns were scrutinized and 48 Audit Reports examined. 46 Complaints received in MSTC; 41 Complaints disposed. 03 taken up for detailed Investigation (02 from complaints and 01 from scrutiny of files). 04 Preventive Vigilance Training Module organized covering 32 employees at induction level and 71 employees at mid career level, 01 vendor meet organized, 03 Workshops were held for sensitization of employees as well as refresher courses for Vigilance Officers. Besides, 03 Departmental Inquiries initiated. Punitive action initiated against 04 below board level officials. Such examinations/investigations have resulted into initiation of various system improvement measures.



Shri Faggan Singh Kulaste, Honble Minister of State for Steel and Rural Development with the officials of MSTC

### Systemic Institutional changes implemented;

- ◆ Standardization in the process for receipt/custody of APR.
- ◆ CDA rule pertaining to schedule of delegated powers-Disciplinary Authority in Minor / Major penalty cases.
- ◆ Whistleblower policy / vigil mechanism.
- ◆ OTP based login of the bidder's/seller's login augmenting the security aspects.
- ◆ Strengthening of internal controls on (i) pursuance of outstanding debtors; (ii) reconciliation of funds/ accounts and adjustments in timely manner; (iii) settlement of temporary advances and (iv) maintaining another level of review and approval performed by an individual independent of the process has been implemented.
- ◆ Leveraging of IT in invoicing (Format III), online medical bill submission and reimbursement.

Some other System Improvements have been suggested by vigilance which are under consideration of management.

Vigilance Awareness Week – 2020 was observed with the theme “Vigilant India, Prosperous India” (सतर्क भारत, समृद्ध भारत) in all offices of MSTC w.e.f 27th October, 2020 to 2nd November, 2020. Internal (housekeeping) activities as indicated in the CVC guidelines on the observance of VAW was taken up in campaign mode. Various activities viz; Pledge taking, poster competition, Essay writing, Slogan writing, Quiz, Elocution Competitions, Lecture by an eminent speaker, Vendors meet, Customer grievance redressal camp etc organized to create awareness about vigilance involving the participation of employees, their dependents and other stakeholders. A special magazine and pamphlet on whistleblower and other anti-corruption measures has been brought out on the occasion. Second

edition of special vigilance magazine, named Jaagrat, was also brought out during the period.

### Acknowledgement

The Board of Directors wish to place on record their gratitude to the Hon'ble Union Minister for Steel, Hon'ble Minister of State for Steel, Secretary (Steel), Additional Secretary and FA (Steel), and other officials of the Ministry of Steel, Defence Ministry, Coal Ministry, Mining Ministry, Civil Aviation, Petroleum, Natural Gas Ministry and various other Central Government Ministries, all State Governments, various Central and State public sector undertakings, private companies, the bankers, our principals and others for their valuable assistance and guidance extended to the Company during the year. The Directors express their gratitude to all stakeholders, customers and suppliers for the trust and confidence reposed by them on your Company year after year.

The Directors mourn the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

Your Directors also place on record the appreciation of the sincere efforts made by employees which has resulted in excellent performance of the Company.

**For and on behalf of the Board of Directors**



**Place : Kolkata**  
**Date : June 25, 2021**

**(Surinder Kumar Gupta)**  
**Chairman and Managing**  
**Director**  
**[DIN : 08643406]**

## Annexure: I

**Particulars of conservation of energy, technology absorption, foreign exchange earnings and outgo as per Section 134 of the Companies Act, 2013, as read with Rule 8(3) of the Companies (Accounts) Rules, 2014.**

### A. Conservation of Energy and Technology Absorption

The Company has upgraded its Server to the latest IBM Power Series Server which consumes much less electrical power and conserves energy. Being IT oriented Company, technological upgradation is a continuous process in MSTC and has been fully achieved by your Company.

### B. Foreign Exchange Earnings & Outgo

The total foreign exchange outgo during the year 2020-21 for import of goods and others was Nil as against ₹201.25 Million in the year 2019-20. The Company has no foreign exchange earnings during the year 2020-21 as well as in the previous year i.e. 2019-20.

For and on behalf of the Board of Directors

Place : Kolkata

Date : June 25, 2021



(Surinder Kumar Gupta)  
Chairman and Managing  
Director  
[DIN : 08643406]

## Annexure: II

### CORPORATE GOVERNANCE REPORT

Corporate Governance implies the way in which a company is managed to ensure that all of its stakeholders get their fair share in its earnings and assets. Good corporate governance involves the commitment of a company to run its businesses in a legal, ethical and transparent manner - a dedication that must come from the very top and permeate throughout the organization. Good corporate governance is necessary, not only in order to gain credibility and trust, but also as a part of

strategic management for growth, sustenance and consolidation. Corporate governance helps to enforce confidence in the stock market and thereby in the economic environment as a whole, creating an attractive environment for investment/investor.

### Corporate Governance Philosophy of MSTC

Effective corporate governance practices to provide for an environment in achieving the objectives of the Company have been the basic management philosophy of your Company.

All our efforts are made for transparency and integrity at all levels of management in order to retain confidence reposed in its management by the stakeholders.

MSTC aspires to follow high ethical standards, commitment to values while doing business, maintain transparency, conduct due diligence in commercial contracts and follows best governing practices.

### BOARD OF DIRECTORS

#### Composition & Category of Board of Directors

The Board of MSTC comprises of Executive (Whole Time Directors) and Non Executive Directors (which includes Independent Directors and Government Nominee Directors). Independent Directors are eminent persons having vast experience in the field of finance, economics, administration etc.

As on 31st March, 2021, the Board of MSTC comprises of 6 Directors which includes 3 Executive Directors (Whole- Time Directors) and 3 Non – Executive Directors, out of which 1 is Independent Director and 2 are Government Nominee Directors. The Board Comprises of 3 Women Directors. As stipulated by SEBI LODR, 2015 the Nomination and Remuneration Committee of the company and Board of Directors has identified following list of core skills/ competencies of the Board of Directors

- ◆ Executive Leadership
- ◆ Governance Experience
- ◆ Strategy/Risk management
- ◆ Financial Acumen
- ◆ Sectorial/Domain Knowledge
- ◆ Marketing Knowledge
- ◆ Policy Evaluation and Culture Building



Commendation Plaque provided by Narakas



CMD, Director (Commercial) and Director (Finance), Observation of Birth Anniversary of Late Sardar Vallabhbhai Patel as 'Rashtriya Ekta Diwas' ( National Unity Day) on 31st October, 2020

## Corporate Governance Report

The chart showing core skills/competencies actually available with the board members are as follows:

Skills & its Description	Surinder Kumar Gupta	Bhanu Kumar	Subrata Sarkar	Ruchika Chaudhry Govil	Awadhesh Choudhary	Aparna Chaturvedi
Leadership Experience of running large enterprise	✓	✓	✓	✓	✓	✓
Governance Experience understanding of the changing regulatory landscape	✓	✓	✓	✓	✓	✓
Experience of crafting Business Strategies and Risk Management	✓	✓	✓	✓	✓	✓
Finance and Accounting Experience	✓	✓	✓	✓	✓	✓
Understanding of Consumer and Customer Insights in diverse environments and conditions	✓	✓	✓	X	X	✓
Experience in overseeing ecommerce functioning and use of Digital Technology across industry	✓	✓	✓	X	X	X
Experience in overseeing Policy Evaluation and Culture Building	✓	✓	✓	✓	✓	✓

The Composition of Board of Directors are as follows:

Name of Director	Category	No. of Directorships and Committee Positions in other companies incorporated in India as on 31.03.2021			No. of Shares held in the Company
		Directorship	Member of the committees**	Chairmanship of the committee **	
Shri Surinder Kumar Gupta	Chairman and Managing Director	2	-	-	160*
Smt. Bhanu Kumar	Whole Time Director (Commercial)	1	-	-	160*
Shri Subrata Sarkar	Whole Time Director (Finance)	1	-	-	160*
Smt. Ruchika Chaudhry Govil	Government Nominee Director (Non Executive)	1	-	-	NIL
Shri Awadhesh Kumar Choudhary (w.e.f. 02.07.2020)	Government Nominee Director (Non Executive)	-	-	-	160*
Smt. Aparna Chaturvedi	Non Executive & Independent Director	4	2	2	NIL
Dr. Promodita Sathish (upto 02.07.2020)	Government Nominee Director (Non Executive)	-	-	-	NIL
Shri Gangaram Aloria (upto 05.09.2020)	Non Executive & Independent Director	-	-	-	NIL
Dr. T.V.Murali Vallabhan (upto 05.09.2020)	Non Executive & Independent Director	-	-	-	NIL
Dr. R.S. Yeli (upto 08.03.2021)	Non Executive & Independent Director	-	-	-	NIL

### Notes:

\* Shares are held by directors as Nominee of the President of India.

\*\* In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committee and Stakeholders' Relationship Committee in all Public Limited companies have been considered.



## Board Meetings

During the Financial Year under review, 7 (seven) Meetings of the Board were held on 29th June, 2020, 17th August, 2020, 03rd September, 2020, 09th November, 2020, 11th December, 2020, 11th February, 2021 and 20th March, 2021. The maximum gap between two meetings did not exceed 120 days.

The information as required to be disclosed under Schedule V of the Listing Regulations, pertaining to Composition of Board and related matters including number of Board Meetings attended by Directors during the year 2020-21, attendance at the last Annual General Meeting by them and the number of other Directorship in various companies as of 31st March, 2021 are tabulated below:-

Name of Director	Category	No of Meetings held during Tenure	Attendance by Directors in Meetings	Whether attended last AGM held on 25.09.2020	No. of Directorships in other Companies
Shri Surinder Kumar Gupta	Chairman and Managing Director	7	7	Yes	2
Smt. Bhanu Kumar	Whole Time Director (Commercial)	7	7	Yes	1
Shri Subrata Sarkar	Whole Time Director (Finance)	7	7	Yes	1
Smt. Ruchika Chaudhry Govil	Government Nominee Director (Non Executive)	7	6	No	1
Shri Awadhesh Kumar Choudhary (02.07.2020)	Government Nominee Director (Non Executive)	6	5	Yes	-
Smt. Aparna Chaturvedi	Non Executive & Independent Director	7	7	Yes	4
Dr. Promodita Sathish (upto 02.07.2020)	Government Nominee Director (Non Executive)	1	-	-	-
Shri Gangaram Aloria (upto 05.09.2020)	Non Executive & Independent Director	3	3	-	-
Dr. T.V.Muralivallabhan (upto 05.09.2020)	Non Executive & Independent Director	3	3	-	-
Dr. R.S. Yeli (upto 08.03.2021)	Non Executive & Independent Director	6	5	Yes	-

### Note:

- Dr. Promodita Sathish ceased to be the Government Nominee Director w.e.f 2nd July, 2020, Shri Gangaram Aloria and Dr. T.V. Muralivallabhan ceased to be independent directors w.e.f 5th September, 2020 and Dr. R.S. Yeli ceased to be independent director w.e.f 8th March, 2021.
- Shri Awadhesh Kumar Choudhary was appointed as Government Nominee director w.e.f 2nd July, 2020.
- None of the directors is a member of more than 10 Committees or Chairman of more than 5 Committees, across all companies in which he/she is a director as per Regulation 26(1) (a) & (b).
- Directors per se not related to each other.
- The Company has proper system to enable the Board of Directors to periodically review the compliance reports of all laws applicable to the Company.
- Information as mentioned in Schedule II Part A of the SEBI Listing Regulations has been placed before the Board for its consideration.
- The Company also has in place, procedures to inform Members of the Board of Directors about the risk assessment and minimization.
- Except Shri Surinder Kumar Gupta, Shri Subrata Sarkar, Smt. Bhanu Kumar and Shri Awadhesh Kumar

Choudhary, who are holding 160 shares each as nominee of the President of India, no other director is holding shares in the Company.

- Except Smt. Aparna Chaturvedi, who is holding directorship in Tilaknagar Industries Ltd. as Non Executive Independent Director, none of the directors of your company are holding directorship in other listed Company.

In order to familiarize the Independent directors with their roles, rights, responsibilities, business model, nature of Industry in which company operates, etc. the Company has conducted various familiarization programmes.

The details of the familiarization program are disclosed in the website of the company at [www.mstcindia.co.in](http://www.mstcindia.co.in).

### Brief information of Directors proposed to be appointed/reappointed at the ensuing AGM.

#### Smt. Ruchika Chaudhry Govil

Smt. Ruchika Chaudhry Govil, aged fifty five (55) years is a Government Nominee Director. She holds a degree of Bachelor of Laws from the University of Delhi and also holds a degree of Master of Arts in Economics from the University of Delhi. She has over thirty (30) years of experience in revenue and income tax matters. She is cadre of the Indian Revenue Services and has previously worked in the Income Tax Department.

## Corporate Governance Report

### COMMITTEES OF THE BOARD

The Board Committees plays a crucial role in the Governance Structure of the Company and have been constituted to deal with specific areas/ activities which concern the company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry clearly defined roles which are considered to be performed by the Members of the Board, as part of Good Corporate Governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committees inform the Board about the summary of the discussion held in the Committee Meetings. The Minutes of the Meeting of all the Committees are placed before the Board for review.

MSTC has constituted four committees of the Board viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee.

#### i) Audit Committee

##### Terms of Reference

The Terms of Reference of the Audit Committee covers the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 as well as in section 177 of the Companies Act, 2013. In Addition, the role of Audit Committee and review of Information by Audit Committee is as prescribed under part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee also complies with the guidelines issued by DPE on Corporate Governance relating to Audit Committee.

The Terms of Reference of Audit Committee covers all matters specified in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 which inter-alia includes the following;

- 1) To assist the Board in its oversight functions relating to:
  - a) quality and integrity of disclosures contained in the audited and unaudited financial statements;
  - b) compliance with legal and regulatory requirements;
  - c) qualifications, experience, performance and independence of external auditors;
  - d) integrity of the internal controls established from time to time; and
  - e) Investments of the Company.
- 2) To investigate into any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and seek external professional advice, if necessary.
- 3) To investigate any activity within its terms of reference.

- 4) To seek information from any source including employees.
- 5) To obtain outside legal or other professional advice, if necessary.
- 6) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- 7) To protect whistle blowers.
- 8) The role of the Audit Committee shall include the following:
  - a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - b) Reviewing with the management, the quarterly / half yearly financial statements before submission to the Board for approval.
  - c) Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
    - i) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (3)(c) of Section 134 of the Companies Act, 2013;
    - ii) Changes, if any, in accounting policies and practices and reasons for the same;
    - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
    - iv) Significant adjustments made in the financial statements arising out of audit findings;
    - v) Compliance with accounting standards issued by the Institute of Chartered Accountants of India;
    - vi) Compliance with legal requirements relating to financial statements;
    - vii) Disclosure of any related party transaction; and
    - viii) Qualifications in the draft audit report.

#### 9) Audit(s)

##### a) Internal Audit:

- Reviewing, with the management, performance of internal auditors (external firms) and adequacy of internal controls systems.
- Reviewing the adequacy of internal audit (in house) function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of such audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Recommending to the Board appointment and

fixation of fees for Internal Auditors for Audit and other services if any.

**b) Statutory Audit & Branch Audit:**

- Discussion with Statutory Auditors & Branch Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Discussion with Statutory Auditors & Branch Auditors on any significant findings and follow up thereon.
- Recommending to the Board the fixation of Statutory and Branch Audit Fees.
- Approval of payment to statutory auditors for any other services (other than audit) rendered by them.

**c) Cost Audit & Tax Audit:**

Recommending to the Board, the appointment, re-appointment and if required, replacement or removal of cost auditors and tax auditors and fixation of Audit fees and other terms of appointment.

- 10) Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- 11) Review the Cost Audit Report along with full information and explanation on every reservation or qualification contained therein and recommend the report to the Board for consideration
- 12) Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- 13) Review with the independent auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- 14) Consider and review the following with the independent auditors and management:
  - a) The adequacy of internal controls including computerized information system controls and security, and
  - b) Related findings and recommendations of the Independent auditor and internal auditor, together with the management responses.
- 15) Consider and review the following with the management, internal auditor and the independent auditor:
  - a) Significant finding during the year, including the status of previous audit recommendations.
  - b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- 16) Government Audit- To review the follow up action on the audit observations of the C&AG Audit.
- 17) Reviewing the findings of any internal investigations by the internal auditors/statutory auditors/other agencies into matters where there is suspected fraud or

irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- 18) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 19) To review the functioning of the Whistle Blower Mechanism.
- 20) To review the follow-up action taken on the recommendations of Committee On Public Undertakings (COPU) of the Parliament.
- 21) Review and pre-approve all related party transactions in our Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- 22) Review the Company's financial policies, commercial policies and risk management policies.
- 23) Evaluation of internal financial controls and risk management system.
- 24) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 25) Scrutiny of inter-corporate loans and investments.
- 26) Valuation of undertakings or assets of the Company, wherever it is necessary.
- 27) Approval or any subsequent modification of transactions of the Company with related parties.
- 28) Review the following information:
  - a) The management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
  - c) Management letter / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses;
  - e) The appointment, removal and terms of remuneration of internal auditors/chief internal auditor; and
  - f) Certification / declaration of financial statements by the chief executive/chief finance officer.
- 29) To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to

discuss any related issue with the internal and statutory auditors and the management of the Company.

- 30) Review of the quarterly statement for deviation including report of monitoring agency, if applicable submitted to Stock Exchanges.
- 31) Review the utilization of loans and/ or advances from/investment by the Company in its subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments which shall be effective from 1st April, 2020 or such other date as may be prescribed by SEBI, as the case may be.
- 32) Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.

### Composition & Details of Meetings of Audit Committee

The Committee consists of three members out of which one member is Independent Director and two members are Government Nominee Directors. The Chairman of the Committee is Non – Executive Independent Director.

Director (Finance) and Director (Commercial) are the Permanent Invitees of the Audit Committee.

Company Secretary acts as Secretary to the Audit Committee.

The Committee met 5 times during the financial year ended 31st March, 2021, on 29th June, 2020, 03rd September, 2020, 09th November, 2020, 11th February, 2021 and 20th March, 2021.

The current composition of the Audit Committee and details of meeting & attendance is as follows

Members	Category	Position	No. of Meetings held	Attendance by Members
Smt.Aparna Chaturvedi	Independent Director	Chairman*	5	5
Smt. Ruchika Chaudhry Govil (w.e.f. 09.03.2021)	Government Nominee Director	Member	1	1
Shri Awadhesh Kumar Chaudhary (w.e.f. 16.07.2020)	Government Nominee Director	Member	4	3
Shri G.R. Aloria (Upto 05.09.2020)	Independent Director	Chairman*	2	2
Dr. T. V. Muralivallabhan (Upto 05.09.2020)	Independent Director	Member	2	2
Dr. Promodita Sathish (Upto 02.07.2020)	Government Nominee Director	Member	1	-
Dr. R.S.Yeli (w.e.f 14.09.2020 Upto 08.03.2021)	Independent Director	Member	2	2

\*Note:

1. Smt Aparna Chaturvedi was member of Audit Committee upto 05.09.2020 and assumed the charge of Chairman with effect from 06.09.2020.
2. Shri G. R. Aloria ceased to be member and Chairman of Audit Committee w.e.f 05.09.2020.

### ii) Nomination and Remuneration Committee

#### Terms of Reference

The Company, being a Government Company, the appointment, tenure and remuneration of directors are decided by the Government of India. Further, the remuneration of the employees of the Company including senior management personnel is decided by the Board in line with applicable DPE Guidelines. Further, provisions of the Companies Act, 2013 relating to criteria for appointment of Director(s), policy relating to the remuneration of Director(s) and performance evaluation pertaining to NRC shall not be applicable to Government Companies. Similar exemption is anticipated from SEBI in terms of requirements under Listing Regulations. However, it is mandatory for NRC to decide the annual Bonus/variable pay pool and policy for its distribution among the employees of the Company within the limits as provided under DPE Guidelines.

Terms of reference for the Nomination and Remuneration Committee are as follows:

The role of the Nomination and Remuneration Committee shall be as follows:

1. To decide the annual bonus / variable pay pool Performance Related Pay (PRP) and policy for its distribution across the executives (including Board Level executives), non executives and non-unionized supervisors within the prescribed limits for each financial year.
2. To examine all the proposals related to HR issue and give its recommendations.
3. The recommendations of the "Nomination & Remuneration Committee" shall be placed before the Board of Directors for approval.
4. Formulation and modification of schemes for providing perks and allowances for officers and non-executives as per the guidelines/directions of the Govt. of India.
5. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
6. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
7. Devising a policy on diversity of board of directors.
8. Identifying persons who are qualified to become

directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

9. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
10. Recommend to the board, all remuneration, in whatever form, payable to senior management which shall be effective from 1st April, 2019 or such other date as may be prescribed by SEBI, as the case may be.

### Composition and Details of Meetings of Nomination & Remuneration Committee

The Committee consists of three members out of which one member is Independent Director and two members are Government Nominee Directors. The Chairman of the Committee is Non-Executive Independent Director.

Company Secretary acts as the Secretary to the Nomination & Remuneration Committee.

The Committee met five times during the financial year 2020-21 on 22nd June, 2020, 17th August, 2020, 07th November, 2020, 05th March, 2021 and 20th March, 2021.

The current composition of the Nomination & Remuneration Committee and details of meeting & attendance is as follows:

Members	Category	Position	No. of Meetings held	Attendance by Members
Smt. Aparna Chaturvedi (w.e.f. 14.9.2020)	Independent Director	Chairman*	3	3
Shri Awadhesh Kumar Chaudhary (w.e.f. 16.07.2020)	Government Nominee Director	Member	4	2
Smt. Ruchika Chaudhry Govil (w.e.f. 09.03.2021)	Government Nominee Director	Member	1	1
Shri G.R. Aloria (upto 05.09.2020)	Independent Director	Chairman*	2	2
Dr. R.S.Yeli (upto 08.03.2021)	Independent Director	Chairman*	4	3
Dr. Promodita Sathish (upto 02.07.2020)	Government Nominee Director	Member	1	-
Dr. T.V. Muralivallabhan (upto 05.09.2020)	Independent Director	Member	2	1

\*Note:

1. Smt Aparna Chaturvedi was member of Nomination and Remuneration Committee w.e.f 14.09.2020 and became

Chairman of Nomination and Remuneration Committee w.e.f 09.03.2021.

2. Shri G. R. Aloria ceased to be member and Chairman of Nomination and Remuneration Committee w.e.f 05.09.2020. Thereafter Dr. R.S. Yeli assumed the charge of chairman of the committee w.e.f. 06.09.2020 till 08.03.2021.

### Remuneration Policy

#### Remuneration to the Directors

MSTC Limited being a Government Company, the terms and conditions of the appointment and remuneration of functional directors are determined by government of India through its Administrative Ministry, Ministry of Steel. Part-time official Directors (Government Nominee Directors) do not draw any remuneration from the company.

The part-time Non-Official Directors (Independent Directors) are paid a sitting fees of ₹ 15,000/- per Meeting of the Board and its Committee meetings as approved by the board within the ceiling fixed under the Companies Act, 2013 and as per the guidelines fixed by the Government of India.

The details of the remuneration paid to the Functional Directors during the financial year 2020-21 are as under:



MSTC Covid Vaccination drive for employees

## Corporate Governance Report

(₹ in million)

Sl no.	Name	Designation	Salary and Perquisites as per Section 17(1) & (2) of the Income Tax Act, 1961	Post Employment Benefit	Other Long term Benefit	Total
1.	Shri Surinder Kumar Gupta	Chairman & Managing Director	4.76	0.30	0.09	5.15
2.	Smt. Bhanu Kumar	Director (Commercial)	4.78	0.35	(0.15)	4.98
3.	Shri Subrata Sarkar	Director (Finance)	3.82	0.28	0.05	4.15

Details of sitting fees paid to Independent Directors during the financial year 2020-21 are as follows:

Sl No.	Name	Total Remuneration (₹ in Million)
1.	Shri G.R. Aloria	0.10
2.	Dr. T. V. Muralivallabhan	0.12
3.	Dr. R.S. Yeli	0.20
4.	Smt. Aparna Chaturvedi	0.23

### iii) Stakeholders Relationship Committee

#### Terms of Reference

The Terms of reference of Stakeholders Relationship Committee are as follows:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by the shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

### Composition and details about meeting & attendance of Stakeholders Relationship Committee

As on 31st March, 2021 the committee comprises of three members out of which 1 member is Non-Executive Independent Director and 2 members are Functional Directors. The Chairman of the Committee is an Independent Director.

The Company Secretary acts as the Secretary to the Stakeholders Relationship Committee.

The Committee met two times during the financial year 2020-21 on 19th December, 2020 and 17th February, 2021.

The current composition, meetings and attendance of the Stakeholders Relationship Committee are as follows:

Members	Category	Position	No. of Meetings held during the Tenure	Attendance by Members
Smt. Aparna Chaturvedi (w.e.f 09.03.2021)	Independent Director	Chairman*	-	-
Smt. Bhanu Kumar	Director (Commercial)	Member	2	2
Shri Subrata Sarkar	Director (Finance)	Member	2	2
Dr. T. V. Muralivallabhan (Upto 05.09.2020)	Independent Director	Chairman*	-	-
Dr. R.S. Yeli (upto 08.03.2021)	Independent Director	Chairman*	2	2



CMD, Director (Finance) with other officials during 'Constitution Day'



Company Secretary addressing shareholders queries during 55th AGM of MSTC through Video Conferencing

\*Note:-

1. DR. T.V. Muralivallabhan ceased to be member and Chairman of the Stakeholders Relationship Committee w.e.f. 05.09.2020. Thereafter, Dr. R.S. Yeli assumed the charge of Chairman of Stakeholders Relationship Committee w.e.f. 06.09.2020 and held the post till 08.03.2021. Consequent to his cessation as director of the Company, Smt. Aparna Chaturvedi was appointed as the Chairman of Stakeholders Relationship Committee.

**iv) Corporate Social Responsibility (CSR) Committee**

In compliance of Section 135(1) read with Rule 5 of the Companies (CSR Policy) Rules 2014, the Company has constituted the CSR Committee of the Board.

Corporate Social Responsibility Committee provides recommendations, suggestions, and inputs to the Board of Directors for formulation of a Corporate Social Responsibility Policy of the company covering, inter alia, the matters specified in Schedule VII of the Companies Act, 2013.

**Terms of Reference**

The Terms of Reference of Corporate Social Responsibility Committee is as follows:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility and Sustainability Policy which shall indicate the activities to be undertaken by your company as specified in Schedule VII of the Companies Act 2013.
- (b) Recommend amount of Expenditure to be incurred on CSR Activities.
- (c) Monitor the Corporate Social Responsibility and Sustainability Policy of the Company and its effective implementation from time to time.

**Composition and details of meeting & attendance of CSR Committee**

Presently Corporate Social Responsibility Committee comprises of three members out of which one is Independent Director, one is Government Nominee Director and one is Functional Director. The Chairman of the Committee is a Non- Executive Independent Director.

The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2020-21 two meetings of

Corporate Social Responsibility Committee were held on 15th June, 2020 and 17th August, 2020.

The Composition and details of meeting and attendance are as follows:

Members	Category	Position	No. of Meetings held during the Tenure	Attendance by Members
Smt. Aparna Chaturvedi (w.e.f 09.03.2021)	Independent Director	Chairman*	-	-
Shri Subrata Sarkar	Director (Finance)	Member	2	2
Shri Awadhesh Kumar Choudhary (w.e.f 16.07.2020)	Government Nominee Director	Member	1	-
Dr. T. V. Muralivallabhan (Upto 05.09.2020)	Independent Director	Chairman*	2	2
Dr. Promodita Sathish (upto 02.07.2020)	Government Nominee Director	Member	1	-
Dr. R.S Yeli (upto 08.03.2021)	Independent Director	Chairman*	2	1

\*Note:-

Dr. T.V. Muralivallabhan ceased to be the member and Chairman of Corporate Social Responsibility Committee w.e.f. 05.09.2020. Thereafter, Dr. R.S. Yeli assumed the charge of Chairman of CSR Committee w.e.f. 06.09.2020 and held the post till 08.03.2021. Consequent to his cessation as Director of the Company, Smt. Aparna Chaturvedi was appointed as Chairman of Corporate Social Responsibility Committee.

**SUBSIDIARY COMPANIES**

The Company has one subsidiary as on date namely, Ferro Scrap Nigam Limited (FSNL). The Minutes of Meetings of the Board of Directors of FSNL is placed before the Meetings of the Board of Directors of the Company.



Director(Finance) and Director (Commercial) during the Annual Social Programme of MSTC



Official language exhibition during the inspection of Delhi office by Parliamentary Committee on Official Language

## GENERAL BODY MEETINGS

(a) The details of last three Annual General Meetings is as follows:

Meeting No	Venue	Date & Time	Special Resolution Passed
53rd	Registered office of MSTC Limited, located at 225C, AJC Bose Road, Kolkata	26th September, 2018 at 11:00 Hours	No
54th	Hall No. 6, (Auditorium at Level 1), Biswa Bangla Convention Centre, Biswa Bangla Sarani, DG Block, New town, Action Area-1, Kolkata – 700156.	25th September, 2019 at 11:00 Hours	Yes
55th	Though Video Conferencing at Registered office of MSTC Limited, located at 225C, AJC Bose Road, Kolkata	25th September, 2020 at 11:00 Hours	No
EGM	Registered office of MSTC Limited, located at 225C, AJC Bose Road, Kolkata	26th December, 2018 at 11:00 Hours	Yes

(b) The Shareholders in the Extra-ordinary General Meeting has passed special resolution for the following items:

- (i) To alter the capital clause 2(i) of the Articles of Association resulting in altering Authorized Capital from ₹500 Million to ₹1500 Million.
- (ii) To adopt the new set of Articles of Association.

(c) No special resolution was passed last year through postal ballot and no special resolution is proposed to be passed through Postal Ballot in the ensuing AGM.

provision of Regulations 17(1) of the SEBI (LODR) for the quarter ended June, 2020, September, 2020, December, 2020 and March, 2021 and imposition of monetary penalty for not having 50% of the Independent Directors in the Board. The Company informed the Stock Exchanges that MSTC is a Govt. Company in which appointment of all Directors is done by the Government of India. MSTC further requested the Stock Exchanges to waive off the penalties as shortcoming was not due to any negligence on part of the Company. BSE has waived penalty imposed on the Company upto 31st December, 2020.

## DISCLOSURES

### 1. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the company at large:

The Board has approved a policy on materiality of related party transactions and on dealing with related parties and the same is posted on the company's website at [www.mstcindia.co.in](http://www.mstcindia.co.in).

### 2. Disclosure by Senior Management in accordance with Regulation 26(5) of the SEBI Listing Regulations:

For the financial year ended 31st March, 2021 the Senior Management Personnel of the Company have confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

### 3. Disclosures on Compliance of Laws:

The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets during the last three years. No penalties or strictures were imposed by SEBI, Stock Exchanges, or any statutory authorities on any matter related to capital markets during the last three years.

However, during the year, the Company received notices from NSE as well as BSE regarding non-compliance with the

### 4. Vigilance Mechanism/Whistle Blower Policy:

The Company has a Whistle Blower Policy/Vigil Mechanism which is posted on the Website of the Company at [www.mstcindia.co.in](http://www.mstcindia.co.in) for its Directors and employees to report their concerns about the Company's working or about any violation of its policies. The Vigil mechanism provides for adequate safeguards against victimization of Director(s) or Employee(s) or any other person who avail the mechanism and also provide direct access to the Chairperson of the Audit Committee. No personnel have been denied any access to the Audit Committee.

### 5. Code of Prevention of Insider Trading Practices

In compliance with the SEBI Regulations on prohibition of Insider Trading, the company has in place a comprehensive code of conduct for its Directors, Senior Management and Officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with the shares of the company. The code clearly specifies, among other matters, that Directors and specified employees of the Company can trade in the shares of the Company only during "trading window open period". The trading window is closed during the time of declaration of results, dividend and other material events, as per the code and the same is posted on the website of the company at [www.mstcindia.co.in](http://www.mstcindia.co.in).



## **6. Details of compliance with mandatory requirements and adoption of non mandatory requirements**

All mandatory requirements have been complied with and the non mandatory requirements are dealt with at the end of this Report.

## **7. Policy for determining Material Subsidiaries**

The Company has adopted Policy for determining material subsidiaries and the same is posted on the Company's website at [www.mstcindia.co.in](http://www.mstcindia.co.in).

## **8. Commodity price risk or foreign exchange risk and hedging activities**

Not applicable to the Company.

## **9. Certificate from the Managing Director and the Chief Financial Officer**

Certificate from Shri Surinder Kumar Gupta, Chairman Cum Managing Director and Shri Subrata Sarkar, Director (Finance) and Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations for the financial year ended 31st March, 2021 was placed before the Board of Directors of the Company.

## **10. Code of Conduct**

A Code of Business Conduct and Ethics for Members of the Board and Senior Management Personnel which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013, has been adopted by the Board, to bring it in line with the SEBI Listing Regulations. The Code of Conduct for Board Members and Senior Management Personnel of the Company is posted on the Company's website at [www.mstcindia.co.in](http://www.mstcindia.co.in). All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Chairman Cum Managing Director in terms of SEBI Listing Regulations forms part of the Board's Report.

## **11. Declaration by Independent Directors under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations**

During the financial year ended 31st March, 2021, the Company has received declarations in terms of the provisions of Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations from all Independent Directors of the Company.

## **12. The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:**

Please refer Note 30 on payments to Auditors in standalone financial statements for total payment/accrual of fees charged by M/s. S GHOSE & CO LLP (302184E). Other than that, Statutory Auditors of the Company have not provided any service to the Company or its subsidiaries.

## **13. Dividend Distribution Policy**

The Company has formulated a Dividend Distribution Policy in accordance with Regulation 43A of the SEBI Listing Regulations. The policy has been detailed in the Boards' Report and is posted on the Company's website [www.mstcindia.co.in](http://www.mstcindia.co.in).

## **MEANS OF COMMUNICATION**

### **1. Financial Results**

The quarterly results of the Company were announced within due time as per the statutory requirements and were sent to the Stock Exchanges. These results were also published in the leading English, Hindi & Bengali newspapers. The results are also displayed on the Company's website [www.mstcindia.co.in](http://www.mstcindia.co.in) as well as on the BSE and NSE websites.

### **2. News releases**

Whenever the Company issues any press release, it is immediately sent to the Stock Exchanges as well as posted on the Company's website. The Company also puts forth the key information about the Company and its performance, including quarterly results, official news releases and presentations made to institutional investors or analysts, on its website [www.mstcindia.co.in](http://www.mstcindia.co.in) regularly for the benefit of its shareholders and the public at large. The intimations are also given to the Stock Exchanges simultaneously.

## **MEETINGS OF INDEPENDENT DIRECTORS**

Pursuant to Schedule IV of the Companies Act, 2013 and as per regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 05th March, 2021. The Independent Directors reviewed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees, which is necessary to effectively and reasonably perform and discharge their duties.

The Company follows a structured orientation and familiarization program through periodic representations made at the board meeting on business performance, long term strategies initiatives and risk involved.

## **SHAREHOLDER'S INFORMATION**

### **(A) Annual General Meeting:**

The Annual General Meeting for the Year 2020-21 will be held on 28th September, 2021 through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM").

### **(B) Financial Calendar: From 1st April to 31st March every year.**

The financial calendar to approve quarterly/ annual financial result for the year 2021-22 is given below:

Quarter ending 30th June, 2021 on or before 14.08.2021

## Corporate Governance Report

Quarter ending 30th September, 2021 on or before 14.11.2021

Quarter ending 31st December, 2021 on or before 14.02.2022

Quarter and year ending 31st March, 2022 on or before 30.05.2022

**(C) Book Closure Date: 21st September, 2021 to 28th September, 2021**

**(D) Record Date for payment of Dividend: 20th September, 2021**

**(E) Dividend Payment Date:** The Final Dividend, if approved, shall be paid/credited within the stipulated time.

### **(F) Dividend History:**

MSTC has been paying dividend consistently. The details of dividend paid by MSTC in the last seven years are as follows;

Financial Year	Type	%	Amount of unclaimed dividend as on 31.03.2021 (₹ in Million)	Total amount of Dividend (₹ in Million)
2019-20	Final	33.00	2.14	232.32
2018-19	During the financial year 2018-19 no dividend was declared			
2017-18	Final	74.00	0.81	260.48
2016-17	Interim	95.00	1.02	167.20
2016-17	Final	71.00	2.36	249.90
2015-16	Final	102.50	1.05	180.40
2014-15	Final	207.00	1.11	182.16
2013-14	During the financial year 2013-14 no dividend was declared			

### **Transfer to Investor Education and Protection Fund:**

Section 124 of the Companies Act, 2013 provides that any dividend that has remained unpaid / unclaimed for a period of seven years from the date of transfer to unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government.

Unclaimed dividend for the FY 2012-13 was transferred to the IEPF within the due date.

Section 124(6) of the Companies Act, 2013 read with rules made there under provide that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund.

In compliance of the IEPF Rules, the Company sends reminder letter to all such shareholders, whose dividend has remained unpaid /unclaimed for a consecutive period of 7 years with a request to claim the dividends, failing which the shares would be transferred to the IEPF Authority on the due date.

Accordingly, all such shares in respect of which dividend had remained unclaimed for the FY 2012-13 to 2019-20 were

transferred to the demat account of the IEPF Authority. The details of such shares are hosted on the website of the company at [www.mstcindia.co.in](http://www.mstcindia.co.in).

In respect of dividend/shares which have been transferred to IEPF, shareholders can claim the same from IEPF Authority by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. These Rules are available on the website of IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) and Company's website [www.mstcindia.co.in](http://www.mstcindia.co.in).

Disclosure with respect to demat suspense account / unclaimed suspense account as required under Schedule V (F) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

S. No.	Particulars	No. of Shareholders	No. of Equity Shares
a)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on 1st April, 2020	91	10,38,237
b)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	27	4,31,900
c)	Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year.	27	4,31,900
d)	Number of shareholders whose unclaimed dividends were transferred to the IEPF account in terms of Ministry of Corporate Affairs General Circular No. 12/2017 dated 16th October, 2017.	1	8,320
e)	Aggregate number of shareholders and the outstanding Shares lying in the Unclaimed Suspense Account as on 31st March, 2021.	63	5,98,017
	Note: MSTC Limited issued Bonus Shares in the year 2018-19 and allotted the shares on 11/01/2019 to the shareholders who were holding shares in the demat mode. However, the bonus shares pertaining to the shareholders who were holding shares in physical mode were transferred to "MSTC Limited Unclaimed Suspense Account". Balance in "MSTC Limited Unclaimed Suspense Account" is shown.		
f)	It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

### (G) Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name & Address	Stock Code
BSE Limited P.J. Towers, Dalal Street, Fort Mumbai- 400001	542597
National Stock Exchange of India limited (NSE) Exchange Plaza, C-1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai - 400051	MSTCLTD

### (H) Registrar to Issue and Share Transfer Agents:

#### 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: mstcigr@alankit.com  
Website: www.alankit.com  
Contact Person: S. Arunraj/Sachin Gupta  
SEBI Registration No.: INR000002532

### (I) Share Transfer System

The Shares of the Company are traded in dematerialized form. Shares sent for transfer are registered within stipulated period. Shares under objection are returned

within the stipulated period seeking suitable rectification. The Company has a Stakeholders Relationship Committee for approving requests related to Dematerialization/ Rematerialization/ Transfer/ Transmission/ Splitting/ Consolidation/ Reissue of Shares Certificates etc. received from the shareholders from time to time.

### (J) Dematerialization of Share and Liquidity

As on 31st March 2021, 99.53% of the Equity Shares are held in dematerialized form with NSDL and CDSL. The details are as under:

Form	No. of Shares	Percentage (%)
Held in Dematerialized form in CDSL	78,20,094	11.11
Held in Dematerialized form in NSDL	6,22,51,457	88.43
Held in Physical Form	3,28,449	0.47

### (K) Listing Fees

Annual Listing fees for the year 2020-21, as applicable, have been paid to the Stock Exchanges.

### (L) Stock Market Information

The shares of the Company are listed with BSE and NSE on 29th March, 2019.

### (M) Stock Market Price Data

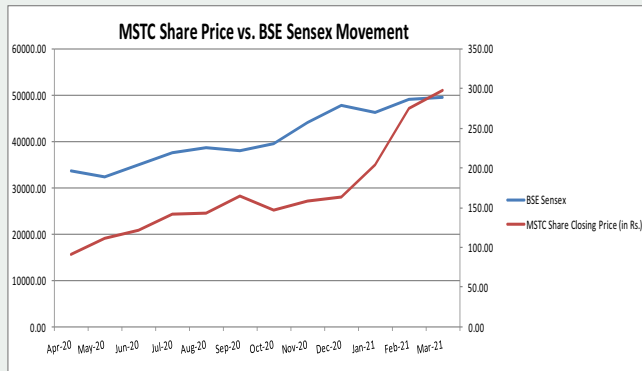
The monthly high and low (traded price) and number of shares traded (Volume) at BSE and NSE for the financial year 2020-21 are as under:

Month	BSE LIMITED*			NSE LIMITED*		
	High (Per Share)	Low (per Share)	Volume	High (Per Share)	Low (Per Share)	Volume
April 2020	103.00	81.00	3,00,000	99.05	80.10	1,83,3145
May 2020	122.45	84.80	3,00,000	122.45	87.00	19,50,883
June 2020	153.50	109.60	10,00,000	155.00	108.25	61,98,837
July 2020	179.45	122.85	22,00,000	179.50	123.15	1,56,26,412
August 2020	166.70	136.00	9,00,000	166.85	138.00	1,04,33,347
September 2020	186.55	137.95	11,00,000	186.75	137.50	1,20,01,825
October 2020	176.00	145.00	4,00,000	175.70	145.00	46,08,402
November 2020	161.00	141.10	7,00,000	161.20	142.45	63,17,823
December 2020	173.95	143.15	9,00,000	173.40	142.95	1,05,69,994
January 2021	263.65	162.55	32,00,000	263.90	162.70	3,09,97,596
February 2021	400.00	200.00	44,00,000	400.00	200.05	3,63,56,231
March 2021	357.50	276.80	41,00,000	357.90	276.30	2,84,43,452

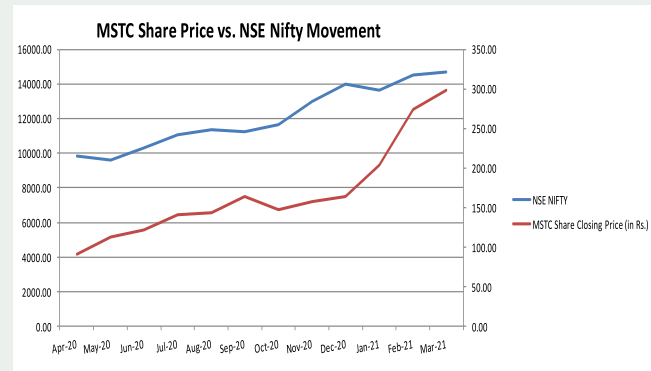
\*Source: Website of BSE and NSE.

## Corporate Governance Report

### (N) Performance of the share price of the Company in comparison to the BSE Sensex :



### (O) Performance of the share price of the Company in comparison to the NSE Nifty :



**(P) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity – NIL**

**(Q) CIN of the Company: L27320WB1964GOI026211**

**(R) Demat ISIN No: INE255X01014**

**(S) Address for Communication:**

For any assistance, request or instruction regarding transfer or transmission of shares, dematerialization of shares, change of address, non-receipt of annual report, dividend warrant and any other query relating to the company, the investors may please write to the following address :

The Company Secretary & Compliance Officer

MSTC Limited

225-C, A. J. C. Bose Road,

Kolkata – 700020, West Bengal, India

Tel: +91-33-2281-3088

Email: cosec@mstcindia.co.in

**(T) Top ten shareholder's as on 31st March, 2021.**

S.No.	Name of Shareholders	No. of Shares held	% of Total Shareholding
1.	President of India	4,55,80,000	64.75
2.	Life Insurance Corporation of India	30,03,559	4.27
3.	Suryavanshi Commtrade Pvt. Ltd.	14,65,809	2.08
4.	Mukul Mahavir Agrawal	10,00,000	1.42
5.	The New India Assurance Company Limited	7,80,735	1.11
6.	MSTC Limited Unclaimed Suspense Account	5,98,017	0.85
7.	Sanjay Katkar	5,37,450	0.76
8.	Tata Investment Corporation Limited	4,94,110	0.70
9.	J.K. Traders Limited	3,84,000	0.55
10.	Investor Education and Protection Fund	3,23,840	0.46

**(U) Distribution of Shareholding by Size as on 31st March, 2021.**

Category (Shares)		Shareholders		Number of Shares	
From	To	Number	%	Number	%
1	500	35,114	91.29	32,99,628	4.69
501	1000	1,634	4.25	13,10,669	1.86
1001	2000	802	2.09	12,27,684	1.74
2001	3000	251	0.65	6,36,274	0.90
3001	4000	156	0.41	5,53,478	0.79
4001	5000	111	0.29	5,28,531	0.75
5001	10000	204	0.53	15,50,466	2.20
10001	ABOVE	192	0.50	6,12,93,270	87.06

**(V) List of all Credit Rating obtained by the Company:**

**(i) Credit Rating by CARE Ratings Limited:**

Sr. No.	Particulars	Amount (₹ in Million)	Rating Agency	Rating
1.	Long Term facilities	6,200	CARE Ratings Limited	CARE BBB; Stable (triple B; Outlook : Stable)
2.	Short Term facilities	48,800	CARE Ratings Limited	CARE A3+ (A Three Plus)
<b>Total</b>		<b>₹ 55,000 Million ( Rupees Fifty Five Thousand Million Only)</b>		

**(ii) Credit Rating by Acuite Ratings & Research Limited:**

Sr. No.	Particulars	Amount (₹ in Million)	Rating Agency	Rating
1.	Long Term facilities	6,200	Acuite Ratings & Research Limited	ACUITE A+ (Outlook : Stable)
2.	Short Term facilities	48,800	Acuite Ratings & Research Limited	ACUITE A1+
<b>Total</b>		<b>₹ 55,000 Million ( Rupees Fifty Five Thousand Million Only)</b>		

For and on behalf of the Board of Directors



**(Surinder Kumar Gupta)**  
**Chairman and Managing**  
**Director**  
**[DIN : 08643406]**

Place : Kolkata  
Date : June 25, 2021

## Corporate Governance Report

### CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,  
**The Board of Directors**  
**MSTC Limited**

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of MSTC Limited ('the Company'), to the best of our knowledge and belief certify that:

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2021 and to the best of our knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee;
- (i) Significant changes in internal control over financial reporting during the year.
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

*Subrata Sarkar*

(Subrata Sarkar)

Director (Finance) & CFO

[DIN : 08290021]



(Surinder Kumar Gupta)

Chairman and Managing Director

[DIN : 08643406]

Place : Kolkata

Date : June 25, 2021

#### CMD'S CERTIFICATION

I declare that the Model Code of Business Conduct and Ethics for Board Members and Senior Management issued by the Government of India, Ministry of Heavy Industries and Public Enterprises, SEBI and other authorities was adopted by the Board of Directors of the company and all the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2021.

For and on behalf of Board of Directors



(Surinder Kumar Gupta)

Chairman and Managing Director

[DIN : 08643406]

Place: Kolkata

Date: June 25, 2021

## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

### TO WHOMSOEVER IT MAY CONCERN

I, Priti Todi, Partner of Bajaj Todi & Associates, Practising Company Secretaries do hereby certify that none of the directors on the board of MSTC Limited have been debarred or disqualified from being appointed or from continuing as directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority to the best of my knowledge.

This certificate is being issued as per Schedule V under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Issued this 2nd day of June, 2021, at Kolkata

For Bajaj Todi & Associates



(Priti Todi)

Partner

C.P.No.: 7270, ACS:14611

UDIN NO : A014611C000411007

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### CORPORATE GOVERNANCE CERTIFICATE

Pursuant to Clause (i) of point (10) of Para C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### To the Members of MSTC Limited

We have examined the compliance of the conditions of Corporate Governance by MSTC Limited ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021 except for the following:-

The Company has not complied with the conditions with regard to minimum number of Independent Directors in the composition of the Board of Directors from April 2019. Also the composition with respect to the composition of Audit Committee and Nomination & Remuneration Committee is not complied with in respect of the minimum number of Independent Directors from March 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Bajaj Todi & Associates

(Formerly known as PS & Associates)



(Priti Todi)

Partner

C.P.No.: 7270, ACS:14611

UDIN NO : A014611C000472816

Place : Kolkata

Date : June 16, 2021

Note : My attendance for the purpose of physical verification and examination of the records of the company was impracticable due to lockdown restrictions imposed by the Government due to COVID -19 and I have, therefore, relied on the electronic data as provided by the company to gather informations and proper records as necessary for verification.

## BUSINESS RESPONSIBILITY REPORT

### SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L27320WB1964GOI026211
2. Name of the Company	MSTC Limited
3. Registered address	225C, A.J.C. Bose Road, Kolkata – 700 020
4. Website	www.mstcindia.co.in
5. E-mail id	cosec@mstcindia.co.in
6. Financial Year reported	2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	1. Trading Business 2. E-commerce
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	1. E-commerce platform 2. Digitization of e-governance 3. Jaivik Kheti portal
9. Total number of locations where business activity is undertaken by the Company	20
a) Number of International Locations	Nil
b) Number of National Locations	20
10. Markets served by the Company – Local/State/National/International	Local, State and National.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital(INR)	₹ 704 Million
2. Total Turnover(INR)	₹ 6391.33 Million
3. Total Profit After Taxes(INR)	₹ 1010.70 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	Due to loss incurred in the financial year 2018-19 and consequent negative average net profit, company does not have any fund/budget for the CSR activities in the financial year 2020-21.
5. List of activities in which expenditure in 4 above has been incurred.	Nil

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No The company has only 1(one) subsidiary and it does not participate in the BR Initiatives of the company.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No



## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN Number : 08643406
2. Name : Surinder Kumar Gupta
3. Designation : Chairman and Managing Director

(b) Details of the BR head

1. DIN Number : 08643406
2. Name : Surinder Kumar Gupta
3. Designation : Chairman and Managing Director
4. Telephone number : 033-2287-0810
5. E-mail ID : cmd@mstcindia.co.in

### 2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.

These briefly are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	Questions	P	P	P	P	P	P	P	P	
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders? Refer Note 1	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national / international standards? Refer Note 2	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? Refer Note 3	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online? Refer Note 6.	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders? Refer Note 4	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? Refer Note 5	Y	Y	Y	Y	Y	Y	Y	Y	Y

## Business Responsibility Report

### Notes:

1. While there may not be formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from concerned stakeholders.
2. MSTC has framed various policies which confirm to different applicable statutes/ guidelines/ rules/ policies, etc., issued by the Government of India from time to time. Industry practices, national/international standards are kept in view while formulating the policies.
3. The policies are approved by the Board/Competent Authorities as per the approved Delegation of Authority.
4. The policies have been communicated to relevant stakeholders wherever appropriate.
5. The policies are not audited/evaluated by external agencies. However, the policies are formulated within the ambit of various statutory guidelines and business requirement and amended from time to time.
6. Link for the policies are as follows:

Name of the Policy	Weblink
Policy for Prevention of Fraud	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/FPF-MSTC.htm">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/FPF-MSTC.htm</a>
Whistle Blower Policy	<a href="https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/MSTC%20Whistle%20Blower%20Policy.pdf">https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/MSTC%20Whistle%20Blower%20Policy.pdf</a>
Code of Business Conduct and Ethics	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/BOD/Model_code_of_business_conduct.pdf">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/BOD/Model_code_of_business_conduct.pdf</a>
Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/RELATEDPARTYTRANSACTIONS.pdf">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/RELATEDPARTYTRANSACTIONS.pdf</a>
Policy on Criteria for determining Materiality of Events or Information for disclosure to Stock Exchanges	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/POLICYFORDETERMINATIONOFMATERIALITYOFEVENTSORINFORMATION.pdf">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/POLICYFORDETERMINATIONOFMATERIALITYOFEVENTSORINFORMATION.pdf</a>
Dividend Distribution Policy	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/DIVIDENDDISTRIBUTIONPOLICY.pdf">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/DIVIDENDDISTRIBUTIONPOLICY.pdf</a>
Code of Conduct for prevention of Insider Trading, Policy for determining legitimate purpose , Fair Disclosure of Unpublished Price Sensitive Information and Policy and procedure for inquiry in case of leak of UPSI	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/THECODEOFINTERNALPROCEDURESANDCONDUCTFORPROHIBITIONOFINSIDERTRADING.pdf">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/THECODEOFINTERNALPROCEDURESANDCONDUCTFORPROHIBITIONOFINSIDERTRADING.pdf</a>
Corporate Social Responsibility and Sustainable Development Policy	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/CSR/MSTC_CSR_Policy.pdf">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/CSR/MSTC_CSR_Policy.pdf</a>
Preservation of documents and Archive Policy	<a href="https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/PreservationofdocumentsandArchivepolicies.pdf">https://mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/PreservationofdocumentsandArchivepolicies.pdf</a>
Sexual Harassment Policy	<a href="http://www.mstcindia.co.in">www.mstcindia.co.in</a>
Environmental Policy	<a href="https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Environmental%20Policy.pdf">https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Environmental%20Policy.pdf</a>
Policy towards Customers and Suppliers	<a href="https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Policy%20towards%20Customer%20and%20Suppliers.pdf">https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Policy%20towards%20Customer%20and%20Suppliers.pdf</a>
Policy on Safe and Sustainable Services	<a href="https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Policy%20on%20Safe%20and%20Sustainable%20Services.pdf">https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Policy%20on%20Safe%20and%20Sustainable%20Services.pdf</a>

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	--	--	--	--	--	--	--	--	--
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	--	--	--	--	--	--	--	--	--
3	The company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next 6 months	--	--	--	--	--	--	--	--	--
5	It is planned to be done within the next 1 year	--	--	--	--	--	--	--	--	--
6	Any other reason (please specify)	--	--	--	--	--	--	--	--	--

### 3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR is a part of its Annual Report. The hyperlink of viewing annual report is <https://mstcindia.co.in/content/Financialperformance.aspx>

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Ethics, Transparency and Accountability

1.1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/ Others?

Yes. MSTC has signed an Integrity Pact (IP) with Transparency International India (TII). Further the Vigilance department also acts as a link between the organisation and other anti-corruption agencies of State Governments and Administrative Ministry etc. and guide company in achieving the objective.

1.2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the Financial Year 2020-21, 36 grievances in total were received from both internal and external stakeholders. Out of 36, 33 grievances (91.67%) were disposed of and 3 were under process. Grievances of the internal and external stakeholders and the comments of the concerned region/branch and department were examined by the Grievance Committee to pass the recommendation for redressal of the grievances. According to the recommendation of the Committee, concerned Region/ Branch and Departments have taken action to redress the grievances.

#### Principle 2 : Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

2.1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

MSTC is an e-commerce service provider company.  
1. E-Commerce Platform  
2. Digitization of e-governance  
3. Jaivik Kheti portal for Agro Sector.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

E-Commerce and E-Auction platform helps in reducing carbon footprint and bring more transparency. Open auctions ensure competitive bidding, and eliminate

## Business Responsibility Report

the possibility of cartelization and collusion between the interested parties, for profit maximization in general, and against public interest in particular.

Jaivik Kheti portal encourages sustainable agricultural practices and will help in long range to demolish the monopoly enjoyed by the traders and commission agents.

Not applicable

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

2.4 Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, MSTC support and encourage the participation of local and small vendors and MSME and follows various policy and guidelines issued by the Govt. of India from time to time.

2.5 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

MSTC is an e-commerce company and mainly providing platform for sale and purchase. The company is basically providing software and as a good corporate citizen adopted focused approach to manage waste generation.

The Company has a 100% Subsidiary namely Ferro Scrap Nigam Limited which carries out the business of process of steel mills slag and other refuse and debris for the recovery of iron and steel scrap and other metallic. Further the Company has an associate company namely Mahindra MSTC Recycling Private Limited which is engaged in the business of collection, segregating, processing, recycling and importing of ELVs and end of life white goods and other materials.

### Principle 3 : Business should promote the well-being of all employees

3.1 Please indicate the total number of employees.	335 as on 31.03.2021													
3.2 Please indicate the total number of employees hired on temporary/contractual/casual basis.	2 as on 31.03.2021													
3.3 Please indicate the number of permanent women employees.	56 as on 31.03.2021													
3.4 Please indicate the number of permanent employees with disabilities	10													
3.5 Do you have an employee association that is recognized by management?	Yes													
3.6 What percentage of your permanent employees is members of this recognized employee association?	29% approximately													
3.7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	<table border="0"> <thead> <tr> <th>No.</th> <th>Category</th> <th>No. of complaints filed during the financial year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Child labour/ forced labour/ involuntary labour</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Sexual harassment</td> <td>Nil</td> </tr> <tr> <td>3</td> <td>Discriminatory employment</td> <td>Nil</td> </tr> </tbody> </table>	No.	Category	No. of complaints filed during the financial year	1	Child labour/ forced labour/ involuntary labour	Nil	2	Sexual harassment	Nil	3	Discriminatory employment	Nil	
No.	Category	No. of complaints filed during the financial year												
1	Child labour/ forced labour/ involuntary labour	Nil												
2	Sexual harassment	Nil												
3	Discriminatory employment	Nil												

3.8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees	39%
(b) Permanent Women Employees	18%
(c) Casual/Temporary/Contractual Employees	-
(d) Employees with Disabilities	40%

**Principle 4 : Business should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

4.1 Has the company mapped its internal and external stakeholders? Yes/No

Yes  
The key categories are

1. Employees
2. Customers
3. Government and Regulatory Authorities
4. Investors
5. Local communities

4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, the Company through its CSR activities works in the field of Education, Women empowerment, Skill development and Swachh Bharat Mission.

**Principle 5 : Business should respect and promote human rights**

5.1 Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others?

The policy covers only to MSTC. However, MSTC, its subsidiary and JV company are committed to work with stakeholders in all sectors to promote good corporate governance and to carry out business in utmost transparent and ethical way.

5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the Financial Year 2020-21, 36 grievances in total received from both internal and external stakeholders. Out of this, 33 grievances (91.67%) were disposed of and 3 were under process.

**Principle 6 : Business should respect, protect and make efforts to restore the environment**

6.1 Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.

The aspects outlined under this Principle are not relevant to the nature of business of the Company. The Company complies with applicable environmental regulations in respect of its premises and operations. Further, the Company participates in initiatives towards addressing environmental issues. The Company has made efforts for introducing scrappage policy. In union budget 2021, the government has announced introduction of voluntary vehicle scrapping policy to phase out old and unfit vehicles which will help in encouraging fuel-efficient, environment-friendly vehicles, thereby reducing vehicular pollution and oil import cost.

6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

Yes. Company through its subsidiary and associate company are working in this area. The details in this regard can be referred from <https://www.mstcindia.co.in/content/about.aspx>.

## Business Responsibility Report

- 6.3 Does the company identify and assess potential environmental risks? Y/N  
Yes
- 6.4 Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
MSTC, through its Joint Venture company MMRPL, forayed the recycling sector. MMRPL is poised to set up one of the organized state of the art auto shredding plant in India for recycling ELVs and other white goods by converting these into shredded scrap which is a vital raw material for steel plants.
- 6.5 Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.  
Yes  
The proposed corporate office of the company is energy efficient and GRIHA 3 star rated green building. The proposed building will result in less consumption of electricity and help to keep environment clean.
- 6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Not applicable
- 6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
1

### Principle 7 : Business when engaged in influential public and regulatory policy, should do so in a responsible manner.

- 7.1 Is your company a member of any trade and chamber or association?  
Yes,  
If Yes, Name only those major ones that your business deals with:  
1. Indian Chamber of Commerce (ICC)  
2. Confederation of Indian Industry (CII)
- 7.2 Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
No

### Principle 8 : Business should support inclusive growth and equitable development

- 8.1 Does the company have specified programmes / initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
During the current financial year company has not taken up any project however in earlier financial years company has various projects and initiative defined in the CSR policy some of the major initiative taken by the company in the earlier financial years are as follows;

#### Literacy and Education;

- Support to schools imparting education in rural and tribal areas.
- Construction and renovation of class rooms / school building in various schools across India.
- Construction of Dining Space for mid-day meal scheme

#### Healthcare;

- Construction of toilet for girls in school.
- Purchase of Ambulance for rural areas
- Purchase of medical equipment for medical centers.
- Construction of ill baby care center.

8.2 Are the programmes /projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

8.3 Have you done any impact assessment of your initiative?

8.4 What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

8.5 Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**Principle 9 : Business should engaged with and provide value to their customers in a responsible manner**

9.1 What percentage of customer complaints/consumer cases are pending as on the end of financial year.

9.2 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

9.3 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

9.4 Did your company carry out any consumer survey/ consumer satisfaction trends?

**Skill development and Women empowerment**

- Construction of training center for youth.
- Organizing skill development training for poor youth.
- Construction of shelter home for marginalized women and provide training.
- Distribution of sewing machine to tribal women.
- Purchase of computers and laboratory equipments for girls school laboratory.

MSTC take up various CSR activities in partnership with NGO's, State/District Authorities and Trust. The CSR activities are monitored by CSR committees and partnering organization.

Impact assessment is not applicable to MSTC Limited

During the current financial year company has contributed Rs. 50.00 million to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ( PM CARES Fund) for Covid 19

The CSR Committee of the Company visits the projects on time to time basis and ensure that the development work carried by the CSR team is adopted by the community.

Negligible i.e. 3 out of around 300 pending cases are consumer cases pending as on 31.03.2021

Not applicable

No

No

For and on behalf of the Board of Directors



**(Surinder Kumar Gupta)**  
**Chairman and Managing Director**  
**[DIN : 08643406]**

**Place : Kolkata**  
**Date : June 25, 2021**

## Annual Report on CSR Activities for the Financial Year 2020-21

### 1. Brief outline on CSR Policy of the Company.

- Company has formulated a CSR Policy in line with the Companies Act, 2013 which has been recommended by duly constituted CSR Committee of the Board and approved by the Board. The policy is available at Company's website at [www.mstcindia.co.in](http://www.mstcindia.co.in).
- The vision of the Policy is blending responsible business with inclusive growth and Sustainable Development for protecting environment, conserving resources and improving human health and education.
- Board shall constitute a CSR Committee with an Independent Director as Chairman. Nodal officers shall implement the decisions taken by the Committee. Company Secretary shall be secretary to the Committee.
- The Committee shall recommend budget, the projects to be taken up, and the method of implementation. The Committee and the Board shall ensure that at least 2% of the average Profit Before Tax (PBT) of preceding 3 years is the budget for the current year.
- Activities shall include all activities covered under Annexure to the CSR Policy of the Company which includes inter alia, items as provided under Schedule VII of the Companies Act, 2013 and DPE guidelines. Additionally, any Govt. guidelines/instructions shall be considered by the Committee/Board.
- MSTC shall also encourage collaborative projects with other PSUs, Govt. agencies, NGOs, if required, on the basis of merit of the project.

### 2. Composition of CSR Committee:

The details regarding Composition of CSR Committee, number of meetings held during the year and attendance records can be referred from the section of Corporate Social Responsibility (CSR) Committee in the Corporate Governance Report.

### 3. Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company on the following web-link:

- |                                 |   |
|---------------------------------|---|
| a. Composition of CSR committee | <a href="https://www.mstcindia.co.in/content/BODComm.aspx">https://www.mstcindia.co.in/content/BODComm.aspx</a>   |
| b. CSR Policy                   | <a href="https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/CSR/CSR_Home.htm">https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/CSR/CSR_Home.htm</a> |
| c. CSR projects                 | <a href="https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/CSR/CSR_Home.htm">https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/CSR/CSR_Home.htm</a> |

### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakh)	Amount required to be set-off for the financial year, if any (₹ in lakh)
1	2019-20	54.00*	Nil
	<b>Total</b>	<b>54.00</b>	<b>Nil</b>

### 6. Average net profit of the company as per section 135(5) (₹ in lakh): ₹ (937.60)

### 7. Details of CSR obligation for the financial year.

Sl. No.	Particulars	Amount (₹ in lakh)
a.	Two percent of average net profit of the company as per section 135(5)	(18.75)
b.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c.	Amount required to be set off for the financial year, if any	Nil
d.	Total CSR obligation for the financial year (7a+7b-7c).	(18.75) i.e. Nil*



**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Nil*	Nil		Nil		

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes/No)	Mode of Implementation Through Implementing Agency
State. District.										Name CSR Registration No.
Nil*										

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project	Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency
State. District.							Name CSR Registration No.
Nil*							

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Nil

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	Nil
(ii)	Total amount spent for the financial year	Nil
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

## Annual Report on CSR

**\*Note:** The Company has incurred losses in the financial year 2018-19. Further as the Average Profit Before Tax is ₹ (937.60) lakh, it was decided by the CSR Committee and the Board that during the financial year 2020-21 there will not be any budget for CSR expenditure. Accordingly, during the financial year 2020-21 no CSR project was undertaken.

During the financial year 2018-19 company has undertaken CSR project of ₹ 254.00 lakh against the CSR Fund of ₹ 200.00 lakh. Company had spent the entire CSR budget of ₹ 200.00 lakh. The unspent sanctioned amount, which however exceeded the mandatory limit of CSR expenditure as per the provisions of the Companies Act, 2013 aggregating to ₹ 54.00 lakh (approx.) were transferred to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) during the FY 2019-20 as per the directions of Ministry of Steel, Government of India.

As a good corporate gesture the CSR Committee and the Board decided that, project which were not completed in the financial year 2018-19 and respective unspent amount which had already been transferred to PM Cares Fund, will be reviewed by the CSR Committee and based on the review of the CSR committee and approval of the Board, fund may be released to eligible projects on case to case basis.

### 9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in lakh)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years. (in ₹)			
						Name of the Fund	Amount (₹ in lakh).	Date of transfer.
NIL								

### (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
Nil								

### 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

#### (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s). : Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset. : Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : Not Applicable



(Aparna Chaturvedi)

Chairman CSR Committee

[DIN:00028647]



(Surinder Kumar Gupta)

Chairman and Managing Director

[DIN:08643406]

Date: June 25, 2021

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204 (1) of the companies act, 2013 and rule No.9 of the companies (Appointment and Remuneration of Managerial Personal) rules, 2014]

**To,  
The Members,  
MSTC Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practices by MSTC Limited (CIN: L27320WB1964GOI026211) (hereinafter called the company). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the MSTC Limited's books, paper, minute books, forms, and return filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representative during the conduct of secretarial audit and as per the explanations given to me and the representation made by the management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 generally complied with the statutory provisions listed hereunder and also that company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined books, papers, minute books, forms and returns filed and other records made available to me and maintained by the MSTC Limited for the financial year ended on 31st March, 2021 according to the applicable provision of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under, as applicable;
- ii. The Securities contract (regulation) Act, 1956 ('SCRA') and the rules made there under ;
- iii. The Depository Act, 1996 and the regulation and Bye-laws framed there under : Not Applicable
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct investment, Overseas direct Investment and External Commercial borrowing;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - e. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
  - f. Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents) Regulations, 1993;
- vi. Other laws applicable to the company as per the representations made by the Management.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial standers of the Institute of Company Secretaries of India with respect board and general meetings are yet to be specified under the Act by the Institute.
- ii. The Listing agreements entered into by company with BSE limited and National Stock Exchange of India limited.

During the period under review and as per the explanations and clarifications given to me and the representation made by management, the company has generally complied with the provision of the Act, Rules, Regulations, Guidelines, etc. mentioned above. However, with respect to the following matters my observations are as follows:

- With respect to constitution of Board of Directors of the Company and the committees thereof, there exists shortage in the number of Independent Director during the financial year under review.

## Secretarial Audit Report

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act. Adequate notice was given to all Directors. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the board meeting, as represented by the management, were taken unanimously.

I further report as per the explanation given to me and the representation made by the management and relied upon by me there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company has not taken any actions having a major bearing on the Companies affair in pursuance of the above applicable laws, rules, regulations, guidelines, standards etc referred to above.

Place: Kolkata  
Date: June 19, 2021  
UDIN: F009766C000488519

CS SAUMAYO JYOTI SEAL  
FCS: 9766  
C. P. No. 11169

This report is to be read with my letter of even date which is annexure A and forms an integral part of this report.

**'Annexure A'**

**To,  
The Members,  
MSTC Limited**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management and my job is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provision of corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. I have relied upon the information, extracts, declarations etc as provided by the Company for this Secretarial Audit, considering the COVID 19 pandemic & lockdown the information and confirmation were received digitally.
7. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT OF SUBSIDIARY COMPANY**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,**  
**The Members of**  
**Ferro Scrap Nigam Limited**  
(CIN:- U27102CT1989GOI005468)  
Regd. Off:- FSNL Bhawan,  
Equipment Chowk, Central Avenue,  
Bhilal-490001, Dist. Durg (C.G.) India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ferro Scrap Nigam Limited (hereinafter called 'the Company' or 'FSNL'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2021 ('Audit Period'), generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises (DPE Guidelines);
- (iii) The Company being an unlisted Company during the Audit period, The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder are not applicable to the Company during the Audit Period);
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (Not applicable to the Company as there was no reportable event during the Audit Period);
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made hereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company as there was no reportable event during the Audit Period);
- (vi) The Company being an unlisted Company during the Audit period, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011,"
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vii) Management has identified and confirmed the following laws as being specifically applicable to the Company:-
- (a) The Industrial and Labour Laws mainly consisting of the Factories Act, 1948, Industrial Disputes Act, 1947, The Contract Labour (Regulation and Abolition ) Act, 1970, National & Festival Holiday Act, 1963, Minimum Wages act, 1948, The Payment of Wages Act, 1936, The Petroleum Act, 1934, Industrial Employment (Standing Order) Act, 1946, Maternity Benefit Act, 1961, The Employees Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, The Employment Exchange ( Compulsory Notification of Vacancies) Act, 1959, Indian Explosive Act, 1884, The Employees' Compensation Act, 1923 (earlier known as Workmen's Compensation Act, 1923), The Apprentices Act, 1961, and Equal Remuneration Act, 1976.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meeting (SS-2) Issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreement (Not applicable, as the Company is Unlisted Company during the Audit Period).

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned hereinabove.

**We further report that:**

M/s Ferro Scrap Nigam Limited is a Private Limited Company and is a wholly owned subsidiary of MSTC Limited. The composition of Board of Directors, the Audit Committee, CSR Monitoring Committee and Nomination & Remuneration Committee is as per the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises (DPE Guidelines) and also as per the provisions of the Companies Act, 2013 and the Rules made thereunder. We further report that the Changes in the composition of the Board of Directors that took during the period under review were carried out in compliance with the provision of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and all instances of dispatch of notice or agenda for shorter period were duly ratified by the Board /Committee and recorded in the minutes. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Decisions at the meetings of the Board of Directors of the Company, including the resolutions approved through circulations, were carried through on the basis of majority, and dissenting members' views, where any, were recorded as part of the minutes.

**We further report that:**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that:**

The compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards and the annual financial statements, Cost Records has not been reviewed in this audit report, since the same have been subject to the statutory financial audit/cost audit by other designated professionals.

**We further report that:**

During the during the financial year under review, following events/actions having a major bearing on the Company's affairs in pursuance of the above applicable laws, rules, regulations, guidelines, standards etc. have occurred:-

- a) The Company was incorporated to provide Scrap recovery and allied jobs for various steel plants in India and FSNL entirely depends on work from various Government Steel Plants, accordingly FSNL has been getting jobs from Steel PSUs on Nomination basis. The Inter-Ministerial Group (IMG) has recommended that award of works to FSNL on competitive bidding rather than nomination basis by steel plants of CPSEs. This recommendation of IMG for competitive bidding by FSNL may create significant risk to the present business activity(s) of FSNL.

We have relied upon the information, extracts, declarations etc. as provided by M/s. Ferro Scrap Nigam Limited for this

Secretarial Audit. Considering the COVID-19 pandemic & lockdown most of the information and confirmation were received electronically.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms and integral part of this report.

Place : Bhilai  
Date: June 18, 2021  
UDIN:- F007018C000485056

CS Amrish Kumar Chourasia  
Practicing Company Secretaries  
FCS No.: 7018  
CP No.: 12594

## Annexure A

**To,**  
**The Members of**  
**Ferro Scrap Nigam Limited**  
(CIN:- U27102CT1989GOI005468)  
Regd. Off:- FSNL Bhawan ,  
Equipment Chowk, Central Avenue,  
Bhilai-490001, Dist. Durg (C.G.) India

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Due to prevailing circumstance of COVID-19 pandemic, the audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by / obtained from the Company and information provided by the Company and its officers electronically/physically.

Place : Bhilai  
Date: June 18, 2021  
UDIN:- F007018C000485056

CS Amrish Kumar Chourasia  
Practicing Company Secretaries  
FCS No.: 7018  
CP No.: 12594

**Management Replies to Comments/Observations of the Statutory Auditors on the Standalone Ind AS Financial Statement of MSTC Ltd. for the financial year ending on 31st March, 2021.**

Sl. No.	Qualified Opinion/ Observation	Management's Replies
i(c)	<b>Other Regulatory Requirement (CARO) (Annexure A)</b> The title deed of the Company's immovable properties have been found to be held in the name of the Company except a flat at Mumbai (book value: gross / net Rs. 0.74 / Rs. 0.42 million respectively) for which no title deed could be made available for verification.	The Company holds clear title over the asset in question. Due to very old nature the relevant papers could not be shown during audit. Efforts are on to retrieve title deed of the property.
viii	In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, except subjudice cases of loans from Standard Chartered Bank and Indian Overseas Bank ₹ 1436.20 million and ₹ 13.80 million as mentioned in Note No. 20(a) and 20(b) of the notes to the standalone financial statements.	Both the matters are subjudice in various forums and have been adequately disclosed in Note No.20 of the Notes on Accounts.
Pt. 6	<b>Other Regulatory Requirement Pt 9(f) (Annexure B)</b> In the process of maintaining safe custody of pledged stock of raw materials procured by the Company on behalf of its customers under the Company appointed custodian under Cash & Carry Model of Business, now discontinued, it has been observed that there is inadequacy of required internal control.	The Company has engaged Central Rail Side Warehousing Corporation Ltd., a CPSE as a custodian for pledged stock. In addition to this there is a system of physical verification of stock through third party inspection agency at periodic intervals and same is being strengthened. However, shortages, if any, arising out of the said verification are immediately addressed by recovering the same wherever feasible, else police complaints and other legal steps are taken against the defaulting customer.

For and on behalf of the Board of Directors



**(Surinder Kumar Gupta)**  
**Chairman and Managing Director**  
**(DIN : 08643406)**



**Management Replies to Comments/Observations of the Statutory Auditors on the Consolidated Ind AS Financial Statement of MSTC Ltd. for the financial year ending on 31st March, 2021.**

<b>Sl. No.</b>	<b>Qualified Opinion/ Observation</b>	<b>Management's Replies</b>
	<b>Other Regulatory Requirement Pt 8(f) (Annexure A)</b>	
Pt. 6	In the process of maintaining safe custody of pledged stock of raw materials procured by the Holding Company on behalf of its customers under the Company appointed custodian under Cash & Carry Model of Business, now discontinued, it has been observed that there is inadequacy of required internal control.	The Holding Company has engaged Central Rail side Warehousing Corporation Ltd., a CPSE as a custodian for pledged stock. In addition to this there is a system of physical verification of stock through third party inspection agency at periodic intervals and same is being strengthened. However, shortages, if any, arising out of the said verification are immediately addressed by recovering the same wherever feasible, else police complaints and other appropriate legal steps are taken against the defaulting customer.

**For and on behalf of the Board of Directors**



**(Surinder Kumar Gupta)**  
**Chairman and Managing Director**  
**(DIN : 08643406)**

## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures****Part A Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts ₹ in Million)

1. Sl.No.	1
2. Name of the subsidiary	Ferro Scrap Nigam Limited
3. The date since when subsidiary was acquired	1979-80
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	2020-21
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
6. Share capital	₹ 320.00
7. Reserves and surplus	₹ 1950.51
8. Total assets	₹ 4219.81
9. Total Liabilities	₹ 4219.81
10. Investments	Nil
11. Turnover	₹ 3649.69
12. Profit before taxation	₹ 320.65
13. Provision for taxation	₹ 93.15
14. Profit after taxation	₹ 227.50
15. Proposed Dividend	-
16. Extent of shareholding (in percentage)	100%

**Part B Associates and Joint Ventures**

(Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures)

1. Name of Associates or Joint Ventures	Mahindra MSTC Recycling Pvt Ltd
2. Latest audited Balance Sheet Date	31.03.2021
3. Date on which the Associate or Joint Venture was associated or acquired	16.12.2016
4. Shares of Associate or Joint Ventures held by the company on the year end	Face Value of ₹ 10/- each
No. of shares	22.60 Million
Amount of Investment in Associates or Joint Venture	₹ 226 Million
Extent of Holding (in percentage)	50%
5. Description of how there is significant influence	Significant influence due to shareholding
6. Reason why the associate / joint venture is not consolidated	Not Applicable
7. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 143.47 Million
8. Profit or (Loss) for the year	(₹17.21) Million
i. Considered in Consolidation	50% share (₹8.60) Million
ii. Not Considered in Consolidation	50% share (₹ 8.60) Million

In terms of our report of even date  
For **S Ghose & Co. LLP**  
Chartered Accountants  
FRN : 302184E/E300007

For **MSTC LIMITED**

(**CA Pradip Kumar Mitra**)  
Partner  
M. No : 052183

(**Surinder Kumar Gupta**)  
Chairman & Managing Director  
DIN – 08643406

(**Subrata Sarkar**)  
Director (Finance) & CFO  
DIN- 8290021

Date: June 25, 2021  
Place : Kolkata

(**S K Barnwal**)  
Addl. General Manager  
(Finance & Accounts)

(**Ajay Kumar Rai**)  
Company Secretary  
M. No : F5627

## INDEPENDENT AUDITOR'S REPORT

To the Members of MSTC Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone Financial Statements of MSTC Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, Profit and Other Comprehensive Income, changes in Equity and its Cash Flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

2. Without qualifying our opinion, we draw attention to the following:

- (a) With reference to Note 8.4 for Trade Receivables-Credit Impaired representing pledged stocks held by the Company in the premises of the Customers on behalf of them under "Cash & Carry" model of business, now discontinued, the Company does not have appropriate internal control system in place for inventory due to which substantial amounts have had to be provided for/written off in the past as well as during the year.

Further, with reference to the said Note, last Volumetric Analysis was done during the year with quantity and Market Value of stocks in respect of few Customers while in rest of the cases, such

exercise was not undertaken for either the Stocks held are reported to be "Nil" or access was denied by the concerned Customer.

- (b) With reference to Note No. 36 of the standalone Financial Statements there is a non-Provision of Deferred Tax Asset of ₹ 1,188.96 millions on Provision for Doubtful Debts of ₹ 3,402.48 millions since 1st April, 2018.
- (c) The Title Deed of a freehold flat in Mumbai having Gross Block of ₹ 0.74 million as at 31st March, 2021 was not available for verification.

#### Key Audit Matters

3. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be

Sl.	Key Audit Matters	Auditor's Response
i.	<b>Recoverability of Trade Receivables:</b>	
	As at 31st March 2021, While examining details of Trade Receivables-Gross is ₹ 15,502.93 millions (Net ₹ 7,237.64 millions), with year ended 31st March ₹ 8,265.29 millions being considered as Credit Impaired for which a provision for bad and doubtful debts for similar amount is held in the Books.	While examining details of Receivables and transactions during the year ended 31st March 2021, if any, we have observed the nature of the Trade Receivables, the sustainability and the likelihood of recoverability of Receivables. In terms of an Accounting Policy all such debts as considered doubtful of recovery have been provided for in the Books as at 31st March, 2021.
	In the event of reference of each case of debt with impaired credit to and/or other forums for adjudication, the Company is exposed to potential risk of financial loss when recoveries become long subjected to long processes of litigations and eventually doubtful.	Since Company's obtaining of balance confirmations from Parties is an ongoing process (as referred to in Note 42), substantive audit procedures have been followed to ensure accuracy of balances. We have assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers
	The recoverable amounts are estimated by management based on their specific recoverability	

## Independent Auditor's Report

assessment on individual and their historical debtor as well as consideration and application of a provisioning policy.

and their historical payment pattern, wherever applicable, along with the latest correspondences with the customers, as available read with the Company's existing Risk Management Policy.

The disclosures related to Trade Receivables of the Company are provided in Note 8.1 to the accompanying standalone

### ii. IT Systems & Control:

Preparation and presentation of Financial Statements are dependent on Company's supporting software and hardware controls involving risk management exercise for maximum elimination of erroneous data. Thus, quality of audit outcome and its authenticity are dependent on the extent of IT controls and systems.

We have planned, designed and carried out the desired audit procedures and sample checks, which in our opinion are adequate to provide reasonable assurance on the adequacy of IT controls in place.

### iii. Assessment of allowance for Bad and Doubtful Advances and Contingent Liabilities:

Assessment of allowance for Bad and Doubtful Advances made during the year and Contingent liabilities require assessment of probable outcomes and cash flows. The identification and quantification require estimation and judgment by the management. The disclosure related to allowance for Bad and Doubtful Advances during the year and Contingent liabilities are provided in Note No 30 & 35 (a) to the accompanying Standalone Financial Statements.

We have carried out the validation of the information provided by the management by performing the following procedures:-

- Evaluating reasonableness of the underlying assumptions.
- Understanding the current status of the litigations.
- Examining the relevant documents on available records.
- Reviewing legal opinion/ industry practices wherever necessary.
- Verification of various disclosures made by the management.
- Obtaining Management's Representation as per guidelines of the ICAI.
- Company's Accounting Policy.

- iv. **Impact of continuing COVID-2019 pandemic:** As a result of continuing COVID-19 pandemic situation prevailing in the country, we had to encounter difficulties / delay in the process of collection of data and analysing the same in respect of Branches which could not be physically visited. Accordingly, the audit of the Branches was carried out based on remote access of the data in respect of the Branches as provided by the management of the Company, to enable us to come to an audit conclusion without compromising the maintenance of quality of audit as desired by the regulatory authorities.

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussions and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the standalone Financial Statements and our auditor's report thereon.

Our opinion on the standalone Financial Statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the standalone Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### Responsibility of Management and Those Charged with Governance for Standalone Financial Statements

5. The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with

the accounting principles generally accepted in India, including the Ind AS's specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

- Our objectives are to obtain reasonable assurance about whether the standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section

143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control systems in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a Going Concern.
- Evaluate the overall presentation, structure and content of the standalone Financial Statements, including the disclosures, and whether the standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatement in the standalone Financial Statement that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the Financial Statement may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Financial Statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditor's Report

### Other Matter

7. The following other matters are mentioned.
- (a) With reference to Note 42, confirmation of balances were not available in many cases of Trade and other Receivables, Trade and other Payables, Loans and Advances, Deposits made and received and the impact of consequent adjustments required, if any, is not ascertained.
- (b) The continued spreading of COVID -19 across India has resulted in restriction on physical visit to the Branches and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). As a result of the above, the audit was carried out based on remote access of the data in respect of the Branches as provided by the management of the Company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, reliable and are generated by the accounting system of the Company.
- Our audit opinion is not modified in respect of the above.

### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by Government of India in terms of Sub-section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper Books of Accounts as required by law have been kept by the Company so far as it appears from our examination of those Books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), the statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Accounts.
- (d) In our opinion, the aforesaid standalone Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant Rules thereto.
- (e) Notification no. G.S.R 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Companies Act, 2013 regarding disqualification of the Director is not applicable to the Company, since it is a Government Company.
- (f) With respect to the adequacy of the internal financial

controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) The Company being a Government Company, provisions of Section 197 (16) of the Companies Act, 2013 regarding managerial remuneration is not applicable to the Company as per notification no. G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Financial Statements –Refer Note 35(a) to the standalone Financial Statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable material losses.
10. As required by Section 143(5) of the Act the directions and sub-directions issued by the Comptroller & Auditor General of India, we give our comments on the standalone Financial Statements in "Annexure-C" annexed herewith.

**For S. Ghose & Co LLP**  
**Chartered Accountants**  
**FRN- 302184E/E300007**

**CA Pradip Kumar Mitra**  
**Partner**

**Place: Kolkata**  
**Date: June 25, 2021**

**M.No.052183**  
**UDIN: 21052183AAAAAC2933**

### Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 8 under 'Report on Other Legal & Regulatory Requirement' of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has carried out physical verification of its fixed assets during the year. According to the information and explanations, no material discrepancies were noticed on such verification.
- (c) The title deed of the Company's immovable properties have been found to be held in the name of the Company except a flat at Mumbai (Book Value : Gross / Net Rs. 0.74 / Rs. 0.42 million respectively) for which no title deed could be made available for verification.
- (ii) The Company does not hold any Inventory as at the year end. Therefore, the provisions of Clause 3(ii) of the order are not applicable to the Company.
- (iii) As per information and explanations given to us, the Company has not granted any loan, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of Clause 3 (iii) of the order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loan or provided any guarantee/security and hence Section 185 of the Act is not applicable. The company has not made any investment during the year under section 186 of the Act. Accordingly, the provisions of Clause 3 (iv) of the order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, therefore, the provision of Clause 3(v) of the Order is not applicable on the Company
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act. Therefore, the provision of Clause 3(vi) of the Order is not applicable on the Company
- (vii) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and any other statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at 31st march, 2021 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, etc as at 31st March, 2021 which has not been deposited on account of a dispute are as follows:

Sl No	Name of the Statute	Nature of Dues	Period to which the amount relates (FY)	Amount (₹ in Million)	Forum where the dispute is pending
1	UP VAT Act 2008	Claim by Sales Tax Authority	2001-02	0.19	High Court Allahabad
	UP VAT Act 2008		2004-05	0.17	Commercial Tax Tribunal Bench, Ghaziabad.
2	WB VAT Act 2003	Claim by Sales Tax Authority	2009-10	42.63	Appellate Revision Board, Kolkata
	WB VAT Act 2003		2012-13	51.72	Senior Joint Commissioner, Commercial Taxes, Kolkata
3	AP VAT Act 2005	Claim by Sales Tax Authority	1998-99	2.25	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	AP VAT Act 2005		1999-00	4.11	CTO-Suryabag Circle
	AP VAT Act 2005		2004-05	0.91	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam

## Independent Auditor's Report

	AP VAT Act 2005		2005-06	0.37	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	AP VAT Act 2005		2006-07	0.08	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	AP VAT Act 2005		2008-13	7.93	High Court of Judicature at Hyderabad
	AP VAT Act 2005		2008-13	5.62	Appellate Joint Commissioner (Appeals),Vijayawada
4	Delhi Value Added Tax Act,2004	Claim by Sales Tax Authority	2010-11	0.02	VATO-KCS, DVAT
5	J&K Sales Tax Act 1962	Claim by Sales Tax Authority	2015-16	0.03	Commercial Tax Circle-N, Jammu
6	CST (CENTRAL SALES TAX ACT)	Claim by Sales Tax Authority	2009-10	24.90	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	CST (CENTRAL SALES TAX ACT)		2015-16	1.43	CTO-Suryabagh circle
7	Jharkhand Value Added Tax Act, 2005	Claim by Sales Tax Authority	2015-16	0.45	Commissioner of Commercial Tax, Govt. of Jharkhand
	Jharkhand Value Added Tax Act, 2005		2016-17	0.79	Commissioner of Commercial Tax, Govt. of Jharkhand
8	Orissa Sales Tax Act	Claim by Sales Tax Authority	1986-87	26.90	High Court Orissa
9	Gujarat VAT Act 2003	Claim by Sales Tax Authority	2002-03	5.22	Pre-Audit Deptt. Ahmedabad
	Gujarat VAT Act 2003		2004-05	21.80	Gujarat Value Added Tax Tribunal against DC (Appeal Order)
<b>Total of Sales Tax Dues</b>				<b>197.52</b>	
10	Customs Act 1962	Claim by Custom Department	1995-96	26.63	Madras High Court
	Customs Act 1962		2001-02	20.38	High Court Calcutta
	Customs Act 1962		2012-13	63.57	CESTAT Bangalore or CESTAT Chennai
	Customs Act 1962		2013-14	8.35	CESTAT Bangalore or CESTAT Chennai
<b>Total of Custom Dues</b>				<b>118.93</b>	
11	Finance Act 1994 (Service Tax)	Service Tax Demand	2005-07	149.01	CESTAT Kolkata
<b>Total of Service Tax Dues</b>				<b>149.01</b>	
12	Income Tax Act 1961 (TDS)		2015-16	0.99	Commissioner Appeals, Kolkata
<b>Total Income Tax Dues</b>				<b>0.99</b>	
<b>TOTAL TAX DUES</b>				<b>466.45</b>	



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, except sub-judice cases of loans from Indian Overseas Bank Rs. 13.80 million and Standard Chartered Bank Rs. 1436.20 million as mentioned in Note No. 20(a) and 20(b) of the Notes respectively to the standalone Financial Statements.
- The Company did not have any loans or borrowings from financial institutions or Government and has not issued any debentures.
- (ix) Based on the information and explanations given by the management, the Company has not raised any money by way of Initial Public Offer or further Public Offer including Debt Instruments. Further Money raised by way of term loan was applied for the purpose for which it was raised.
- (x) During the course of our examination of the books and record of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no fraud on or by the Company or no fraud by the officers and employees of the company has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) Section 197 of the Act regarding managerial remuneration is not applicable to the Company by virtue of Notification No. G.S.R 463(E) dated 05 June 2015, issued by the Ministry of Corporate Affairs, Govt. of India.
- (xii) As per information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provision of clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) As per information and explanations given to us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Note No 39 to the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) Based upon the audit procedures performed and according to the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year. Accordingly, the provision of clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) Based upon the audit procedures performed and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in Section 192 of Companies Act 2013. Accordingly, the provision of clause 3 (xv) of CARO is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provision of clause 3 (xvi) of the Order is not applicable to the Company.

**For S. Ghose & Co LLP**  
**Chartered Accountants**  
**FRN- 302184E/E300007**

**CA Pradip Kumar Mitra**  
**Partner**  
**M.No.052183**

**UDIN : 21052183AAAAAC2933**

**Place: Kolkata**  
**Date: June 25, 2021**

# Independent Auditor's Report

## Annexure –B to the Independent Auditor's Report

Referred to in paragraph 9(f) of the Independent Auditor's Report of even date to the members of MSTC Limited on the Standalone Financial Statements for the year ended 31st March, 2021.

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. We have audited the internal financial controls over Financial Reporting of MSTC Limited as at 31st March, 2021 in conjunction with our audit of the standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### Meaning of Internal Financial Controls over Financial Reporting

4. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Qualified Opinion

6. According to the information and explanations given to us and based on our audit, the following weaknesses have been identified as at 31st March 2021:

In the process of maintaining safe custody with the Company appointed Custodian of Pledged Stock of materials held in the premises of the Customers, procured by the Company on behalf of them under Cash & Carry Model of Business, now discontinued.

However, the Company had a separate Audit for Audit of its Internal Financial Control System carried out and the report has been considered by its Audit Committee during 2020-21.

In our opinion, except for the possible effects of the weaknesses described herein above, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. Ghose & Co LLP**  
**Chartered Accountants**  
**FRN- 302184E/E300007**  
**CA Pradip Kumar Mitra**  
**Partner**

**Place: Kolkata**

**Date: June 25, 2021**

**M.No.052183**

**UDIN : 21052183AAAAAC2933**

### Annexure – C to the Independent Auditors' Report

**Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013, based on the verification of records of the Company and according to information and explanation given to us, we report as under:**

#### Directions

1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? ( In case lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).
3. Whether funds (grants /subsidy etc.) received / receivable for specific schemes from Central / State Governments or its agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.

#### Auditor's Reply

The matter has been adequately dealt with in our report of even date. [Para 3 (ii) of Key Audit Matter]

There is no instance of restructuring of an existing loan or cases of waiver / write off of debts/ loans / interest etc. made by a lender to the Company due to Company's inability to repay the loan during the financial year 2020-21.

There is no case of funds received/receivable during the financial year 2020-21 for specific schemes from Central/State Government or its agencies.

**For S. Ghose & Co LLP**  
**Chartered Accountants**  
**FRN- 302184E/E300007**  
**CA Pradip Kumar Mitra**  
**Partner**

**Place: Kolkata**

**Date: June 25, 2021**

**M.No.052183**

**UDIN : 21052183AAAAAC2933**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MSTC LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of MSTC Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on these financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of MSTC Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

Place: Kolkata

Date: 03/06/2021

For and on the behalf of the  
Comptroller & Auditor General of India



(Suparna Deb)

Director General Audit (Mines)  
Kolkata

## Standalone Balance Sheet as at 31<sup>st</sup> March 2021

(Amount in ₹ million)

	Notes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	70.48	79.23
(b) Capital Work in Progress	2	502.50	289.23
(c) Leasehold Land	2	70.82	71.57
(d) Intangible assets	2	1.40	11.39
		<b>645.20</b>	<b>451.42</b>
(e) Financial assets			
(i) Investments			
(a) In Subsidiary	3	158.10	158.10
(b) In Joint Venture	3	226.00	186.00
(ii) Other financial assets	4	49.20	50.12
(f) Non-Current tax assets	5	526.42	521.57
(g) Deferred tax assets (net)	6	2,225.01	2,245.05
(h) Other non current assets	7	3.40	26.34
<b>Total non- current assets</b>		<b>3,833.33</b>	<b>3,638.60</b>
<b>(2) Current assets</b>			
(a) Financial assets			
(i) Trade receivables	8	7,237.64	12,334.44
(ii) Cash and cash equivalents	9	7,078.78	1,597.23
(iii) Other Bank Balances	10	119.89	114.27
(iv) Other financial assets	11	205.35	131.16
(b) Other current assets	12	23.37	20.81
<b>Total current assets</b>		<b>14,665.03</b>	<b>14,197.91</b>
<b>TOTAL ASSETS</b>		<b>18,498.36</b>	<b>17,836.51</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	13	704.00	704.00
(b) Other equity	14	2,845.58	2,094.31
<b>Total equity</b>		<b>3,549.58</b>	<b>2,798.31</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	43.19	33.91
(ii) Trade payables			
Total Outstanding dues of			
a) Micro & Small Enterprises	15	-	-
b) Creditors other than Micro & Small Enterprises	15	-	2.64
(iii) Other financial liabilities	16	7.28	5.70
(b) Provisions	17	253.09	165.98
(c) Other non-current liabilities	18	61.20	63.25
<b>Total non- current liabilities</b>		<b>364.76</b>	<b>271.48</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	1,500.74	2,282.24
(ii) Trade payables			
Total Outstanding dues of			
a) Micro & Small Enterprises	21	0.35	0.75
b) Creditors other than Micro & Small Enterprises	21	3,807.83	5,916.39
(iii) Other financial liabilities	22	8,790.12	6,463.13
(b) Provisions	23	-	25.17
(c) Other current liabilities	24	484.98	79.04
<b>Total current liabilities</b>		<b>14,584.02</b>	<b>14,766.72</b>
<b>Total liabilities</b>		<b>14,948.78</b>	<b>15,038.20</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>18,498.36</b>	<b>17,836.51</b>

The accompanying notes forms an integral part of the financial statements.  
In terms of our report of even date.

In terms of our report of even date  
For S. Ghose & Co LLP  
Chartered Accountants  
FRN : 302184E/E300007

CA Pradip Kumar Mitra  
Partner  
M. No : 052183

Dated : June 25, 2021  
Place : Kolkata

For MSTC LIMITED

(Surinder Kumar Gupta)  
Chairman and Managing Director  
Managing Director  
DIN- 08643406

(S K Barnwal)  
Addl. General Manager  
Finance & Accounts

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN- 8290021

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627

## Standalone Statement of Profit & Loss for the period 31<sup>st</sup> March 2021

(Amount in ₹ million)

Particulars	Note	For the year ended 31st March, 2021	For the year ended 31st March, 2020
I Revenue from operations	25	4,277.45	8,307.08
II Other Income	26	2,113.88	615.00
<b>III Total Revenue (I + II)</b>		<b>6,391.33</b>	<b>8,922.08</b>
<b>IV EXPENSES</b>			
(a) Purchases of Stock-in-Trade	27	1,746.07	5,663.12
(b) Employee benefit expense	28	677.58	711.54
(c) Finance costs	29	68.90	274.56
(d) Depreciation and amortisation expense	2	24.81	20.35
(e) Other expenses	30	2,727.16	957.60
<b>Total Expenses</b>		<b>5,244.52</b>	<b>7,627.17</b>
<b>V Profit before tax (III- IV)</b>		<b>1,146.81</b>	<b>1,294.91</b>
<b>VI Tax Expense</b>	36		
(a) Current tax		103.91	238.24
(b) Deferred tax		32.20	304.64
<b>Total tax expense</b>		<b>136.11</b>	<b>542.88</b>
<b>VII Profit for the year (V- VI)</b>		<b>1,010.70</b>	<b>752.03</b>
<b>VIII Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	40	(39.27)	(51.73)
Income tax on above		12.16	17.18
		(27.11)	(34.55)
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>983.59</b>	<b>717.48</b>
<b>X Earnings per equity share (face value ₹10each):</b>	37		
(a) Basic (in ₹)		14.36	10.68
(b) Diluted (in ₹)		14.36	10.68

The accompanying notes forms an integral part of the financial statements.  
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For S. Ghose & Co LLP  
Chartered Accountants  
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(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627

## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2021

(Amount in ₹ million)

Particulars	Nos.	Face Value (₹)	(₹ Million)
<b>A Equity Share Capital</b>			
Equity shares of ₹10 each issued, subscribed and fully paid			
Balance as at 31st March, 2019	7,04,00,000	10	704.00
Balance as at 31st March, 2020	7,04,00,000	10	704.00
Balance as at 31st March, 2021	7,04,00,000	10	704.00
<b>B. Other Equity</b>			
	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 31st March, 2019</b>	<b>4,961.60</b>	<b>(3,584.77)</b>	<b>1,376.83</b>
Profit for the year ended 31st March 2020	-	752.03	752.03
Other Comprehensive Income for the year	-	(34.55)	(34.55)
Transfer to General Reserve/(From) Retained Earning	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>4,961.60</b>	<b>(2,867.29)</b>	<b>2,094.31</b>
Profit for the year ended 31st March 2021	-	1,010.70	1,010.70
Other Comprehensive Income for the year	-	(27.11)	(27.11)
Final Dividend : FY 19-20	-	(232.32)	(232.32)
Transfer to General Reserve/(From) Retained Earning	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>4,961.60</b>	<b>(2,116.02)</b>	<b>2,845.58</b>

The accompanying notes forms an integral part of the financial statements.  
In terms of our report of even date.

In terms of our report of even date  
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Chartered Accountants  
FRN : 302184E/E300007

CA Pradip Kumar Mitra  
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Dated : June 25, 2021  
Place : Kolkata

For MSTC LIMITED

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Director (Finance) & CFO  
DIN- 8290021

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627

## Standalone Statement of Cash Flows for the Year ended 31<sup>st</sup> March 2021

(Amount in ₹ million)

Particulars	For the Year Ended 31st March 2021	For the Year Ended 31st March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax for the year	1,146.81	1,294.91
Adjustments for:		
Depreciation /Amortisation Expenses	25.56	21.10
Dividend Income	(100.02)	(60.70)
Interest Income	(67.72)	(75.53)
Finance Cost	68.90	274.56
Loss on sale of Property Plant and Equipments	0.12	1.06
Provision no Longer Required Written Back	(1,929.80)	(474.94)
Bad Debt Witten Off	1,803.61	373.99
Provision for Bad and Doubtful Advances	695.05	339.91
Liability written Back	12.76	-
<b>Operating profit before Working Capital changes</b>	<b>1,655.27</b>	<b>1,694.36</b>
Adjustments for changes in Operating Assets & Liabilities		
Adjustments for (increase) / decrease in Operating Assets:		
Movement in working capital:		
(Increase)/decrease in Trade and Other Receivables	4,442.02	4,864.88
(Increase)/decrease in Other Assets	20.38	32.89
Adjustments for increase / (decrease) in Operating Liabilities:		
Increase/ (decrease) in Trade Payables & Others Financial Liabilities	216.96	(3,835.27)
Increase/ (decrease) in Other Liabilities	403.90	(125.03)
Increase/ (decrease) in Provisions	22.66	11.46
<b>Cash generated from Operations</b>	<b>6,761.19</b>	<b>2,643.29</b>
Direct Taxes Paid (Net of Refund)	(108.75)	(310.05)
<b>Net cash from Operating Activities</b>	<b>6,652.44</b>	<b>2,333.24</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds of Property Plant and Equipment (Net)	(219.46)	(140.36)
Investment In Fixed Deposits	(5.61)	2,315.68
Investment in Joint Venture	(40.00)	-
Interest received	67.60	75.20
Dividend Income	100.02	60.70
<b>Net cash (used) in Investing Activities</b>	<b>(97.45)</b>	<b>2,311.22</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Short Term Borrowings	(770.98)	(2,031.84)
Interest Paid	(68.90)	(274.69)
Dividend Paid	(232.32)	-
<b>Net cash used in Financing Activities</b>	<b>(1,072.20)</b>	<b>(2,306.53)</b>
<b>Net increase/(decrease) in Cash &amp; Cash equivalents(A+B+C)</b>	<b>5,482.79</b>	<b>2,337.93</b>
<b>Cash and Cash equivalents at the beginning of the Period</b>	<b>1,595.99</b>	<b>(741.94)</b>
<b>Cash and Cash equivalents at the end of the Period</b>	<b>7,078.78</b>	<b>1,595.99</b>
<b>Note :</b>		
(1) Figures in brackets indicate outflows.		
(2) <b>Statement showing Cash and Cash Equivalents</b>		
Cash and Cash equivalents at the end of the Period	7,078.78	1,597.23
Less : Over Draft Balances at the end of the Period	-	(1.24)
<b>Net Cash and Cash equivalents at the end of the Period</b>	<b>7,078.78</b>	<b>1,595.99</b>

**Note :** Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard-7: Statement of Cash Flows.  
The accompanying notes forms an integral part of the financial statements. In terms of our report of even date.

In terms of our report of even date  
For S. Ghose & Co LLP  
Chartered Accountants  
FRN : 302184E/E300007

CA Pradip Kumar Mitra  
Partner  
M. No : 052183

Dated : June 25, 2021  
Place : Kolkata

For MSTC LIMITED

(Surinder Kumar Gupta)  
Chairman and Managing Director  
Managing Director  
DIN- 08643406

(Subrata Sarkar)  
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DIN- 8290021

(S K Barnwal)  
Addl. General Manager  
Finance & Accounts

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627



### Notes to Standalone financial statements for the year ended 31st March, 2021

#### 1.A General Information

MSTC Limited (the "Company") is a Miniratna Category-I Company was incorporated under the Companies Act, 1956 on 9th September, 1964. It is domiciled in India, having registered office at 225 C, AJC Bose Road, Kolkata-700020 and limited by shares (CIN:L27320WB1964GOI026211). Pursuant to Initial Public Offer equity shares of MSTC Limited are listed and traded on both BSE Limited and National Stock Exchange of India Limited w.e.f. 29th March, 2019. The Company undertakes trading activities, e-commerce and also disposal of ferrous and non-ferrous scrap, surplus stores, minerals, agri and forest produces etc. mostly from Public Sector Undertakings and Govt. Departments. The core activity of the Company has been divided into two Operational Divisions, i.e. e-Commerce and Trading. The e-Commerce division undertakes disposal of Scrap, surplus stores, e-sales of minerals, agri and forest produces, and e procurement. The list of Principals includes Ministry of Defence, State Governments, PSUs like Indian Oil Corporation Ltd., Oil and Natural Gas Corporation Ltd, Bharat Sanchar Nigam Ltd, Hindustan Petroleum Corporation Ltd. etc. The mode of disposal includes e-auction, e-tender, e-reverse auction etc. Besides, MSTC also e-auctions coal from Coal India Ltd, Singareni Coalfields Ltd etc. Apart from these MSTC also provides e-procurement solution. The trading division handles import/export and domestic trade of mainly bulk industrial raw material. It looks after sourcing, purchase and sales of industrial raw materials like Heavy Melting Scrap, Low Ash Metallurgical Coke, HR Coil, Crude Oil, Naptha, Coking Coal, Steam Coal etc. for supply to Indian industries. The end customers are Coal/Steel Industries, Oil sector, State owned Power Companies etc.

#### 1.B RECENT ACCOUNTING DEVELOPEMENTS

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II, and III of schedule III. These amendments are applicable from 1st April, 2021. The amendments primarily relate to:

- Change in existing presentation requirement for certain items in the Balance Sheet, for e.g. Lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period error on share capital.
- Additional disclosure requirements in specified formats, for e.g. age analysis of trade receivables, trade payables, capital work in progress, intangible assets, share holding of promoters etc.
- Disclosure if funds have been utilised other than for the specific purpose for which it has borrowed from banks and financial institutions.
- Additional regulatory information for example compliance with layers of companies, title deed of immovable properties, financial ratios, loans and advances to key managerial persons, etc.

- Disclosures related to corporate social responsibility (CSR), undisclosed income and crypto or virtual currency.

#### 1.C SIGNIFICANT ACCOUNTING POLICIES

##### 1.C.1 BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair value at the end of each reporting period by Ind ASs. The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind ASs'), including the rules notified under the relevant provisions of the Companies Act, 2013.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### Functional Currency and Presentation Currency

The financial statements are prepared in Indian Rupees (₹) which is the Company's functional currency for all its operations. All financial information presented in Indian Rupees (₹) has been rounded to the nearest Million, unless otherwise stated.

##### Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013 and Ind AS 1 – 'Presentation of Financial Statements'.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### Use of estimates and critical judgements

The preparation of accounts in accordance with Ind ASs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to property, plant and equipment, current asset provisions,

deferred tax, retirement benefits. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

### 1.C.2 FOREIGN CURRENCY TRANSLATION

In preparing the financial statements of the Company, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the period. Exchange differences arising on retranslation on non-monetary items carried at fair value are included in statement of profit and loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

Wherever foreign exchange fluctuations are to be borne by the customers as per agreement with them, foreign exchange gain/ loss are not recognised in the books of the Company.

### 1.C.3 (a) PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

Included in property, plant and equipment are loose plant and tools which are stated at cost less amounts written off related to their expected useful lives and estimated scrap value and also spares, against which impairment provisions are made where necessary to cover slow moving and obsolete items.

Land has an indefinite economic life. The Company can enjoy the part of the life restricted to years of lease. The lease rent paid in advance is being amortised over the period of lease.

### 1.C.3 (b) Depreciation of property, plant and equipment

Depreciation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value. These charges are commenced from the date the assets are available for their intended use and are spread over their estimated useful lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

Depreciation is provided to allocate the costs of property, plant and equipment, net of their residual values, over their useful life as specified in Schedule II of the Companies Act, 2013. The estimated useful lives for the main categories of property, plant and equipment are:

Type of Asset	Estimated Useful life (Years)
Office Equipment	5
Vehicles	8
Furnitures and Fixtures	10
Partition and Cubicles	10
Building	60
Air Conditioners	10
Computers	3
Servers	6

Assets in the course of construction are included under capital work in progress and are carried at cost, less any recognized impairment loss. Such capital work-in-progress, on completion, is transferred to the appropriate category of property, plant and equipment.

### 1.C.3 (c) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Further, the management estimates that the intangible

assets are having zero carrying cost at the end of its useful life i.e. zero residual value.

Softwares acquired separately are capitalised as software. These are amortized over a period of their license. In case of perpetual licences the cost is amortized over a period of five years.

#### **1.C.4 Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication, the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the Statement of Profit and Loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit and loss immediately.

#### **1.C.5 Investment in Subsidiaries and Joint venture**

Investment in subsidiaries and Joint venture are carried at cost in terms of Ind AS 27. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and carrying amounts are recognised in Statement of Profit and Loss.

#### **1.C.6 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition

of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

#### **a) Financial assets**

##### **I. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

##### **II. Financial assets measured at fair value through Other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income. However, the interest income, losses and reversals, and foreign exchange gains and losses are recognised in the Statement of Profit and Loss.

##### **III. Financial assets measured at fair value through profit and loss**

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit and loss.

##### **Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial

instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

### **Derecognition of financial assets**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralised borrowing of the proceeds received.

### **b) Financial liabilities and equity instruments Classification**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Transaction costs of an equity transaction are being accounted as a deduction from equity.

#### **Financial Liabilities**

The Company's financial liabilities include Trade and other payables and borrowings including bank overdrafts are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

#### **Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

### **1.C.7 CASH AND CASH EQUIVALENTS**

For the purpose of presentation in the statement of cash flows, cash and cash equivalent includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash,

cash at bank, and bank overdraft and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### **1.C.8 INVENTORIES**

Stock in trade including material-in-transit is valued at cost or estimated net realisable value whichever is less.

### **1.C.9 REVENUE RECOGNITION**

Revenue is recognized when the performance obligation towards transfer of goods and services to a customer is satisfied.

#### **SALES**

- i) High sea sales are booked on the basis of date of issuance of high sea sale letter. As regards value, sales are booked either at contracted forward exchange rates, if booked, or provisionally on the basis of FEDAI spot exchange rates prevailing on the last date of the financial year, where forward cover was not taken, which includes C&F / CIF price, usance interest followed by final adjustment on due date of payment in subsequent financial year.
- ii) In case of indigenous material, sales are accounted for on the basis of date of transport documents and as regards value, based on the value of invoices. In case of sale on door delivery basis sales are booked on sales invoice dates.
- iii) In case of export, sales are accounted for on the basis of date of shipment. As regards value, sales are booked either at contracted forward exchange rates, if booked, or at the FEDAI rate on the date of shipment as per custom clearance document, followed by final adjustment on actual realisation of export proceeds.

#### **SERVICE CHARGES**

Remuneration for transaction in Marketing Department through facilitator mode and for conducting sales/ procurement on behalf of Principals, by way of auctions, tenders, or any other means, are accounted for as service charges.

- (a) Service charges are accounted for as income at contracted rates on:
  - i. Tender/Auction sale on behalf of Public Sector Undertakings, Defence and other Government Departments on issuance of sale orders / delivery orders.
  - ii. On satisfactory completion of e-sales.  
In respect of (i) & (ii), service charges are accounted for on bid price of auction with adjustments, if any, on the basis of actual delivery by the Principals, in case service charges are payable on percentage basis.
  - iii. On occurrence of event, in case of service contract on event basis.

- iv. In case of E-Procurement Service charges are booked, where service charges are collectable from the Principal, on completion of event.
- (b) E-Procurement transaction fees collected from bidders are accounted on successful conduct of event.
- (c) Service charges accrued in respect of purchase as facilitator are accounted for at the contracted rate on the basis of date of bill of lading / railway receipt / lorry receipt as the case may be. For imported materials, value is ascertained either at forward cover rate or at FEDAI spot rate prevailing on the last date of the Financial Year. Final adjustment is made on actual payment. In case of indigenous materials, value is ascertained on the basis of actual payment at contracted rate.

#### **E-AUCTION REGISTRATION**

E-auction Registration fees collected from buyers is considered as income of the current year if the validity of registration is upto one year. In case of life long registration, the amount so collected is distributed in five years equally.

#### **OTHER INCOME**

Revenue is recognised on accrual basis except in the following items which are accounted on actual realization since realisability of such items is uncertain in accordance with the provisions of the accounting standards:

- i) Decrees pending for execution/contested dues and interest thereon, if any.
- ii) Interest on overdue recoverables where realisability is uncertain.
- iii) Liquidated damages on suppliers or contractors.
- iv) Refund of Income-Tax/Sales Tax/VAT and interest thereon.
- v) Dividend income is recognised when right to receive payment is established

#### **PURCHASES**

- (i) Imported materials are accounted for as purchase on the basis of date of bill of lading. As regards value, purchase are booked on the basis of actual remittance and where such remittance are outstanding at the close of the year, on the basis of contracted forward exchange rates, if booked, or FEDAI spot exchange rates prevailing on the last date of the financial year, in case forward cover is not taken, as the case may be. Purchase value includes material value freight, insurance etc. and usance interest followed by final adjustments on actual payment in subsequent financial year.
- (ii) In case of indigenous materials, purchases are booked on the basis of transport documents and as regards value, based on the value of invoices.

#### **1.C.10 BORROWING COST**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost

of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

#### **1.C.11 EMPLOYEE BENEFITS**

##### **(a) Short term benefits**

Short term employee benefits are accounted for at their undiscounted amount in the accounting period in which the services are rendered by the employees are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

##### **(b) Leave encashment**

The liabilities for earned leave and commuted leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on actuarial valuation using the projected unit credit method.

The benefits are discounted using the market yield at the end of the reporting period that have terms of approximating to the terms of related obligations. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss. The facility is funded through LIC of India.

##### **(c) Post-employment obligation**

###### **Defined Contribution Plan -**

###### **i. Provident Fund**

Provident Fund is administered by a Trust recognised by Income Tax Authorities and contribution to this Fund is charged to revenue. Pensioner's Benefits are secured through Employees' Pension Scheme 1995.

###### **ii. Pension**

Pension plan is administered through an independent trust and contribution to this Fund is charged to revenue. The fund is being managed through Life Insurance Corporation of India. The contribution amount is governed by Ministry of Steel directives in terms of DPE guidelines.

###### **Defined Benefit Plan -**

###### **i. Service Gratuity**

The liabilities or assets recognised in the Balance Sheet in respect of defined gratuity plan is the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets. The defined benefits obligations are calculated annually by actuaries using projected unit credit method. The present value of defined benefits obligations is determined by discounting the

estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that are terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discounted rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity.

Changes in the present value of defined benefit obligation resulting from amendments and curtailments are recognised immediately in profit or loss as past service cost. The Gratuity obligation is funded through Group Gratuity Life Assurance Scheme of Life Insurance Corporation of India and is administered through a separate irrevocable trust created by the Company for this purpose.

### ii. Post Retirement medical benefit

The Company provides post retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to the retirement age and the completion of minimum service period. The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. The fund is administered through a separate trust created for this purpose.

### 1.C.12 TAXATION

Tax expense for the year comprises current and deferred tax.

#### (i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax for the year as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in the country where the Company operates by the end of the reporting period.

#### (ii) Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future in respect of deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits. Deferred tax assets are

recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

### 1.C.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Balance Sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingent liabilities are disclosed by way of notes. These are reviewed at each Balance Sheet date and are adjusted to reflect the current estimate of management.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

### 1.C.14 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures. The Company undertakes

trading activities, and also acts as e-commerce service provider. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates Company's performance and allocates resources on an analysis of various performance indicators by operating segments. In terms of above the Company has identified Marketing and e-Commerce as its two Primary Reportable Business Segments. Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable to that segment. Rest of the items of revenue and expenses, which cannot be specifically allocated under specific segments are separately disclosed as unallocated.

### **1.C.15 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

#### **(i) Useful economic lives and impairment of other assets**

The estimated useful life of property, plant and equipment (PPE) and intangible asset is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Company reviews the useful life of PPE and intangibles at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Company also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Company's business plans and changes in regulatory environment are taken into consideration.

#### **(ii) Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

#### **(iii) Actuarial Valuation**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend on assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

#### **(iv) Fair Value measurements and valuation processes**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

#### **(v) Recognition of deferred tax assets for carried forward tax losses and unused tax credit**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

### **1.C.16 PROVISION OF TRADE RECEIVABLES**

- i. The Company has a provisioning policy in place which provides for quarterly review and provision as per the policy.
- ii. The Company has done trading under "Back to Back Arrangement with Associate Suppliers". As per the arrangement the payment to suppliers will be released only on realization of Trade Receivables. Hence the Company treats these Trade Receivables as Secured.

## 2. Property, Plant and Equipment

(Amount in ₹ million)

Particulars	Freehold Buildings	Office Equipment	Office Air Conditioner	Furniture and fixtures	Office Partition & Cubicles	EDP Equipments	Vehicles	Total Tangible Assets
Gross Block as at 31st March, 2019	11.27	4.03	4.24	13.60	9.39	38.66	2.09	83.28
Additions	0.00	0.92	0.69	0.31	0.74	37.98	0.00	40.64
Disposals	0.00	1.22	0.87	0.23	2.56	20.98	0.00	25.86
Gross Block as at 31st March, 2020	11.27	3.73	4.06	13.68	7.57	55.66	2.09	98.06
Additions	0.00	0.16	0.95	0.04	0.25	4.82	0.00	6.22
Disposals	0.00	0.07	0.22	0.03	0.00	1.80	0.00	2.12
Gross Block as at 31st March, 2021	11.27	3.82	4.79	13.69	7.82	58.68	2.09	102.16
Depreciation as at 31st March, 2019	1.06	1.11	2.49	9.51	6.07	10.55	0.81	31.60
Charge for the year	0.29	0.65	0.28	0.47	0.38	9.43	0.25	11.75
Disposals	0.00	1.16	0.79	0.22	2.43	19.92	0.00	24.52
Depreciation as at 31st March, 2020	1.35	0.60	1.98	9.76	4.02	0.06	1.06	18.83
Charge for the year	0.29	0.69	0.35	0.47	0.42	12.35	0.25	14.82
Disposals	0.00	0.05	0.21	0.01	0.00	1.70	0.00	1.97
Depreciation as at 31st March, 2021	1.64	1.24	2.12	10.22	4.44	10.71	1.31	31.68
Net book value as at 31st March, 2020	9.92	3.13	2.08	3.92	3.55	55.60	1.03	79.23
Net book value as at 31st March, 2021	9.63	2.58	2.67	3.47	3.38	47.97	0.78	70.48

Particulars	Capital Work in Progress	Leasehold Land	Software Licence	Trade Mark	Total Intangible Assets
Gross Block as at 31st March, 2019	204.62	72.32	15.31	0.04	15.35
Additions	84.61	0.00	15.39	0.00	15.39
Disposals*	0.00	0.75	0.00	0.00	0.00
Gross Block as at 31st March, 2020	289.23	71.57	30.70	0.04	30.74
Additions	213.27	0.00	0.00	0.00	0.00
Disposals*	0.00	0.75	0.00	0.00	0.00
Gross Block as at 31st March, 2021	502.50	70.82	30.70	0.04	30.74
Depreciation as at 31st March, 2019	0.00	0.00	10.74	0.01	10.75
Charge for the year	0.00	0.00	8.58	0.02	8.60
Disposals	0.00	0.00	0.00	0.00	0.00
Depreciation as at 31st March, 2020	0.00	0.00	19.32	0.03	19.35
Charge for the year	0.00	0.00	9.98	0.01	9.99
Disposals	0.00	0.00	0.00	0.00	0.00
Depreciation as at 31st March, 2021	0.00	0.00	29.30	0.04	29.34
Net book value as at 31st March, 2020	289.23	71.57	11.38	0.01	11.39
Net book value as at 31st March, 2021	502.50	70.82	1.40	0.00	1.40

\* Disposal of Leasehold land represents amortisation of Prepaid Lease Payment.

All Freehold buildings are under attachment by the order of DRT, Mumbai.

The CWIP is cost booked for Construction of Corporate Office Building in New Town, Kolkata which is mortgaged to SBI against a loan for this purpose.

At the time of implementation and adoption of IndAS w.e.f 1st April, 2015 in terms of IndAS 101, the Net Block of Assets was considered as Gross Block treating Accumulated Depreciation on that date as "Nil". Depreciation has been charged since in terms of Companies Act 2013. Hence, the Accumulated Depreciation represents cumulative figures since 1st April, 2015 only. Due to this, there are differences in the figure of Gross Block and Accumulated Depreciation between the Fixed Assets schedule as above and Fixed Assets Register. However the Net Block figures are in complete agreement with Fixed assets Register.



### 3. Investment in Unquoted Equity Shares, fully paid up- carried at cost.

Particulars	No. of Shares		Amount in ₹ Millions	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>(a) Investment in Wholly Owned Subsidiary Company</b> Ferro Scrap Nigam Limited (Face Value ₹10/- each)	3,20,00,000	3,20,00,000	158.10	158.10
<b>(b) Investment in 50:50 Joint Venture Company</b> Mahindra MSTC Recycling Private Limited (Face Value ₹10/- each)	2,26,00,000	1,86,00,000	226.00	186.00

**Notes:**

- 1) During F.Y 2020-21 MSTC Limited have invested ₹40.00 Millions (Previous Year Nil) towards unquoted equity contribution in Mahindra MSTC Recycling Private Limited, comprising of 4 million shares of Face value of ₹ 10 each ranking pari pasu with the existing investment in similar shares.

### 4. Other Financial Assets (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Security deposits	8.30	8.11
(b) Loans to employees	37.28	41.82
(c) Interest accrued on loans to employees	0.12	0.14
(d) Balance with scheduled banks in deposit accounts Term Deposits with original maturity of more than 12 months	3.50	0.05
<b>Total</b>	<b>49.20</b>	<b>50.12</b>

### 5. Non-Current Tax Assets

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Advance payment of Taxes	4,564.93	6,474.68
Less: Provision for Taxation	4,038.51	5,953.11
<b>Total</b>	<b>526.42</b>	<b>521.57</b>

## 6. Deferred Tax Assests (Net)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>(a) Through Profit or Loss</b>		
Deferred tax (liabilities) / assets:		
Tax effect of items constituting deferred tax liabilities		
EFBS Scheme	(0.53)	(0.64)
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>(0.53)</b>	<b>(0.64)</b>
<b>Tax effect of items constituting deferred tax assets</b>		
On difference between book balance and tax balance of Property, Plant and Equipment & Intangible assets	(0.63)	-
Allowances for doubtful debts / advances	1699.26	1754.15
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	168.66	150.38
MAT credit Entitlement	309.09	304.16
<b>Tax effect of items constituting deferred tax assets</b>	<b>2,176.38</b>	<b>2,208.69</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>2,175.85</b>	<b>2,208.05</b>
<b>(b) Through Other Comprehensive Income</b>		
Tax effect of items constituting deferred tax assets		
Remeasurement of Defined Benefit Plan	49.16	37.00
<b>Deferred tax (liabilities) / assets (net)</b>	<b>49.16</b>	<b>37.00</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>2,225.01</b>	<b>2,245.05</b>

## 7. Other Assets (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Advance with public bodies		
Sales Tax	0.69	0.69
(b) Advance for Building Construction	0.00	23.66
(c) Other Advances		
(i) Prepaid expenses	1.66	1.65
(ii) Others	1.05	0.34
<b>Total</b>	<b>3.40</b>	<b>26.34</b>

## 8. Trade Receivables (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Trade receivables		
(a) Secured considered good	6,559.40	11,406.06
(b) Unsecured, considered good	678.24	1,019.02
(c) Credit Impaired	8,265.29	9,409.40
Less: Allowance for Doubtful trade receivables	8,265.29	9,500.04
<b>Total</b>	<b>7,237.64</b>	<b>12,334.44</b>

**Notes:**

**8.1 Trade Receivables**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	3,813.90	3,696.75
Secured, Considered good	225.12	621.63
Unsecured, Considered good	8,265.29	9,409.40
Credit Impaired	8,265.29	9,500.04
<b>Less: Allowance for doubtful trade receivables</b>	<b>4,039.02</b>	<b>4,227.74</b>
Trade Receivables outstanding for a period less than six months from the date they are due for payment	2,745.50	7,709.31
Secured, Considered good	453.12	397.39
<b>Unsecured, Considered good</b>	<b>3,198.62</b>	<b>8,106.70</b>
<b>Total</b>	<b>7,237.64</b>	<b>12,334.44</b>

8.2: Trade Receivables include an amount of ₹ 1478.20 millions (prev year ₹ 1478.20 millions) on account of exports of Gold Jewelleries undertaken by the Company during the year 2008-09. The said Receivables were purchased by Standard Chartered Bank (SCB) under a Receivable Purchase Agreement. In terms of the said Agreement, SCB would purchase the bills raised by MSTC on the foreign buyers on account of the exports made to such buyers and pay off MSTC 95% of the bill amount and the foreign buyers would be making payments against the bills directly to SCB on the respective due dates. The said export transactions for the Company were also insured by SCB along with MSTC as co-insured, with ICICI Lombard General Insurance Company. On non-receipt of the proceeds of the bills on the due dates from the foreign buyers, SCB claimed the amounts from the Insurance Company, who, however, wrongfully repudiated the claim of SCB. On such repudiation, SCB unilaterally converted the receivables purchased by it from MSTC into debts of MSTC with interest and filed the case being Original Application in the Debt Recovery Tribunal, Mumbai. MSTC had been and is contesting the claims of SCB before various forums including before the Hon'ble Bombay High Court, the DRT and DRAT, Mumbai including the Misc. Appeal filed by MSTC against an interim Order dated 16th September 2017 passed by the DRT, Mumbai against MSTC. In case appeal is heard by DRAT then MSTC has to make a pre deposit with DRAT, as per the provisions of relevant statute. SCB had filed a Summary Suit against ICICI Lombard for the recovery of the unrealised debts under the insurance policy, before the Bombay High Court which is pending. Pending final disposal of such cases including the Misc. Appeal filed by MSTC before the DRAT, Mumbai challenging the validity of the Order dated 16th September 2017 passed by the DRT, Mumbai, the disputed claim of SCB against MSTC has been shown as Unsecured Borrowings (vide note no 20) and Trade Receivables, without adjustments.

8.3: Trade receivables are generally secured either by way of stocks pledged by the customers with the Company or Bank Guarantees. In case there is a significant depletion in realizable value of such pledged stock against the book value of the corresponding receivables, the differential amount has been shown under 'Unsecured'. Further 15 Nos. of Bank Guarantees (BG) amounting to ₹ 311.53 Millions submitted by a customer was invoked by the Company. The Customer has approached Honble High Court of Andhra Pradesh with a prayer interlia for stay on invocation. The Honble High Court had initially granted interim stay. However, upon a prayer from the company, the Honble Court in a subsequent hearing has ordered the Customer for extending the BGs which were due for expiry. The Customer has since complied with. As on date all the BGs are valid.

## 8.4: Trade Receivable Credit Impaired Includes the following :

(Amount in ₹ million)

Name of the Party	31st March 2021	31st March 2020
Gyscoal Alloys Ltd.	60.60	60.60
Meherkiran Enterprises Ltd.	430.05	430.05
Tirupati Fuels P. Ltd./BALAJI COKE	554.87	555.87
Sesa International Ltd.	587.12	587.12
Balasore Alloys Ltd.	131.59	19.71
Krishna Coke ( India) Pvt Ltd	196.51	197.51
Siddartha Tubes Ltd	55.56	55.56
Topworth Pipes and Tubes Ltd.	36.27	36.27
Topworth Urja & Metals Ltd	59.43	64.53
Crest Steel & power Ltd	376.67	299.13
Topworth Steels & Power Private Ltd	1,035.78	916.88
Rohit Ferro Tech Ltd.	432.37	308.65
Concast Steel and Power Ltd	2,208.42	2,208.42
Maa Mahamaya Industries Ltd.	0.00	11.55
Jai Balaji Industries Ltd	473.40	315.70
SPS Steels Rolling Mills Ltd.	0.00	1,889.22
<b>Total</b>	<b>6,638.64</b>	<b>7,956.77</b>

MSTC has initiated all steps including legal action to realise the dues from the above customers. The related cases are pending before adjudicating authorities at various levels.

8.5: Trade Receivables include ₹ 3,266.87 Millions ( Previous Year ₹ 6,537.58 Millions), against business done in facilitator mode (net of provision).

8.6: Trade Receivables include ₹ 678.13 Millions (Previous Year ₹ 695.00 Millions), against E-Commerce business (net of provision).

## 9. Cash and Cash Equivalents

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Cash and Cash Equivalents</b>		
(a) Cash in hand	0.02	0.00
(b) Balances with banks		
Balance with scheduled banks		
In Current Account	1,936.02	604.56
In Fixed Deposit Maturity less than 3 months	5,142.74	992.67
<b>Total</b>	<b>7,078.78</b>	<b>1,597.23</b>

## 10. Bank balances other than cash & cash equivalents

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Earmarked Balances with banks		
(i) In Unclaimed dividend account	8.55	8.03
(ii) Deposits with original maturity of more than 3 months but less than 12 months	111.34	106.24
<b>Total</b>	<b>119.89</b>	<b>114.27</b>

10.1 The deposits at (ii) above include Nil ( Previous Year ₹ 424.65 Millions ) pledged with banks against over draft facility. The deposit at (ii) represents Margin against guarantee ₹ 111.34 Millions (Previous Year ₹ 106.24 Millions).

**11. Other financial assets (Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Security deposits	113.83	115.81
(b) Other loans and advances		
(i) Loans to employees	4.77	5.32
(ii) Recoverable Advances to employees	3.01	0.98
(iii) Receivable from third party	81.28	6.49
(iv) Other Advances	1.59	1.81
(c) Interest accrued on		
(i) Term deposits	0.83	0.72
(ii) Loans to employees	0.04	0.03
<b>Total</b>	<b>205.35</b>	<b>131.16</b>

**12. Other Assets (Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>(Unsecured, considered good)</b>		
(a) Advance with public bodies GST, Service Tax & Sales Tax	5.13	9.24
(b) Other Advances		
(i) Advances to employees	16.97	11.08
(ii) Prepaid expenses	1.01	0.43
(iii) Others	0.26	0.06
<b>Total</b>	<b>23.37</b>	<b>20.81</b>

**13. Share Capital**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Authorised:</b>		
15,00,00,000 Ordinary Shares of ₹ 10 each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and fully paid up :</b>		
704,00,000 Ordinary Shares of ₹ 10 each	704.00	704.00
	<b>704.00</b>	<b>704.00</b>

**13(a)(i) Statement of Reconciliation of Shares Outstanding**

Particulars	31st March 2021			31st March 2020		
	Number	Face Value (₹)	Amount (₹ Million)	Number	Face Value (₹)	Amount (₹ Millions)
Opening Balance	7,04,00,000	10	704.00	7,04,00,000	10	704.00
Closing Balance	7,04,00,000	10	704.00	7,04,00,000	10	704.00

**13(a)(ii) Rights, preferences and restrictions attached to equity shares.**

The Company has only one class of ordinary shares ("Equity Shares") having a par value of ₹10 each. Each holder of ordinary shares ("Equity Shareholders") is entitled to one vote per share and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

13(a)(iii) : 88,00,000 bonus shares have been issued during F.Y 2016-17 in the ratio of 1:1

13(a)(iv) : 1,76,00,000 bonus shares have been issued during F.Y 2017-18 in the ratio of 1:1

13(a)(v) : 3,52,00,000 bonus shares have been issued during F.Y 2018-19 in the ratio of 1:1

13(a)(vi) : Details of shareholders holding more than 5% of the company.

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Name of the Shareholder	31st March 2021		31st March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
President of India	45580800	64.75%	45580800	64.75%
Life Insurance Corporation of India (LIC)	3003559	4.27%	6716279	9.54%

The Government of India has divested its 25.10 % stake in MSTC Ltd through IPO during March 2019. Equity shares of MSTC Limited are listed and traded on both BSE Limited and National Stock Exchange of India Limited w.e.f. March 29, 2019. Change in shareholding pattern post IPO is as following:

Shareholders	Pre IPO%	Post IPO%
Government of India	89.85%	64.75%
Others	10.15%	35.25%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

### 14. Other Equity

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) General Reserve		
Opening balance	4,961.60	4,961.60
Add: Transfer from Retained Earnings	-	-
Closing Balance	4,961.60	4,961.60
(2) Retained Earnings		
Opening balance	(2,867.29)	(3,584.77)
Add: Profit for the year	1,010.70	752.03
Other Comprehensive income for the year	(27.11)	(34.55)
Less: Final Dividend: FY 19-20	(232.32)	-
Less: Transfer to General Reserve	-	-
Closing Balance	(2,116.02)	(2,867.29)
<b>Total Other Equity (1+2)</b>	<b>2,845.58</b>	<b>2,094.31</b>

### 15. Trade payables (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Creditors for supplies and services		
- Dues to micro and small enterprises	0.00	0.00
- Others	0.00	2.64
<b>Total</b>	<b>0.00</b>	<b>2.64</b>

Both as at March 31, 2021 and as at March 31, 2020, there is no interest and overdue payment of more than 45 days outstanding to Micro, Small and Medium Enterprises.

### 16. Other financial liabilities (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Liability under EFBS Scheme	7.28	5.70
<b>Total</b>	<b>7.28</b>	<b>5.70</b>

### 17. Provision (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Provision for Post Retirement Medical Scheme	156.87	119.79
(b) Provision for Leave Encashment	80.59	29.48
(c) Provision for Gratuity	15.63	16.71
<b>Total</b>	<b>253.09</b>	<b>165.98</b>

**18. Other liabilities (Non Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Advance from customers	61.20	63.25
<b>Total</b>	<b>61.20</b>	<b>63.25</b>

**19 - Borrowings (Non Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Secured Borrowings		
House Building Loan from SBI	43.19	33.91
<b>Total 43.19</b>	<b>33.91</b>	

The amount represents the loan obtained from State Bank of India for the construction of Corporate Office Building at Newtown, Rajarhat Kolkata. Out of the total sanctioned amount of ₹ 300 Millions, ₹ 195.07 Millions has been disbursed which is repayable in Quarterly Installments of ₹ 12.50 Millions commencing from 30th June 2019. The amount is secured by way of mortgage of the proposed Office Building. Interest is computed on daily balance method and is payable on monthly rest basis from the date of disbursement. Prepayment charges as applicable shall be payable in case of prepayment of Term loan installments.

**20 - Borrowings (Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
A. Secured Borrowings		
(a) Repayable on Demand		
From Banks		
(i) Working Capital Demand Loans#	13.82	794.11
(ii) Overdraft against lien on FDR*	0.00	1.24
(b) House Building Loan from Bank (Refer Note No. 19)	50.72	50.69
<b>Total Secured Borrowings</b>	<b>64.54</b>	<b>846.04</b>
B. Unsecured Borrowings		
Repayable on Demand From Banks	1,436.20	1,436.20
<b>Total Unsecured Borrowings</b>	<b>1,436.20</b>	<b>1,436.20</b>
<b>Total(A+B)</b>	<b>1,500.74</b>	<b>2,282.24</b>

a) Loan from Indian Overseas Bank (IOB) amounting to ₹13.8 Millions : (lying since 19.9.2011) This amount represents legal fees paid by the bank in defending their claims to which the Company has lodged its protest with the Bank. MSTC has filed a case in Hon'ble High Court of Calcutta against IOB for ₹ 365.6 Millions (which includes ₹279.8 Millions towards debit of LC value & ₹ 85.8 Millions as debit towards legal expenses).

b) The above amount represents ₹ 1,436.20 million (Previous year ₹ 1,436.20 million) towards payment made by Standard Chartered Bank (SCB), after purchase of export bills of MSTC raised on foreign buyers against export of Gold Jewellerys to the buyers during 2008-09, under a Receivable Purchase Agreement. Under the said Agreement, SCB paid 95% of the value of export bills to MSTC and the foreign buyers on whom the bills were raised by MSTC would be paying against the bills directly to SCB on respective due dates mentioned in the bills. Payment failures, if any from the foreign buyers against the bills raised by MSTC was covered by SCB through an insurance Policy taken from ICICI Lombard General Insurance Company with MSTC as co-insured. On non receipt of the proceeds from the foreign buyers against the bills, SCB submitted claims with the Insurance Company, who, however, wrongfully repudiated the claim of SCB. Thereafter, SCB converted the receivables purchased from MSTC under the Receivables Purchase Agreement into loans / debts as if owing by MSTC, claimed the amount from MSTC with interest and filed a case, being the Original Application in the Debt Recovery Tribunal, Mumbai(DRT) in the year 2012, which MSTC has denied and disputed. The validity of the claim of SCB in such proceedings including against an Interim Order passed by the DRT, Mumbai on 16th September, 2017 have been challenged by MSTC by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal, Mumbai, which are currently pending. In case appeal is heard by DRAT then MSTC has to make a pre deposit with DRAT, as per the provisions of relevant statute. Other

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proceedings challenging the claim of SCB are also pending before various forums including the Hon'ble High Court, Bombay and in the Civil Court at Alipore, Kolkata initiated by MSTC both against SCB and the Insurance Company. Subsequently, SCB also filed a Summary Suit in late 2012 in the Hon'ble Bombay High Court against ICICI Lombard claiming the same amount under the Policy from ICICI Lombard on account of the repudiation of the claim of SCB by ICICI Lombard. The claim of SCB is contingent upon the outcome of the legal cases. Pending final disposal of all such court cases where the matters are currently pending, MSTC has disclosed the amount simultaneously as Unsecured Borrowings and as Trade Receivables (vide Note No. - 8.2).

# Secured against Current Assets.

\* Secured by lien on FDR for F.Y. 2020-21 is Nil (Previous Year ₹ 424.65 Millions).

### 21. Trade payables (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Creditors for supplies and services		
- Dues to micro and small enterprises	0.35	0.75
- Others #	3,641.37	5,805.54
- Accrued wages and salaries*	166.46	110.85
<b>Total trade payables</b>	<b>3,808.18</b>	<b>5,917.14</b>

\* Includes ₹ 28.53 Millions in FY 2020-21 (Previous Year ₹ 28.06 Millions) towards provision for pension benefit of employees, and ₹ 67.64 Millions in FY 2020-21 ( Previous Year ₹ 47.36 Millions ) towards wage revision of the employees due from 1st January, 2017.

# Trade Payable includes Nil (Previous Year ₹ 484.32 Millions) backed by Letter of credit.

Both as at 31st March, 2021 and as at 31st March, 2020, there is no interest and overdue payment of more than 45 days outstanding to Micro, Small and Medium Enterprises.

### 22. Other Financial Liabilities (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Interest payable		
(i) Interest accrued but not due on borrowings	788.90	788.90
(b) Unclaimed dividends	8.49	8.03
(c) Creditors for other liabilities		
(i) Security deposits/EMD	6,325.59	4,537.99
(ii) Deposits received from customers	1,646.62	1,109.14
(iii) Deposit under EFBS	9.75	8.27
(iv) Payable under EFBS Deposit schemes	2.44	1.89
(v) Others	8.33	8.91
<b>Total</b>	<b>8,790.12</b>	<b>6,463.13</b>

### 23. Provision (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Provision for Provident Fund	-	25.17
<b>Total</b>	<b>-</b>	<b>25.17</b>

### 24. Other Liabilities (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Statutory Dues		
(i) Service Tax & GST payable	91.31	29.50
(ii) Tax deducted and collected at source	350.49	9.73
(b) Advance from customers	43.18	39.81
<b>Total</b>	<b>484.98</b>	<b>79.04</b>



## 25. Revenue from operations

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Sale of Goods	1,757.69	5,703.60
(b) Service Charges	2,057.86	1,903.75
(c) Other Operating Revenues	461.90	699.73
<b>Total</b>	<b>4,277.45</b>	<b>8,307.08</b>

(a) During the year, an amount of ₹ 51.41 Million (Previous Year ₹ 48.12 Million) was collected towards E-auction Registration. Out of total collection of current year, an amount of ₹ 41.13 Million (Previous Year ₹ 38.50 Million) has been kept in liabilities to be distributed in subsequent four years, as per accounting policy since related registration is valid for life long. Accumulated undistributed balance standing as on 31st March, 2021 is ₹ 104.38 Million (Previous Year ₹ 103.07 Million). Balance amount for which registration is valid upto one year is accounted for as income during the current period.

(b) Other Operating Revenues also include Interest from customers ₹ 345.04 Million in current year (Previous Year ₹ 586.73 Million).

(c) Tax deducted at source on Service Charge and Interest income amounts to ₹ 99.79 Million in current year (Previous Year ₹ 126.67 Million).

## 26. Other income

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Interest income		
(1) Interest on FDR	67.72	75.53
(2) Interest on Employee Advances	2.90	3.23
(b) Dividend Income		
From investment in subsidiaries	100.02	60.70
(c) Liability written back	12.76	0.00
(d) Provision no longer required written back	1,929.80	474.94
(e) Miscellaneous income	0.68	0.60
<b>Total</b>	<b>2,113.88</b>	<b>615.00</b>

Tax deducted at source from interest on bank deposits amounted to ₹ 4.99 Millions (Previous Year ₹ 7.54 Millions).

## 27. Purchases of Stock-in-Trade

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Purchases of Stock-in-Trade	1,746.07	5,663.12
<b>Total</b>	<b>1,746.07</b>	<b>5,663.12</b>

## 28. Employee Benefit Expense

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Salaries and Wages	580.66	614.63
(b) Contribution to Provident and other funds	58.90	58.03
(c) Staff welfare expenses	38.02	38.88
<b>Total</b>	<b>677.58</b>	<b>711.54</b>

## 29. Finance costs

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Interest expense		
(i) Interest on Short term borrowings from Banks	8.36	217.72
(ii) Interest Paid to Customers	60.23	56.70
(iii) Interest on account of EFBS Deposits	0.31	0.14
<b>Total</b>	<b>68.90</b>	<b>274.56</b>

## 30. Other expenses

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Repairs and Maintainance	46.31	43.87
(b) EDP Expenses	8.95	14.72
(c) Insurance charges	0.91	0.38
(d) Rent	34.79	35.02
(e) Rates and taxes	0.87	7.08
(f) Bank Charges	7.80	7.89
(g) Travelling Expenses	4.82	24.36
(h) Foreign Travelling Expenses	-	-
(i) Car Hire Charges	10.88	12.70
(j) Meeting and Conference	1.57	5.43
(k) Training	1.04	5.26
(l) Directors' Sitting Fees	0.65	1.25
(m) Statutory Auditor's Remuneration		
(i) Audit Fees	0.98	0.90
(ii) Tax Audit Fees	0.10	0.10
(iii) Out-of-Pocket Expenses	0.08	0.41
(n) Stock Yard Expenses	13.90	9.80
(o) Telex, Postage and Telegram	1.69	4.09
(p) Electricity	9.57	11.47
(q) Printing and Stationery	2.05	3.80
(r) Entertainment	1.42	2.02
(s) Telephone Charges	3.47	3.14
(t) Advertisement	2.81	5.19
(u) Legal Expenses	8.29	18.47
(v) Consultancy Charges	4.23	5.69
(w) Internal Audit fees	0.16	0.28
(x) Out-of-Pocket Expenses (Internal Auditor)	0.27	0.63
(y) Staff Recruitment Expenses	0.45	0.71
(z) Newspaper, Books and Periodicals	0.20	0.24
(aa) Corporate Social Responsibility (Refer Note No- 41)	-	5.40
(ab) Auction Tender Expenses	8.48	9.99
(ac) Bad Debts Written off *	1,803.61	373.99
(ad) Allowance for Bad and Doubtful Advances *	695.05	339.91
(ae) Miscellaneous Expenses	1.01	2.66
(af) Donation	50.00	-
(ag) Plot Rent	0.75	0.75
<b>Total</b>	<b>2,727.16</b>	<b>957.60</b>

### \* Notes

- 1) Donation represents the money paid to PM CARES Fund.
- 2) Bad Debt written off at (ac) above represents unrealised trade receivable under cash and carry model of business with equivalent amount held in Provision for Doubtful Debts and Advances which has been written back and is part of Note 26(d). The above write off is as per approval of Board of Directors in Meeting no 303 held on 11th February, 2021.
- 3) Allowances for Bad and Doubtful Advances are provision made during the year as per Provisioning Policy on Trade Receivable implemented from third Quarter Accounts ending 31st December, 2019.

**31. Statement of Opening Stock, Purchases, Sales and Closing Stock for the year ended 31st March 2021**

(Qty '000 MT/MTR) (Amount in ₹ million)

Description of material		Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Coke / Coal	2020-21	-	-	-	-	-	-	-	-
	2019-20	-	-	548.92	2,398.94	548.92	2,417.77	-	-
Pipes & Tubes	2020-21	-	-	190.03	1,841.70	190.03	1,853.44	-	-
	2019-20	-	-	44.13	3,261.69	44.13	3,283.34	-	-
	2020-21	-	-	-	1,841.70	-	1,853.44	-	-
	2019-20	-	-	-	5,660.63	-	5,701.11	-	-
Add :	2020-21	Final Bill Adjustment		-	(95.63)	-	(95.75)	-	-
	2019-20	-	-	-	2.49	-	2.49	-	-
Closing	2020-21	-	-	-	1,746.07	-	1,757.69	-	-
	2019-20	-	-	-	5,663.12	-	5,703.60	-	-

**32. In addition to Note no. 31, the Company have also purchased material as facilitator as per details below:**

(Qty '000 MT/MTR) (Amount in ₹ million)

Description of material		Qty	Purchase Value	Service Charges Earned
Coke / Coal	2020-21	-	-	-
	2019-20	132.33	236.85	4.40
Tower	2020-21	-	-	0.58
	2019-20	3.97	93.61	0.94
Misc Items	2020-21	112.00	10.00	4.01
	2019-20	396.26	642.79	11.05
TMT Bar	2020-21	4,157.00	78.33	15.49
	2019-20	2,942.83	2,094.74	30.51
Chrome Ore	2020-21	12.00	7.00	1.33
	2019-20	17.65	1,430.64	13.19
Channel	2020-21	1,200.00	54.52	7.28
	2019-20	22.19	1,045.13	9.02
Electrical Equipment/Project Materials	2020-21	-	-	1.39
	2019-20	364.00	315.85	3.18
<b>Total</b>	<b>2020-21</b>	<b>5,481.00</b>	<b>149.85</b>	<b>30.08</b>
	<b>2019-20</b>	<b>3,879.23</b>	<b>5,859.61</b>	<b>72.29</b>

### 33. Segmental Reporting as per IndAS 108:

In terms of IndAS 108 the Company has identified Marketing and E-Commerce as its two Primary Reportable Business Segments.

(Amount in ₹ million)

Particulars	Year	Marketing	E-Commerce	Others (unallocated)	Total
Total Revenue	2020-21	4,062.61	2,212.36	116.36	6,391.33
	2019-20	6,463.57	2,019.99	438.52	8,922.08
Total expenses	2020-21	4,251.65	100.82	892.06	5,244.52
	2019-20	6,295.14	24.71	1,307.32	7,627.17
Result (Profit/Loss(-) before Tax)	2020-21	(189.04)	2,111.54	(775.70)	1,146.80
	2019-20	168.42	1,995.28	(868.79)	1,294.91
Tax expenses	2020-21	-	-	-	136.11
	2019-20	-	-	-	542.88
Profit/ Loss(-) for the period	2020-21	-	-	-	1,010.70
	2019-20	-	-	-	752.03

Assets and liabilities used in the Company's business are not identified to any of the reportable segments, as these are used interchangeably between the segments. Hence the Management believes, that it is currently not practicable to provide segmentwise disclosure relating to assets and liabilities.

#### Information about major customers

The revenues from transactions with a single external customer amounting to 10 per cent or more of the entity's revenues are given below:-

(Amount in ₹ million)

Particulars	2020-21	2019-20
<b>Major Customer (Customer having more than 10% revenue)</b>		
Total Revenue	1853.44	6293.32
No. of Customers	2	2
% of Total Revenue	29.00%	70.54%
Product Segment	Marketing	Marketing

### 34. Expenditure incurred in Foreign Currency:

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Import of Goods	0.00	201.25
<b>Total</b>	<b>0.00</b>	<b>201.25</b>

### 35. Contingent Liabilities and Commitments

#### (a) Contingent Liabilities

(Amount in ₹ million)

Sl No.	Particulars	31st March 2021	31st March 2020
1	Sales Tax & Customs	316.45	315.19
2	Money Suits	1742.70	1567.84
3	Arbitration	3.02	3.02
4	Income Tax	0.99	26.57
5	Service Tax	149.01	149.01
6	Outstanding Bank Guarantees	55.59	140.55
	<b>Total</b>	<b>2267.76</b>	<b>2202.18</b>

#### 35 (b) Commitments

(Amount in ₹ million)

Sl No.	Particulars	31st March 2021	31st March 2020
1	Construction of New Office Building at New town Kolkata	75.14	160.92
	<b>Total</b>	<b>75.14</b>	<b>160.92</b>

### 36. Tax Expenses

#### (I) Income Tax Recognised in Profit or Loss

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Current tax		
- For the period	-	183.34
- For earlier years	103.91	54.90
<b>Total</b>	<b>103.91</b>	<b>238.24</b>
(2) Deferred tax	32.20	304.64
<b>Total income tax expense recognised in the current year</b>	<b>136.11</b>	<b>542.88</b>

#### (II) The income tax expense for the period can be reconciled to the accounting profit (loss) as follows:

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Profit before tax for the period	1,146.81	1,294.91
(2) Income tax expense calculated at 34.944 %	400.74	452.49
(3) Effect of expenses that are not deductible in determining taxable profit	228.03	14.82
(4) Effect of income that is exempt/deductible from tax	33.68	20.66
(5) Tax for earlier years	103.91	54.90
(6) Carry Forward of Business Loss	-	-
(7) Effect of Taxes on Bad Debt written off	(630.25)	-
<b>Total income tax expense recognised in the current year</b>	<b>136.11</b>	<b>542.88</b>

The tax rate used for the year 2020-21 and 2019-20 in the reconciliations above is the corporate tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4%) payable by corporate entities in India on taxable profits under the Indian tax law. For Deferred Tax calculation of financial year 2020-21, income tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4%).

However the company has a MAT credit of ₹309.09 Millions (Previous Year - ₹ 304.16 Million) for which company is entitled to credit in next assessment years against tax payable on income for those years. The Company feels that it will earn sufficient profit in coming years. Accordingly deferred tax assets has been recognised for MAT credit entitlement. However no Deferred tax asset has been recognised on the provision for Doubtful Debts of ₹ 695.05 Millions ( Prev year ₹ 339.91 Millions) as a conservative approach.

During the year, an amount of ₹6.85 Million (Previous Year ₹10.25 Million) has been deposited under Direct Tax Vivad Se Vishwas Act, 2020. Further an amount of ₹1.07 Million has also been deposited in FY 2021-22 under said scheme. Tax Expense of ₹ 9.53 Million (Previous Year ₹ 54.30 Million) has been booked against Income Tax cases settled/deposited under the said scheme which comprised 5 (five) assessment years.

The company did not adopt new Income Tax Rate specified under section 115BAA and continued to apply normal Income Tax Rate.

## (III) Movement in Deferred Tax

(Amount in ₹ million)

Particulars	31st March 2020	Charge/ (credit) for the Year	31st March 2021
<b>Through Profit or Loss</b>			
<b>Deferred Tax Liabilities</b>			
Employee Family Benefit Scheme	0.64	(0.11)	0.53
	<b>0.64</b>	<b>(0.11)</b>	<b>0.53</b>
<b>Deferred Tax Assets</b>			
Property, Plant & Equipment and Intangible Assets	-	(0.63)	(0.63)
Provision against other expenses	150.38	18.28	168.66
Allowance for Doubtful Debts & Advances	1,754.15	(54.89)	1,699.26
MAT Credit Entitlement	304.16	4.93	309.09
Net Deferred Tax (Liabilities)/ Assets	2,208.69	(32.31)	2,176.38
<b>Total Deferred Tax (Liabilities)/ Assets</b>	<b>2,208.05</b>	<b>(32.20)</b>	<b>2,175.85</b>
<b>Through Other Comprehensive Income</b>			
<b>Deferred Tax Assets</b>			
Remeasurement of Defined Benefit Plan	37.00	12.16	49.16
<b>Gross Deferred Tax (Liabilities)/ Assets</b>	<b>2,245.05</b>	<b>(20.04)</b>	<b>2,225.01</b>

## 37. Earnings Per Share

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Profit for the year	1,010.70	752.03
Profit attributable to Shareholders	1,010.70	752.03
Weighted average No. of Shares for Basic EPS	7,04,00,000	7,04,00,000
Nominal value of Ordinary Shares (₹)	10.00	10.00
Basic/Diluted Earnings per Share (₹ Per Share)	14.36	10.68

## 38. Disclosures on financial instruments

"This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in notes to the standalone financial statements."

### (1) Categories of Financial Instruments

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end. The Fair value is equivalent to the Carrying value.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020	Measured at
<b>Financial assets</b>			
Trade Receivables	7,237.64	12,334.44	Amortised cost
Other Financial Assets	254.55	181.28	Amortised cost
Cash and Cash Equivalents	7,078.78	1,597.23	Amortised cost
Other Bank Balances	119.89	114.27	Amortised cost
Investments	384.10	344.10	Amortised cost
<b>Total Financial Assets</b>	<b>15,074.96</b>	<b>14,571.33</b>	
<b>Financial Liabilities</b>			
Borrowings	1,543.93	2,316.15	Amortised cost
Trade Payables	3,808.18	5,919.03	Amortised cost
Other Financial Liabilities	8,797.39	6,468.83	Amortised cost
<b>Total Financial Liabilities</b>	<b>14,149.50</b>	<b>14,704.01</b>	

## (2) Capital Management

The Company manages its capital to ensure that the Company is able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

## (3) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company. These risks include market risk (like- currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Company does not enter into or trade of financial instruments, including derivative financial instruments, for speculative purposes.

### (a) Market Risk

The Company's activities exposes it, primarily to the financial risks of changes in foreign currency exchange rates. On a case to case basis, the Company enters into Forward foreign exchange contracts to hedge the exchange rate risk.

#### (a) Interest rate risk management

At present company has converted maximum of its loan to MCLR based, hence the rate is firm for a contract period usually for a year.

#### (b) Foreign Currency risk management

The foreign currency exposure of the Company is due to import liabilities. Transactions are on back to back basis with customers. The gain and loss if any is passed on to the customers. Some times forward cover is taken to hedge the related foreign currency exposure in terms of discussion with the customers. Wherever foreign exchange fluctuations are to be borne by the customers as per agreement with them, foreign exchange gain/ loss are not recognized in the books of the Company.

### (b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transact with entities that are rated by agencies where available and if not available, the company uses other publicly available financial information and its own past records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are monitored and the aggregated value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Senior management committee.

### (c) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual undiscounted cash obligations of financial liabilities including estimated interest payments for the period 31st March 2021, as at 31st March, 2020.

(Amount in ₹ million)

Financial Liabilities	31st March 2021				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Borrowings	1,543.93	1,543.93	1,500.74	43.19	-
Trade payables	3,808.18	3,808.18	3,808.18	-	-
Other financial liabilities	8,797.39	8,798.92	8,790.11	6.83	1.98
	<b>14,149.50</b>	<b>14,151.03</b>	<b>14,099.03</b>	<b>50.02</b>	<b>1.98</b>

(Amount in ₹ million)

Financial Liabilities	31st March 2020				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Borrowings	2,316.15	2,316.15	2,282.24	33.91	-
Trade payables	5,919.03	5,919.03	5,916.39	-	2.64
Other financial liabilities	6,468.83	6,470.66	6,264.92	154.62	51.12
	<b>14,704.01</b>	<b>14,705.84</b>	<b>14,463.55</b>	<b>188.53</b>	<b>53.76</b>

## (d) Fair value Measurement

None of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

## 39. Related Party Disclosure

### (i) Name of the related parties and description of relationship:

1) Subsidiary Company	
Ferro Scrap Nigam Limited	
2) Joint Venture	
Mahindra MSTC Recycling Private Limited	
3) Key Managerial Personnel	
Shri Surinder Kumar Gupta	Chairman and Managing Director
Shri Bam Bahadur Singh (Upto 30.11.2019)	Chairman and Managing Director
Shri Subrata Sarkar	Director (Finance)
Smt. Bhanu Kumar	Director (Commercial)
Shri Ajay Kumar Rai	Company Secretary
Shri Gangaram Aloria (upto 05.09.2020)	Independent Director
Dr. Rudramauni Shivayogeppa Yeli (upto 08.03.2021)	Independent Director
Smt. Pravati Parida (upto 01.04.2019)	Independent Director
Smt. Aparna Chaturvedi	Independent Director
Dr. T. V. Muralivallabhan (upto 05.09.2020)	Independent Director

### (ii) Transaction with Related Parties

#### (a) Compensation to Key Managerial Personnel

Particulars	Nature of related party / relationship	Remuneration (₹ in Million)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
<b>(a) Compensation to Key Managerial Personnel</b>					
<b>For the year ended 31st March, 2021</b>					
Shri Surinder Kumar Gupta	Chairman and Managing Director	4.76	0.30	0.09	5.15
Shri Subrata Sarkar	Director (Finance) & CFO	3.82	0.28	0.05	4.15
Smt. Bhanu Kumar	Director (Commercial)	4.78	0.35	(0.15)	4.98
Shri Ajay Kumar Rai	Company Secretary and Compliance Officer	2.65	0.18	0.29	3.12
Shri Gangaram Aloria	Independent Director	0.10*	-	-	0.10
Dr. Rudramauni Shivayogeppa Yeli	Independent Director	0.20*	-	-	0.20
Smt. Aparna Chaturvedi	Independent Director	0.23*	-	-	0.23
Dr. T. V. Muralivallabhan	Independent Director	0.12*	-	-	0.12



Particulars	Nature of related party / relationship	Remuneration (₹ in Million)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
<b>(a) Compensation to Key Managerial Personnel</b>					
<b>For the year ended 31st March, 2020</b>					
Shri Surinder Kumar Gupta (From 17.12.2019)	Chairman and Managing Director	1.20	0.06	-	1.26
Shri Bam Bahadur Singh (Upto 30.11.2019)	Chairman and Managing Director	4.06	-	-	4.06
Shri Subrata Sarkar	Director (Finance)	3.91	0.32	0.27	4.50
Smt. Bhanu Kumar	Director (Commercial)	4.67	0.36	0.51	5.54
Shri Ajay Kumar Rai	Company Secretary	2.75	0.11	0.38	3.24
Shri Gangaram Aloria	Independent Director	*0.32	-	-	0.32
Dr. Rudramauni Shivayogappa Yeli	Independent Director	*0.32	-	-	0.32
Smt. Aparna Chaturvedi	Independent Director	*0.23	-	-	0.23
Dr. T. V. Muralivallabhan	Independent Director	*0.39	-	-	0.39

Note: \* It indicate Director's Sitting Fees.

- (a) Since the facility of private use of car for limited mileage is provided by the company to the Directors, such facility has not been considered as benefit/perquisite.
- (b) The above includes Performance related pay on actual payment basis.

**(b) Transaction with Ferro Scrap Nigam Limited (100% Subsidiary)**

(₹ in million)

Particulars	31st March 2021	31st March 2020
Payment for Valuation Service	-	0.09
Amount Received for providing E-Auction Service	0.20	0.27

**(c) Transaction with Mahindra MSTC Recycling Private Limited (50:50 Joint Venture)**

(₹ in million)

Particulars	31st March 2021	31st March 2020
Investment in Joint Venture	40.00	-
Amount received towards reimbursement of expenditure	1.65	0.66
Amount paid towards reimbursement of expenditure	0.60	0.61
Amount Received for providing E-Auction Service	0.14	0.23

**40. Employee Benefits**

**Defined Contribution Plans**

**1. Provident Fund**

12% of Basic pay and dearness allowance contributed to the provident fund trust by the company.

**2. Pension**

In terms of Ministry of Steel Directives Pension scheme for the employees of MSTC has been formulated, under Defined Contribution Plan. The company contributes annually to LIC of India through a trust. LIC will provide the pension to the employees from the corpus created on account of employees, by way of contribution from MSTC (The Employer)."

**Defined Benefits Plans**

**1. Gratuity:**

"The Gratuity is payable on separation at the rate of 15 days pay for each completed year of service to eligible employees

who render continuous service for a minimum period of 5 years. The Gratuity is calculated at the rate of one month's wages last drawn by the employee for every completed year of service in excess of 30 years in case of non executives only. The maximum amount of Gratuity payable to employee is ₹ 2 Millions. In case of non executive join on or before 1st July, 2014, the gratuity is celing less. The Gratuity is funded with LIC of India. The Company contributes in the fund every year as premium on the basis of demand raised by LIC of India.

### 2. Post Retirement Medical Benefit:

The Post Retirement Medical Benefit is a medical benefit to the superannuated employees and their spouse. The members will be covered through Mediclaim Insurance of the Insurance Company. This is available to superannuated employees at any hospital under the Mediclaim Insurance Policy. In addition to this expenses incurred in domicilliary treatment is also reimbursed as per prescribed ceiling. The benefits are funded through a separate trust formed for this purpose. The Company provides the corpus for this. Deficit, if any, is being compensated by the company.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments. Further, the overseas plan has a relatively balanced investment in equity securities, debt instruments and real estates. Due to the long-term nature of the plan liabilities, the board of the overseas Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(a) The company has recognised an amount of ₹ 66.93 Millions ( Previous Year ₹ 90.25 Millions ) in Statement of Profit and Loss for the current year as expenses under defined contribution plans.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Benefit (Contribution to)</b>		
Provident Fund*	38.40	62.19
Pension	28.53	28.06
<b>Total</b>	<b>66.93</b>	<b>90.25</b>

\* It includes Nil contributed by the company towards deficit of PF Trust in declaring the minimum rate of return as per EPFO.

(b) The company operates post retirement defined benefit plans as follows :

- i. Funded
  - a. Gratuity
  - b. Post Retirement Medical Benefit Scheme

**(c) Details of the Gratuity Plan are as follows :**

Particulars	For the year ended	
	31st March 2021	31st March 2020
<b>1. Assumptions</b>		
a. Discount rate (per annum)	5.90%	6.20%
b. Estimated rate of return on plan assets (per annum)	5.90%	6.20%
c. Rate of escalation in salary (per annum)	8.00%	8.00%

**2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Gratuity are as follows:**

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Current service cost	16.12	15.38
b. Service Cost	16.12	15.38
c. Net Interest on net defined benefit liability / (asset)	0.97	1.51
<b>d. Cost recognized in P&amp;L</b>	<b>17.09</b>	<b>16.89</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
a. Actuarial (gain)/loss due to DBO Experience	(3.61)	(6.09)
b. Actuarial (gain)/loss due to DBO assumption changes	3.72	11.49
c. Actuarial (gain)/loss arising during period	0.11	5.40
d. Return on plan assets (greater)/less than discount rate	(0.99)	(0.94)
e. Actuarial (gains)/losses recognised in OCI	(0.88)	4.46
<b>f. (Income)/Cost recognized in OCI</b>	<b>(0.88)</b>	<b>4.46</b>

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss on the basis of actuarial valuation under IndAS 19.

4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

**5. Movements in the present value of the defined benefit obligation are as follows**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
a. Obligation as at the beginning of the year	202.22	188.74
b. Current Service Cost	16.12	15.38
c. Interest Cost on DBO	12.47	13.51
d. Past Service Cost- Plan Ammendment	-	-
e. Acquisitions ( credit)/cost	-	-
f. Actuarial gains and losses arising from changes in financial assumptions	-	-
g. Actuarial (gains) and losses arising from experience adjustments	0.11	5.40
h. Benefits paid from plan asset	(24.79)	(20.81)
<b>i. Closing defined benefit Obligation</b>	<b>206.13</b>	<b>202.22</b>

**6. Movements in the fair value of the plan assets are as follows**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
a. Fair value of the assets at end of prior period	185.50	165.56
b. Interest Income on plan assets	11.50	12.00
c. Employer Contributions	17.29	27.81
d. Return on plan assets greater/(lesser) than discount rate	1.00	0.94
e. Benefits paid	(24.79)	(20.81)

## Standalone Report

6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and escalation in salary. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Effect of a 1% change in discount rate</b>		
Increase		
(i) aggregate current service and interest cost	(11.82)	(10.94)
(ii) closing balance of obligation	194.31	191.28
Decrease		
(i) aggregate current service and interest cost	12.37	11.50
(ii) closing balance of obligation	218.50	213.72

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Effect of a 1% change in salary escalation rate</b>		
Increase		
(i) aggregate current service and interest cost	5.78	5.42
(ii) closing balance of obligation	211.91	207.64
Decrease		
(i) aggregate current service and interest cost	(5.54)	(5.10)
(ii) closing balance of obligation	200.59	197.12

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(d) Details of the Post Retirement Medical Benefit Scheme are as follows:

Particulars	For the year ended	
	31st March 2021	31st March 2020
<b>1. Assumptions</b>		
a. Discount rate (per annum)	5.90%	6.20%
b. Medical Inflation (per annum)	5.00%	5.00%

2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Post Retirement Medical Benefit Scheme are as follows:

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Current service cost	6.60	4.62
b. Service Cost	6.60	4.62
c. Net Interest on net defined benefit liability / (asset)	8.71	4.39
<b>d. Cost recognized in P&amp;L</b>	<b>15.31</b>	<b>9.01</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
e. Actuarial (gain)/loss due to DBO Experience	7.25	12.60
f. Actuarial (gain)/loss due to DBO assumption changes	35.92	23.36
g. Actuarial (gain)/loss arising during period	43.17	35.96
h. Return on plan assets (greater)/less than discount rate	(3.02)	11.31
i. Actuarial (gains)/losses recognised in OCI	40.15	47.27
j. Adjustments for limit on net assets	-	-
<b>k. (Income)/Cost recognized in OCI</b>	<b>40.15</b>	<b>47.27</b>

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the standalone statement of profit and loss.
4. The remeasurement of the net defined benefit liability is included in other comprehensive income.
5. Movements in the present value of the defined benefit obligation are as follows

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Obligation as at the beginning of the year	212.54	171.39
b. Current Service Cost	6.60	4.62
c. Interest Cost	13.02	12.22
d. Actuarial gains and losses arising from changes in financial assumptions	43.17	35.96
e. Actuarial gains and losses arising from experience adjustments	-	-
f. Benefits paid directly by the Company	(12.78)	(11.65)
<b>g. Closing defined benefit Obligation</b>	<b>262.55</b>	<b>212.54</b>

6. Movements in the fair value of the plan assets are as follows

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Fair value of the assets at end of prior period	92.76	107.90
b. Interest Income on plan assets	4.31	7.82
c. Employer Contributions	18.37	-
d. Return on plan assets greater/(lesser) than discount rate	3.02	(11.31)
e. Benefits paid	(12.78)	(11.65)
<b>f. Fair Value of assets at the end of current period</b>	<b>105.68</b>	<b>92.76</b>

7. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Effect of a 1% change in discount rate</b>		
Increase		
(i) aggregate current service and interest cost	(30.75)	(24.64)
(ii) closing balance of obligation	231.80	187.90
Decrease		
(i) aggregate current service and interest cost	32.91	26.57
(ii) closing balance of obligation	295.46	239.11

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Effect of a 1% change in medical inflation rate</b>		
Increase		
(i) aggregate current service and interest cost	22.81	18.37
(ii) closing balance of obligation	285.36	230.91
Decrease		
(i) aggregate current service and interest cost	(21.06)	(16.90)
(ii) closing balance of obligation	241.49	195.64

## 41. Expenditure Incurred on Corporate Social Responsibility Activities

- (a) Gross amount required to be spent by the company during the year Nil.
- (b) In accordance to section 135 of Companies Act, 2013, the company has incurred Nil (Previous Year ₹ 5.40 Millions ), as CSR expenditure.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Contribution to PMCARES FUND	-	5.40
	-	5.40

Above figures are disclosed separately in note no. 30.

42. Balances of Trade Receivables, Trade Payables and Advances includes balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made.
43. The current assets of the company are under charge with consortium bank against sanction of credit facilities to the company.
44. The Board of Directors of the Company adopted the Financial Statements in 306th Board Meeting held on 25th June, 2021.
45. The Board of Directors of the Company in its 306th Meeting held on 25th June, 2021 has proposed a final dividend of ₹ 4.40 per share in respect of year ending 31st March, 2021 @ 44% on equity share capital which is ₹ 704.00 Millions as on date. The payment of Dividend is subject to approval of shareholders at Annual General Meeting. If approved it will result in a cash outflow of ₹ 309.76 Millions.
46. The figures for the corresponding previous years have been regrouped/reclassified wherever necessary to make them comparable.

In terms of our report of even date  
For S. Ghose & Co LLP  
Chartered Accountants  
FRN : 302184E/E300007

CA Pradip Kumar Mitra  
Partner  
M. No : 052183

Dated : June 25, 2021  
Place : Kolkata

For MSTC LIMITED

(Surinder Kumar Gupta)  
Chairman and Managing Director  
Managing Director  
DIN- 08643406

(S K Barnwal)  
Addl. General Manager  
Finance & Accounts

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN- 8290021

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627

## INDEPENDENT AUDITOR'S REPORT

To the Members of MSTC Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying Consolidated Financial Statements of MSTC Limited (hereinafter referred to as the "Holding Company"), and considered the Financial Statements of Subsidiary (Holding Company and its Subsidiary together referred to as "the Group") and Joint Venture audited by other auditors, which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group and its Joint Venture as at 31st March, 2021, their Consolidated Profit and Other Comprehensive Income, Consolidated changes in Equity and the Consolidated Cash Flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group and its Joint Venture in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Emphasis of Matter

2. Without qualifying our opinion, we draw attention to the following:
  - (a) With reference to Note 9.4 of the Consolidated Financial Statements for Trade Receivables-Credit Impaired

representing pledged stocks held by the Holding Company in the premises of the Customers on behalf of them under "Cash & Carry" model of business, now discontinued, the Company does not have appropriate internal control system in place for inventory due to which substantial amounts have had to be provided for written off in the past as well as during the year.

Further, with reference to the said Note, last Volumetric Analysis was done during the year with quantity and Market Value of stocks in respect of few Customers while in rest of the cases, such exercise was not undertaken for either the Stocks held are reported to be "Nil" or access was denied by the concerned Customer.

- (b) With reference to Note No. 37 of the Consolidated Financial Statements there is a non-Provision of Deferred Tax Asset of ₹1188.96 millions on Provision for Doubtful Debts of ₹3,402.48 millions since 1st April, 2018 in respect of the Holding Company.
- (c) In the case of Holding Company, the Title Deed of a freehold flat in Mumbai having Gross Block of ₹ 0.74 million as at 31st March, 2021 was not available for verification.

### Key Audit Matters

3. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl.	Key Audit Matters	Auditor's Response
i.	<b>Recoverability of Trade Receivables:</b>	
	As at 31st March, 2021, While examining details of Trade Receivables Gross is ₹15,502.93 millions (Net ₹7,237.64 millions), with ₹8,265.29 millions being considered as Credit Impaired for which a provision for bad and doubtful debts for similar amount is held in the Books of the Holding Company.	Receivables and transactions during the year ended 31st March, 2021, if any, we have observed the nature of the Trade Receivables, the sustainability and the likelihood of recoverability of Receivables. In terms of an Accounting Policy all such debts as considered doubtful of recovery have been provided for in the Books as at 31st March, 2021.
	In the event of reference of each case of debt with impaired credits to NCLT and /or other forums for	Since Holding Company's obtaining of balance confirmations from Parties is an ongoing process (as

## Independent Auditor's Report

adjudication, the Company is exposed to potential risk of financial loss when the recoveries become subjected to long processes of litigations, and eventually doubtful.

The recoverable amounts are estimated by management based on their specific recoverability assessment on individual debtor as well as consideration and application of a provisioning policy.

The disclosures related to Trade Receivables are provided in Note 9.1 to the accompanying Consolidated Financial Statements.

referred to in Note 43), substantive audit procedures have been followed to ensure accuracy of balances. We have assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers and their historical payment pattern, wherever applicable, along with the latest correspondences with the customers, as available read with the Company's existing Risk Management Policy.

### ii. IT Systems & Control:

Preparation and presentation of Financial Statements are dependent on Holding Company's supporting software and hardware controls involving risk management exercise for maximum elimination of erroneous data. Thus, quality of audit outcome and its authenticity are dependent on the extent of IT controls and systems.

We have planned, designed and carried out the desired audit procedures and sample checks, which in our opinion are adequate to provide reasonable assurance on the adequacy of IT controls in place.

### iii. Assessment of allowance for Bad and Doubtful Advances and Contingent Liabilities:

Assessment of allowance for Bad and Doubtful Advances made during the year and Contingent liabilities of Holding Company require assessment of probable outcomes and cash flows. The identification and quantification require estimation and judgment by the management. The disclosure related to allowance for Bad and

In the case of Holding Company we have carried out the validation of the information provided by the management by performing the following procedures:-

- Evaluating reasonableness of the underlying assumptions.
- Understanding the current status of the litigations.
- Examining the relevant documents on available

- Doubtful Advances during the year and Contingent liabilities are provided in Note No 33 & 36 (a) to the accompanying Consolidated Financial Statements.
- records.
- Reviewing legal opinion/ industry practices wherever necessary.
- Verification of various disclosures made by the management.
- Obtaining Management's Representation as per guidelines of the ICAI.
- Holding Company's Accounting Policy.

### iv. Impact of continuing COVID-2019 pandemic:

As a result of continuing COVID-19 pandemic situation prevailing in the country, we had to encounter difficulties / delay in the process of collection of data and analysing the same in respect of Branches of the Holding Company which could not be physically visited. Accordingly, the audit of the Branches of the Holding Company was carried out based on remote access of the data in respect of the Branches as provided by the management of the Company, to enable us to come to an audit conclusion without compromising the maintenance of quality of audit as desired by the regulatory authorities.

- v. The Subsidiary's other Auditor has reported that they have determined that there are no key audit matters to communicate in their report for the year ended 31st March, 2021.

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

- 4. The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

In connection with our audit of the Consolidated



Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

5. The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity, and consolidated cash flows of the Group including its Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Boards of Directors of the Companies included in the Group and of its Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its Joint Venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Boards of Directors of the Companies included in the Group and its Joint Venture are responsible for assessing the ability of the Group and its Joint Venture's to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting unless management either intends to liquidate the Group including its Joint Venture or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the Companies included in the Group and of its Joint Venture are also responsible for overseeing the financial reporting process of the Group and of its Joint Venture.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

6. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of Accounting Policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its Joint Venture to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its Joint Venture to cease to continue as a Going Concern.

## Independent Auditor's Report

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its Joint Ventures entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatement in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decision of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

7. (a) We have considered information from the Financial Statements of one subsidiary, namely, Ferro Scrap Nigam Limited, whose Financial Statements have been

audited by other auditor, which reflect total Assets of ₹4219.81 Million as at 31st March, 2021, total Revenues of ₹3649.69 Million, total Net Profit after Tax of ₹227.50 Million, total Comprehensive Income of ₹197.55 Million and Cash Inflow (net) of ₹366.29 Million for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Holding Company's share of Net Loss of ₹8.60 Million and total Comprehensive Loss of ₹8.50 Million in respect of Joint Venture namely Mahindra MSTC Recycling Pvt Ltd for the year ended 31st March, 2021 whose Financial Statements have been audited by other auditor.

The Financial Statements of the Subsidiary and Joint Venture Company have been audited by other auditor whose audit reports have been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of Subsidiary and Joint Venture and our report in terms of sub-sections (3) and (11) of section 143 of the Act in so far as it relates to the aforesaid Subsidiary and Joint Venture, is based solely on the reports of the other auditors.

- (b) Subsidiary's other auditor has mentioned that their report is based on limited information, facts and inputs made available to them through electronic means by the units of the Subsidiary Company. They have highlighted that due to the COVID-19 induced restrictions on physical movement and strict timelines, they could not visit the units (except Bhilai, Durgapur and Burnpur Units) for undertaking the required audit procedures as prescribed under ICAI issued Standards on Auditing, including but not limited to:
- Inspection, observation, examination and verification of the original documents/files.
  - Physical verification of stocks of spares items including adequate internal controls thereof.
  - Physical verification of fixed assets (movable & immovable), vehicle movement records including adequate internal controls thereof.
  - Observation with regard to internal controls.
  - Adequate audit procedures for various assertion specified in CARO Reports.
  - Examination of vouchers and invoices of expenses etc.
- (c) In respect of the Holding Company our separate observations are as below.
- With reference to Note 43 in the Consolidated Financial Statements, confirmation of balances were not available in many cases of Trade and other Receivables, Trade and other Payables, Loans and Advances, Deposits etc. made and received and the impact of consequent adjustments required, if any, is not ascertained.
  - The continued spreading of COVID -19 across India has

resulted in restriction on physical visit to the Branches and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI). As a result of the above, the audit was carried out based on remote access of the data in respect of the Branches as provided by the management of the Company. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management of the Company that the data provided for our audit purposes is correct, complete, reliable and are generated by the accounting system of the Company.

Our opinion on Consolidated Financial Statements and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

8. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper Books of Accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant Books of Accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant Rules thereto.
- (e) As per notification no. G.S.R 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 164(2) of the Companies Act, 2013 regarding disqualification of the Director is not applicable to the Holding Company since it is a Government Company. In respect of Subsidiary and Joint Venture, the other auditors have mentioned that none of the Directors are disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.

- (f) In respect of the issues of adequacy of internal financial controls over financial reporting of the Group and Joint Venture, and the operating effectiveness of such controls, please refer to our separate report in "Annexure A".
- (g) The Holding Company being a Government Company, provisions of section 197 (16) of the Companies Act, 2013 regarding managerial remuneration is not applicable to the company as per notification no. G.S.R. 463(E) dated 05th June, 2015 issued by Ministry of Corporate Affairs. On the basis of the reports of the other auditors of its Subsidiary and Joint Venture, the remuneration paid by the respective Companies to their directors during the year is in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and Joint Venture - Refer Note no 36 (a) to the Consolidated Financial Statements.
  - ii. The Holding Company and its Joint Venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. The Subsidiary's other auditor has mentioned that the Subsidiary Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses; if any, on long term contracts including derivative contracts.
  - iii. There was no requirement of fund to be transferred to the Investor Education and Protection Fund either by the Holding Company, its Subsidiary or its Joint Venture Company.
9. As required by section 143(5) of the Act the directions and sub-directions issued by the Comptroller & Auditor General of India we give our comments in the Consolidated Financial Statements in "Annexure-B" annexed herewith.

**For S. Ghose & Co LLP**  
**Chartered Accountants**  
**FRN- 302184E/E300007**

**CA Pradip Kumar Mitra**  
**Partner**

**Place: Kolkata**  
**Date: June 25, 2021**

**M.No.052183**

**UDIN : 21052183AAAAAD9427**

## Independent Auditor's Report

### Annexure - A to the Independent Auditor's Report

Referred to in paragraph 8(f) of the Independent Auditor's Report of even date to the members of MSTC Limited on the Consolidated Financial Statements for the year ended 31st March, 2021.

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls over Financial Reporting of MSTC Limited (hereinafter referred to as "the Holding Company"), and considered Financial Statements of Subsidiary (Holding Company and its Subsidiary together referred to as "the Group") and Joint Venture, (which is a Company incorporated in India as of that date) audited by other auditors, as at 31st March, 2021 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Boards of Directors of the Holding Company and its Subsidiary Company and Joint Venture are responsible for establishing and maintaining internal financial controls based on the internal financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective Companies' policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group and the Joint Venture based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls of the Holding Company. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over consolidated financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over consolidated financial reporting of the Holding Company and its Subsidiary Company and Joint Venture, after taking into account the respective opinions with regard to these by the respective other auditors of the Subsidiary and the Joint Venture.

### Meaning of Internal Financial Controls over Consolidated Financial Reporting

4. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:
  - (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over consolidated financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Qualified Opinion**

6. According to the information and explanations given to us and based on our audit, the following weaknesses have been identified as at 31st March 2021 :

In the case of Holding Company, in the process of maintaining safe custody with the Company appointed Custodian of Pledged Stock of materials held in the premises of the Customers procured by the Company on behalf of them under Cash & Carry Model of Business, now discontinued.

However the Holding Company had a separate Audit carried out for Audit of its Internal Financial Control System and the report has been considered by its Audit Committee during 2020-21.

In our opinion, except for the possible effects of the weaknesses described hereinabove, the Group and its Joint Venture, which are Companies incorporated in India, have maintained in all material aspects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at

31st March, 2021, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid report u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to its one Subsidiary Company and one Joint Venture, which are Companies incorporated in India, is based on the corresponding reports of the auditors of such Companies incorporated in India.

**For S. Ghose & Co LLP**  
**Chartered Accountants**  
**FRN- 302184E/E300007**

**CA Pradip Kumar Mitra**  
**Partner**

**Place: Kolkata**  
**Date: June 25, 2021**

**M.No.052183**  
**UDIN : 21052183AAAAAD9427**

# Independent Auditor's Report

## Annexure – B to the Independent Auditors' Report

Directions issued by the Comptroller and Auditor General of India under section 143(5) of the Companies Act, 2013, based on the verification of records of the Company and according to information and explanation given to us, we report as under:

Directions	Auditor's Reply
<p>1. Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p>	<p><b>In Case of Holding Company:</b></p> <p>The matter has been adequately dealt with in our report of even date. [Para 3 (ii) Key Audit Matter]</p> <p><b>In case of the subsidiary, the subsidiary's other auditor reported that:</b></p> <p>The Subsidiary Company process all accounting transaction through integrated Accounting package i.e. FAST Package.</p> <p>The company has 2 separate IT package for</p> <p>(1) Payroll &amp; (2) Inventory and are integrated in Accounting Package through JVs.</p> <p>Complete financial data with respect to Payroll &amp; Inventory are incorporated in Accounting Package i.e. in FAST Package</p>
<p>2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? ( In case lender is a Government Company, then this direction is also applicable for statutory auditor of lender Company).</p>	<p><b>In Case of Holding Company:</b></p> <p>There is no instance of restructuring of an existing loan or cases of waiver / write off of debts/ loans / interest etc. made by a lender to the Company due to Company's inability to repay the loan during the financial year 2020-21.</p> <p><b>In case of the Subsidiary, the subsidiary's other auditor reported that:</b></p> <p>The subsidiary company has not taken any loan except Overdraft facility against Fixed Deposits.</p> <p>Hence there is no restructuring of any loan or cases of waiver /write off of debts/loans/interest etc. made by a lender for the Company due to the Company's inability to repay the loan.</p>
<p>3. Whether funds (grants /subsidy etc.) received / receivable for specific schemes from Central / State Governments or its agencies were properly accounted for / utilised as per its term and conditions? List the cases of deviation.</p>	<p><b>In Case of Holding Company:</b></p> <p>There is no case of funds received/receivable during the financial year 2020-21 for specific schemes from Central/State Government or its Agencies.</p> <p><b>In case of subsidiary, the subsidiary's other auditor reported that:</b></p> <p>During the F.Y. 2020-2021 the Subsidiary Company has not received any fund for specific schemes from Central/State Agencies.</p>

Place: Kolkata  
Date: June 25, 2021

For S. Ghose & Co LLP  
Chartered Accountants  
FRN- 302184E/E300007  
CA Pradip Kumar Mitra  
Partner  
M.No.052183  
UDIN : 21052183AAAAAD9427

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MSTC LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of consolidated financial statements of MSTC Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on these financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 June 2021.

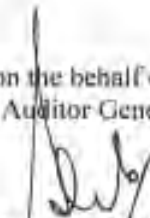
I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of MSTC Limited for the year ended 31 March 2021 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of MSTC Limited and its subsidiary company Ferro Scrap Nigam Limited for the year ended on that date. **Further, section 139(5) and 143(6)(a) of the Act are not applicable to Mahindra MSTC Recycling Private Limited being private entity for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

Place: Kolkata

Date: 07 SEP 2021

For and on the behalf of the  
Comptroller & Auditor General of India



(Suparna Deb)

Director General Audit (Mines)  
Kolkata

## Consolidated Balance Sheet as on 31<sup>st</sup> March 2021

(Amount in ₹ million)

	Notes	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	2	819.69	876.19
(b) Capital Work in Progress	2	518.25	293.42
(c) Leasehold Land	2	70.82	71.57
(d) Intangible assets	2	2.05	12.21
		<b>1,410.81</b>	<b>1,253.39</b>
(e) Financial assets			
(i) Investment In Joint Venture	3	143.57	112.07
(ii) Trade receivables	16	-	-
(iii) Other financial assets	4	1,054.75	348.47
(f) Non-Current tax assets	5	625.70	588.19
(g) Deferred tax assets (net)	7	2,286.81	2,296.96
(h) Other non-current assets	6	3.46	26.39
<b>Total non-current assets</b>		<b>5,525.10</b>	<b>4,625.47</b>
<b>(2) Current assets</b>			
(a) Inventories	8	51.61	70.00
(b) Financial assets			
(i) Trade receivables	9	8,896.64	14,626.40
(ii) Cash and cash equivalents	10	7,456.90	1,879.43
(iii) Other Bank Balances	11	140.22	452.47
(iv) Other financial assets	12	252.81	231.91
(c) Other current assets	13	124.18	96.22
		<b>16,922.36</b>	<b>17,356.43</b>
Assets classified as held for sale	27	30.15	29.60
<b>Total current assets</b>		<b>16,952.51</b>	<b>17,386.03</b>
<b>TOTAL ASSETS</b>		<b>22,477.61</b>	<b>22,011.50</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	704.00	704.00
(b) Other equity	15	4,875.53	4,035.22
<b>Total equity</b>		<b>5,579.53</b>	<b>4,739.22</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	21	43.19	33.91
(ii) Trade payables			
Total Outstanding dues of			
a) Creditors other than Micro & Small Enterprises	17	-	2.64
(iii) Other financial liabilities	18	7.28	5.70
(b) Provisions	19	930.05	827.90
(c) Other non-current liabilities	20	61.20	63.25
<b>Total non-current liabilities</b>		<b>1,041.72</b>	<b>933.40</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	1,500.74	2,552.61
(ii) Trade payables			
Total Outstanding dues of			
a) Micro & Small Enterprises	23	0.35	0.75
b) Creditors other than Micro & Small Enterprises	23	4,307.79	6,536.02
(iii) Other financial liabilities	24	8,953.84	6,616.12
(b) Provisions	25	465.73	403.15
(c) Other current liabilities	26	620.85	221.77
		<b>15,849.30</b>	<b>16,330.42</b>
Liabilities classified as held for sale	27	7.06	8.46
<b>Total current liabilities</b>		<b>15,856.36</b>	<b>16,338.88</b>
<b>Total liabilities</b>		<b>16,898.08</b>	<b>17,272.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,477.61</b>	<b>22,011.50</b>

The accompanying notes forms an integral part of the financial statements.  
In terms of our report of even date.

In terms of our report of even date  
For S. Ghose & Co LLP  
Chartered Accountants  
FRN : 302184E/E300007

For MSTC LIMITED

CA Pradip Kumar Mitra  
Partner  
M. No : 052183

(Surinder Kumar Gupta)  
Chairman and Managing Director  
Managing Director  
DIN- 08643406

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN- 8290021

Dated : June 25, 2021  
Place : Kolkata

(S K Barnwal)  
Addl. General Manager  
Finance & Accounts

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627



## Consolidated Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2021

(Amount in ₹ million)

	Note	For the year ended 31st March 2021	For the year ended 31st March 2020
I Revenue from operations	28	7,804.66	12,313.99
II Other Income	29	2,136.13	645.99
<b>III Total Revenue (I + II)</b>		<b>9,940.79</b>	<b>12,959.98</b>
<b>IV EXPENSES</b>			
(a) Purchases of Stock-in-Trade/Operational Consumables & Spares	30	2,177.46	6,151.98
(b) Employee benefit expense	31	1,733.93	1,828.05
(c) Finance costs	32	71.46	287.22
(d) Depreciation and amortisation expense	2	186.78	166.15
(e) Other expenses	33	4,403.72	2,832.21
<b>V Total Expenses</b>		<b>8,573.35</b>	<b>11,265.61</b>
VI Profit before share of profit/(loss) of Joint Ventures and tax (III - V)		1,367.44	1,694.37
<b>VII Share of profit/(loss) of Joint Ventures</b>		(8.60)	(26.94)
<b>VIII Profit before tax (VI + VII)</b>		<b>1,358.84</b>	<b>1,667.43</b>
IX Tax Expense			
(a) Current tax	37	206.95	361.75
(b) Deferred tax		22.30	335.54
<b>Total tax expense</b>		<b>229.25</b>	<b>697.29</b>
<b>X Profit for the period (VIII - IX)</b>		<b>1,129.59</b>	<b>970.14</b>
<b>XI Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss	41	(79.29)	(136.96)
(ii) Income tax on above		22.23	38.63
B Share of Other Comprehensive Income of Joint Venture		0.10	0.20
		(56.96)	(98.13)
<b>XII Total comprehensive income for the period (X + XI)</b>		<b>1,072.63</b>	<b>872.01</b>
<b>XIII Earnings per equity share (face value of ₹ 10 each):</b>			
(1) Basic (in ₹)	38	16.05	13.78
(2) Diluted (in ₹)		16.05	13.78

The accompanying notes forms an integral part of the financial statements.  
In terms of our report of even date.

In terms of our report of even date  
For S. Ghose & Co LLP  
Chartered Accountants  
FRN : 302184E/E300007

CA Pradip Kumar Mitra  
Partner  
M. No : 052183

Dated : June 25, 2021  
Place : Kolkata

For MSTC LIMITED

(Surinder Kumar Gupta)  
Chairman and Managing Director  
Managing Director  
DIN- 08643406

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN- 8290021

(S K Barnwal)  
Addl. General Manager  
Finance & Accounts

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627

## Consolidated Statement of Changes in Equity for the year ended 31st March 2021

(Amount in ₹ million)

Particulars	Nos	Face Value (₹)	Amount (₹ Million)	
<b>A. Equity Share Capital</b>				
Balance as at 31st March, 2019	7,04,00,000	10	704.00	
Balance as at 31st March, 2020	7,04,00,000	10	704.00	
Balance as at 31st March, 2021	7,04,00,000	10	704.00	
<b>B. Other Equity</b>				
	<b>Capital Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 31st March, 2019</b>	<b>341.60</b>	<b>6,482.50</b>	<b>(3,648.41)</b>	<b>3,175.69</b>
Profit for the year	-	-	970.14	970.14
Other Comprehensive Income for the year	-	-	(98.13)	(98.13)
Transfer to General Reserve/(From) Retained	-	-	-	-
Dividend Distribution Tax on Final Dividend FY 18-19	-	-	(12.48)	(12.48)
<b>Balance as at 31st March, 2020</b>	<b>341.60</b>	<b>6,482.50</b>	<b>(2,788.88)</b>	<b>4,035.22</b>
Profit for the year	-	-	1,129.59	1,129.59
Other Comprehensive Income for the year	-	-	(56.96)	(56.96)
Final Dividend FY 19-20	-	-	(232.32)	(232.32)
Transfer to General Reserve/(From) Retained	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>341.60</b>	<b>6,482.50</b>	<b>(1,948.57)</b>	<b>4,875.53</b>

In terms of our report of even date  
For S. Ghose & Co LLP  
Chartered Accountants  
FRN : 302184E/E300007

CA Pradip Kumar Mitra  
Partner  
M. No : 052183

Dated : June 25, 2021  
Place : Kolkata

For MSTC LIMITED

(Surinder Kumar Gupta)  
Chairman and Managing Director  
Managing Director  
DIN- 08643406

(S K Barnwal)  
Addl. General Manager  
Finance & Accounts

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN- 8290021

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627

## Consolidated Statement of Cash Flows for the Year ended 31<sup>st</sup> March 2021

(Amount in ₹ million)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax for the year	1,358.84	1,667.43
Adjustments for:		
Depreciation / Amortisation of non-current assets	187.53	166.90
Loss from Investment in JV	8.60	26.94
Loss/(Gain) on disposal of Property Plant and Equipment	0.58	1.44
Finance Cost	71.46	287.22
Interest Income recognised in profit & loss	(132.41)	(140.85)
Provision no Longer Required Written Back	(1,968.13)	(482.51)
Bad Debt Written Off	1,803.61	373.99
Provision for Bad and Doubtful Advances/Debts	716.98	387.36
Liabilities Written Back	12.76	-
<b>Operating profit before Working Capital changes</b>	<b>2,059.82</b>	<b>2,287.92</b>
Adjustments for changes in Operating Assets & Liabilities		
Adjustments for (increase) / decrease in Operating Assets:		
Movement in working capital:		
(Increase)/decrease in Trade and Other Receivables	4,384.14	3,950.22
(Increase)/decrease in Other Assets	(5.58)	42.08
(Increase)/ decrease in Inventories	18.38	(9.65)
Adjustments for increase / (decrease) in Operating Liabilities:		
Increase/ (decrease) in Trade Payables & Others Financial Liabilities	108.03	(3,701.84)
Increase/ (decrease) in Other Liabilities	395.63	(73.53)
Increase/ (decrease) in Provisions	85.44	73.40
<b>Cash generated from Operations</b>	<b>7,045.86</b>	<b>2,568.60</b>
<b>Direct Taxes Paid (Net of Refund)</b>	<b>(234.38)</b>	<b>(346.07)</b>
<b>Net cash from Operating Activities</b>	<b>6,811.48</b>	<b>2,222.53</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant & Equipment	(359.23)	(387.78)
Proceeds from disposal of Property Plant & Equipment	13.69	32.29
Investment In Fixed Deposits	312.25	2,752.25
Investment in Joint Venture	(40.00)	-
Interest received	185.65	157.74
<b>Net cash (used) in Investing Activities</b>	<b>112.36</b>	<b>2,554.50</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short term borrowings	(770.98)	(2,031.85)
Interest Paid	(71.46)	(287.35)
Dividend Paid	(232.32)	-
Tax on Dividends Paid	-	(12.48)
<b>Net cash used in Financing Activities</b>	<b>(1,074.76)</b>	<b>(2,331.68)</b>
<b>Net increase/(decrease) in Cash &amp; Cash equivalents(A+B+C)</b>	<b>5,849.08</b>	<b>2,445.35</b>
<b>Cash and Cash equivalents at the beginning of the Year</b>	<b>1,607.82</b>	<b>(837.53)</b>
<b>Cash and Cash equivalents at the end of the Year</b>	<b>7,456.90</b>	<b>1,607.82</b>

Note : (1) Figures in brackets indicate outflows.

**(2) Statement Showing Cash and Cash Equivalents**

Cash and Cash equivalents at the end of the Year	7,456.90	1,879.43
Less : Over Draft Balances at the end of the year	-	271.61
<b>Net Cash and Cash equivalents at the end of the Year</b>	<b>7,456.90</b>	<b>1,607.82</b>

Note : Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard-7:

Statement of Cash Flows.

The accompanying notes forms an integral part of the financial statements.

In terms of our report of even date.

In terms of our report of even date  
 For S. Ghose & Co LLP  
 Chartered Accountants  
 FRN : 302184E/E300007

For **MSTC LIMITED**

CA Pradip Kumar Mitra  
 Partner  
 M. No : 052183

(Surinder Kumar Gupta)  
 Chairman and Managing Director  
 Managing Director  
 DIN- 08643406

(Subrata Sarkar)  
 Director (Finance) & CFO  
 DIN- 8290021

Dated : June 25, 2021  
 Place : Kolkata

(S K Barnwal)  
 Addl. General Manager  
 Finance & Accounts

(Ajay Kumar Rai)  
 Company Secretary  
 M. No : F5627

## Notes to Consolidated financial statements for the year ended 31st March, 2021

### 1.A. General Information

MSTC Limited (the "Company") is a Miniratna Category-I Company was incorporated under the Companies Act, 1956 on 9th September, 1964. It is domiciled in India, having registered office at 225C AJC Bose Road, Kolkata 700020 and limited by shares (CIN:L27320WB1964GOI026211). Pursuant to Initial Public Offer equity shares of MSTC Limited are listed and traded on both BSE Limited and National Stock Exchange of India Limited w.e.f. 29th March, 2019. The Company undertakes trading activities, e-commerce and also disposal of ferrous and non-ferrous scrap, surplus stores, minerals, agri and forest produces etc. mostly from Public Sector Undertakings and Govt. Departments. The core activity of the Company has been divided into two Operational Divisions, i.e. e-Commerce and Trading. The e-Commerce division undertakes disposal of Scrap, surplus stores, e-sales of minerals, agri and forest produces, and e procurement. The list of Principals includes Ministry of Defence, State Governments, PSUs like Indian Oil Corporation Ltd., Oil and Natural Gas Corporation Ltd, Bharat Sanchar Nigam Ltd, Hindustan Petroleum Corporation Ltd. etc. The mode of disposal includes e-auction, e-tender, e-reverse auction etc. Besides, MSTC also e-auctions coal from Coal India Ltd, Singareni Coalfields Ltd etc. Apart from these MSTC also provides e-procurement solution. The trading division handles import/export and domestic trade of mainly bulk industrial raw material. It looks after sourcing, purchase and sales of industrial raw materials like Heavy Melting Scrap, Low Ash Metallurgical Coke, HR Coil, Crude Oil, Naptha, Coking Coal, Steam Coal etc. for supply to Indian industries. The end customers are Coal/Steel Industries, Oil sector, State owned Power Companies etc.

It is having wholly owned subsidiary company, Ferro Scrap Nigam Limited (FSNL) with CIN: U27102CT1989GOI005468, having registered office at Bhilai, Chattisgarh which was incorporated on 28th March 1979. FSNL undertakes the job of recovery and processing of scrap from slag and refuse generated during iron and steel making at Steel Plants. They offers specialised services for Dig and Haul of Blast Furnaces and Steel Melting Shop Slag at slag yards, processing of iron and steel skulls, Mill rejects and Maintenance scrap as per customer's requirement. FSNL also offers scarfing of slabs, crushing and screening of LD slag to be used in sinter plant, blast furnace, steel melting shop and rail ballast. It removes sludge and ash deposit from sludge compartments and ash ponds. They also handle and neutralise Acid Sludge in open Hearth Muck Dump.

### 1.B. RECENT ACCOUNTING DEVELOPMENTS

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II, and III of

schedule III. These amendments are applicable from April 1, 2021. The amendments primarily relate to:

- Change in existing presentation requirement for certain items in the Balance Sheet, for e.g. Lease liabilities, security deposits, current maturities of long term borrowings, effect of prior period error on share capital.
- Additional disclosure requirements in specified formats, for e.g. age analysis of trade receivables, trade payables, capital work in progress, intangible assets, share holding of promoters etc.
- Disclosure if funds have been utilised other than for the specific purpose for which it has borrowed from banks and financial institutions.
- Additional regulatory information for example compliance with layers of companies, title deed of immovable properties, financial ratios, loans and advances to key managerial persons, etc.
- Disclosures related to corporate social responsibility (CSR), undisclosed income and crypto or virtual currency.

### 1.C. Significant Accounting Policies

#### 1.C.1 (a). Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be measured at fair value at the end of each reporting period by Ind ASs. The financial statements of the Group have been prepared to comply with the Indian Accounting Standards ('Ind ASs'), including the rules notified under the relevant provisions of the Companies Act 2013.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

#### Functional Currency and Presentation Currency

The financial statements are prepared in Indian Rupees (₹) which is the Group's functional currency for all its operations. All financial information presented in Indian Rupees (₹) has been rounded to the nearest Million, unless otherwise stated.

#### Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013 and Ind AS 1 - 'Presentation of Financial Statements'.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **Use of estimates and critical judgements**

The preparation of accounts in accordance with Ind ASs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Group's accounting policies arise in relation to property, plant and equipment, current asset provisions, deferred tax, retirement benefits. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

#### **1.C.1(b). Principles of consolidation**

The consolidated financial statements relate to MSTC Ltd ('the Company') and its subsidiary company Ferro Scrap Nigam Ltd. and Joint Venture Mahindra MSTC Recycling Pvt Ltd. The consolidated financial statements have been prepared on the following basis:

- A. The financial statements of the Company and its subsidiary has been combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- B. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.
- C. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- D. The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- E. Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to

arrive at the net income attributable to shareholders of the Company.

- F. Non Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- G. Investment in Joint Venture has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

#### **Equity method**

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee. Dividends from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments is tested for impairment in accordance with the policy.

#### **1.C.2. Foreign currency translation**

In preparing the financial statements of the Group, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the period. Exchange differences arising on retranslation on non-monetary items carried at fair value are included in statement of profit and

loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income.

Wherever foreign exchange fluctuations are to be borne by the customers as per agreement with them, foreign exchange gain/ loss are not recognised in the books of the Group.

### 1.C.3 (a). Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset, and is recognised in the Statement of Profit and Loss.

Included in property, plant and equipment are loose plant and tools which are stated at cost less amounts written off related to their expected useful lives and estimated scrap value and also spares, against which impairment provisions are made where necessary to cover slow moving and obsolete items.

Land has an indefinite economic life. The Company can enjoy the part of the life restricted to years of lease. The lease rent paid in advance is being amortised over the period of lease.

Capital work-in-progress is valued at cost and includes equipment in transit and the cost of fixed assets that are not ready for their intended use at the reporting date.

In case of subsidiary, "Assets classified as held for sale" is under "Non-current Asset" at their carrying amount will be recovered principally through a sale transaction, rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for asset such as Deferred Tax Asset, Assets arising from employee benefits, Financial Assets which are specifically exempt from this requirement. Further, where the management expects that any part of said assets is likely to be disposed off within one year on the Balance Sheet date, the same are classified as current assets.

In case of subsidiary, "Assets classified as held for sale" is classified under "Non-current Asset" at their net written down value since these assets have already been retired from normal continuing operations and is held only for sale/ auction.

In case of subsidiary, "Assets classified as held for sale" are presented separately from the other assets in the balance sheet. The liabilities classified as held for sale are presented separately from the other liabilities in the balance sheet.

### 1.C.3(b). Depreciation of property, plant and equipment

Depreciation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value. These charges are commenced from the date the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

Depreciation is provided to allocate the costs of property, plant and equipment, net of their residual values, over their useful life as specified in Schedule II of the Companies Act, 2013.

The estimated useful lives for the main categories of property, plant and equipment are:

Type of Asset	Estimated Useful life(Years)
Office Equipment	5
Vehicles	8
Furniture and Fixtures	10
Partition and Cubicles	10
Building	60
Air Conditioners	10
Computers	3
Servers	6
Excavators 1.2 to 5 Cum used for Hot Slag handling	5
Dozer	7
Excavators 1.2 to 5 Cum Not used for Hot Slag handling	7
Cranes	15
Magnetic Separators	15
All assets under "Plant and Machinery" except assets mentioned above	9.19
Solar Plant	10
Assets with value less than Rupees Five Thousand	100 %

Assets in the course of construction are included under capital work in progress and are carried at cost, less any recognized impairment loss. Such capital work-in-progress, on completion, is transferred to the appropriate category of property, plant and equipment.

### **1.C.3 (c). Intangible Assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software is amortised over its estimated useful life of 6 years (without any residual value) on a straight line basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Further, the management estimates that the intangible assets are having zero carrying cost at the end of its useful life i.e. zero residual value.

Softwares acquired separately are capitalised as software. These are amortized over a period of their license. In case of perpetual licences the cost is amortized over a period of five years.

### **1.C.4. Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication, the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the Statement of Profit and Loss as and when the carrying amount of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount,

but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

### **1.C.5. Investment in Subsidiaries and Joint venture**

Investment in subsidiary and Joint venture are carried at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary and joint venture, the difference between net disposal proceeds and carrying amounts are recognised in Statement of Profit and Loss.

### **1.C.6. Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

#### **a) Financial assets**

##### **I. Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

##### **II. Financial assets measured at fair value through Other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell

these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognised in other comprehensive income. However, the interest income, losses & reversals, and foreign exchange gains and losses are recognised in the Statement of Profit and Loss.

### **III. Financial assets measured at fair value through profit or loss**

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through profit or loss.

#### **Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. For financial instruments whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised.

#### **Derecognition of financial assets**

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralised borrowing of the proceeds received.

### **b) Financial liabilities and equity instruments**

#### **Classification**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Transaction costs of an equity transaction are being accounted as a deduction from equity.

### **Financial Liabilities**

The Group's financial liabilities include Trade and other payables and borrowings including bank overdrafts are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

#### **Derecognition of financial liabilities**

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

#### **1.C.7. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalent includes cash on hand, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, cash at bank, and bank overdraft and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

#### **1.C.8. Inventories**

Stock in trade including material-in-transit is valued at cost or estimated net realisable value whichever is less.

In case of subsidiary:

- (i) Inventories other than non-moving inventories are valued at cost or estimated net realizable value whichever is less. The cost includes purchase cost and other direct expenses but exclude excise duty on such goods where the company is eligible to take credit in accordance with rule 3(1) of the Cenvat Credit Rules 2004.
- (ii) The inventory items, which have not moved for more than three years, are considered as non-moving inventories. Non-moving inventories are valued at cost reduced by ten percent of cost every year from the year 2001-02.
- (iii) The scrapped/redundant stores items are valued at cost or estimated net realizable value whichever is lower.

#### **1.C.9. Revenue recognition**

Revenue is recognized when the performance obligation towards transfer of goods and services to a customer is satisfied.



Revenue is measured at the fair value of consideration received or receivable and recognised on accrual basis.

Interest Income is reported on an accrual basis using the effective interest method.

### Sales

- i) High sea sales are booked on the basis of date of issuance of high sea sale letter. As regards value, sales are booked either at contracted forward exchange rates, if booked, or provisionally on the basis of FEDAI spot exchange rates prevailing on the last date of the financial year, where forward cover was not taken, which includes C&F / CIF price, usance interest followed by final adjustment on due date of payment in subsequent financial year.
- ii) In case of indigenous material, sales are accounted for on the basis of date of transport documents and as regards value, based on the value of invoices. In case of sale on door delivery basis sales are booked on sales invoice dates.
- iii) In case of export, sales are accounted for on the basis of date of shipment. As regards value, sales are booked either at contracted forward exchange rates, if booked, or at the FEDAI rate on the date of shipment as per custom clearance document, followed by final adjustment on actual realisation of export proceeds.

### Service Charges

Remuneration for transaction in Marketing Department through facilitator mode and for conducting sales/procurement on behalf of Principals, by way of auctions, tenders, or any other means, are accounted for as service charges.

- (a) Service charges are accounted for as income at contracted rates on:
  - i. Tender/Auction sale on behalf of Public Sector Undertakings, Defence and other Government Departments on issuance of sale orders / delivery orders.
  - ii. On satisfactory completion of e-sales.  
In respect of (i) & (ii), service charges are accounted for on bid price of auction with adjustments, if any, on the basis of actual delivery by the Principals, in case service charges are payable on percentage basis.
  - iii. On occurrence of event, in case of service contract on event basis.
  - iv. In case of E-Procurement Service charges are booked, where service charges are collectable from the Principal, on completion of event.
- (b) E Procurement transaction fees collected from bidders are accounted on successful conduct of event.

- (c) Service charges accrued in respect of purchase as facilitator are accounted for at the contracted rate on the basis of date of bill of lading / railway receipt / lorry receipt as the case may be. For imported materials, value is ascertained either at forward cover rate or at FEDAI spot rate prevailing on the last date of the Financial Year. Final adjustment is made on actual payment. In case of indigenous materials, value is ascertained on the basis of actual payment at contracted rate.
- (d) In case of subsidiary, service charges represent the income earned for processing of scrap and other items, custodian services for warehouse management and service related to valuation of assets done by the company at the rates agreed with/offered to the respective Steel Plants and other parties.

### E-Auction Registration

E-auction Registration fees collected from buyers is considered as income of the current year if the validity of registration is upto one year. In case of life long registration, the amount so collected is distributed in five years equally.

### Other Income

Revenue is recognised on accrual basis except in the following items which are accounted on actual realization since realisability of such items is uncertain in accordance with the provisions of the accounting standards:

- i) Decrees pending for execution/contested dues and interest thereon, if any.
- ii) Interest on overdue recoverables where realisability is uncertain.
- iii) Liquidated damages on suppliers or contractors.
- iv) Refund of Income-Tax/Sales Tax/VAT and interest thereon.
- v) Dividend income is recognised when right to receive payment is established

### Purchases

- (i) Imported materials are accounted for as purchase on the basis of date of bill of lading. As regards value, purchase are booked on the basis of actual remittance and where such remittance are outstanding at the close of the year, on the basis of contracted forward exchange rates, if booked, or FEDAI spot exchange rates prevailing on the last date of the financial year, in case forward cover is not taken, as the case may be. Purchase value includes material value freight, insurance etc. and usance interest followed by final adjustments on actual payment in subsequent financial year.
- (ii) In case of indigenous materials, purchases are booked on the basis of transport documents and as regards value, based on the value of invoices.

### 1.C.10. Borrowing cost

Borrowing costs directly attributable to the acquisition,

construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **1.C.11. Employee benefits**

#### **(a) Short term benefits**

Short term employee benefits are accounted for at their undiscounted amount in the accounting period in which the services are rendered by the employees are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

#### **(b) Leave encashment**

The liabilities for earned leave and commuted leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on actuarial valuation using the projected unit credit method.

The benefits are discounted using the market yield at the end of the reporting period that have terms of approximating to the terms of related obligations. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The facility is funded through LIC of India.

#### **(c) Post-employment obligation**

##### **Defined Contribution Plan -**

##### **i. Provident Fund**

Provident Fund is administered by a Trust recognised by Income Tax Authorities and contribution to this Fund is charged to revenue. Pensioner's Benefits are secured through Employees' Pension Scheme 1995.

##### **ii. Pension**

Pension plan is administered through an independent trust and contribution to this Fund is charged to revenue. The fund is being managed through of Life Insurance Corporation of India. The contribution amount is governed by Ministry of Steel directives in terms of DPE guidelines.

##### **Defined Benefit Plan -**

##### **i. Service Gratuity**

The liabilities or assets recognised in the Balance Sheet in respect of defined gratuity plan is the present value of the defined benefits obligation at the end of the reporting

period less the fair value of plan assets. The defined benefits obligations are calculated annually by actuaries using projected unit credit method. The present value of defined benefits obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that are terms approximating to the terms of the related obligations.

The net interest cost is calculated by applying the discounted rate to the net balance of defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of defined benefit obligation resulting from amendments and curtailments are recognised immediately in profit or loss as past service cost. The Gratuity obligation is funded through Group Gratuity Life Assurance Scheme of Life Insurance Corporation of India and is administered through a separate irrevocable trust created by the Group for this purpose.

#### **ii. Post Retirement medical benefit**

The Group provides post retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to the retirement age and the completion of minimum service period. The expected cost of these benefits is accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. The fund is administered through a separate trust created for this purpose.

### **1.C.12. Taxation**

Tax expense for the year comprises current and deferred tax.

#### **(i) Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax for the year as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in the country where the Group operates by the end of the reporting period.

## (ii) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

### 1.C.13. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the Balance Sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingent liabilities are disclosed by way of notes. These

are reviewed at each Balance Sheet date and are adjusted to reflect the current estimate of management.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

### 1.C.14. Segment reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures. The Group undertakes trading activities, and also acts as e-commerce service provider. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates Group's performance and allocates resources on an analysis of various performance indicators by operating segments. In terms of above the Group has identified Marketing, E-Commerce and Scrap Recovery & allied jobs as its three Primary Reportable Business Segments. Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable to that segment. Rest of the items of revenue and expenses, which cannot be specifically allocated under specific segments are separately disclosed as unallocated.

### 1.C.15. Critical accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

#### (i) Useful economic lives and impairment of other assets

The estimated useful life of property, plant and equipment (PPE) and intangible asset is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Group reviews the useful life of PPE and intangibles at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Group also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Group's business plans and changes in regulatory environment are taken into consideration.

### (ii) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

### (iii) Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend on assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

### (iv) Fair Value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

### (v) Recognition of deferred tax assets for carried forward tax losses and unused tax credit

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

### 1.C.16. PROVISION OF TRADE RECEIVABLES

The Company has a provision policy in place which provides

for quarterly review and provision as per the policy.

The Company has done trading under "Back to Back Arrangement with Associate Suppliers". As per the arrangement the payment to suppliers will be released only on realization of Trade Receivables. Hence the Company treats these Trade Receivables as Secured.

In case of subsidiary, the quantum of provision will be made against trade receivables in the books of accounts as narrated below:

Age of Debtors	Amount of provisioning
Upto 2 Years	No provision
More than 2 years and upto 3 years	20%
More than 3 years and upto 4 years	30%
More than 4 years and upto 5 years	50%
More than 5 years	100%

## 2. Property, Plant and Equipment

(Amount in ₹ million)

Particulars	Freehold Buildings	Office Equipment	Office Air Conditioner	Furniture and fixtures	Office Partition & Cubicles	EDP Equipments	Plant and Equipment	Vehicles	Total Tangible Assets
Gross Block as at 31st March, 2019	46.99	19.27	4.27	19.60	9.30	38.63	1,053.85	30.97	1,222.87
Additions	3.12	2.09	0.69	0.51	0.74	37.98	238.95	1.70	285.78
Disposals	-	1.30	0.87	0.23	2.56	20.98	1.73	0.18	27.85
Gross Block as at 31st March, 2020	50.10	20.06	4.09	19.88	7.48	55.63	1,291.07	32.49	1,480.80
Additions	3.07	1.42	0.95	0.40	0.25	4.82	116.89	1.48	129.26
Disposals	-	0.07	0.22	0.03	0.00	1.80	9.05	0.11	11.29
Gross Block as at 31st March, 2021	53.17	21.41	4.82	20.25	7.73	58.65	1,398.91	33.86	1,598.78
Depreciation as at 31st March, 2019	10.59	9.70	2.57	11.28	5.93	10.51	410.35	11.36	472.29
Charge for the year	2.89	2.66	0.28	1.03	0.38	9.43	136.81	3.73	157.21
Disposals	-	1.16	0.79	0.22	2.43	19.92	0.24	0.13	24.89
Depreciation as at 31st March, 2020	13.48	11.19	2.06	12.09	3.88	0.02	546.92	14.97	604.61
Charge for the year	2.68	2.50	0.35	1.03	0.42	12.35	153.31	3.80	176.44
Disposals	0.00	0.05	0.21	0.01	0.00	1.70	0.00	0.00	1.97
Depreciation as at 31st March, 2021	16.16	13.64	2.20	13.11	4.30	10.67	700.23	18.76	779.09
Net book value as at 31st March, 2020	36.62	8.87	2.03	7.79	3.60	55.61	744.15	17.52	876.19
Net book value as at 31st March, 2021	37.00	7.76	2.62	7.14	3.43	47.98	698.67	15.09	819.69

Particulars	Capital Work in Progress	Leasehold Land	Computer Software	Intangible Assets under Development	Total Intangible Assets including intangible under development
Gross Block as at 31st March, 2019	231.81	72.32	18.09	5.70	23.79
Additions	86.60	-	15.39	-	15.39
Disposals*	24.99	0.75	0.08	5.70	5.78
Gross Block as at 31st March, 2020	293.42	71.57	33.40	-	33.40
Additions	229.78	-	0.18	-	0.18
Disposals*	4.95	0.75	-	-	-
Gross Block as at 31st March, 2021	518.25	70.82	33.58	-	33.58
Depreciation as at 31st March, 2019	-	-	12.25	-	12.25
Charge for the year	-	-	8.94	-	8.94
Disposals	-	-	0.00	-	-
Depreciation as at 31st March, 2020	-	-	21.19	-	21.19
Charge for the year	-	-	10.34	-	10.34
Disposals	-	-	-	-	-
Depreciation as at 31st March, 2021	-	-	31.53	-	31.53
Net book value as at 31st March, 2020	293.42	71.57	12.21	-	12.21
Net book value as at 31st March, 2021	518.25	70.82	2.05	-	2.05

\* Disposal of Leasehold land represents amortisation of Prepaid Lease Payment in Holding Company. All Freehold buildings of Holding Company are under attachment by the order of DRT, Mumbai.

In case of Holding Company CWIP is cost booked for Construction of Corporate Office Building in New Town, Kolkata which is mortgaged to SBI against a loan for this purpose.

At the time of implementation and adoption of IndAS w.e.f 1st April, 2015 in terms of IndAS 101, the Net Block of Assets was considered as Gross Block treating Accumulated Depreciation on that date as "Nil". Depreciation has been charged since in terms of Companies Act, 2013. Hence, the Accumulated Depreciation represents cumulative figures since 1st April, 2015 only. Due to this, there are differences in the figure of Gross Block and Accumulated Depreciation between the Fixed Assets schedule as above and Fixed Assets Register. However the Net Block figures are in complete agreement with Fixed assets Register.

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### 3. Investment in Unquoted Equity Shares, fully paid up- carried at cost.

(Amount in ₹ million)

Particulars	No. of Shares		Amount	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
<b>Investment in 50:50 Joint Venture Company</b>				
Mahindra MSTC Recycling Private Limited (Face Value ₹10/- each)	2,26,00,000	1,86,00,000	226.00	186.00

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Opening Value of Investment	112.07	138.81
Investment During the Year	40.00	-
Decrease in Value due to Current Period Loss in JV shown in P/L	(8.60)	(26.94)
Decrease in Value due to Current Period Loss in JV shown in OCI	0.10	0.20
<b>Closing Balance of Investment</b>	<b>143.57</b>	<b>112.07</b>

### 4. Other Financial Assets (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Security deposits	10.57	10.42
(b) Other loans and advances		
Loans to employees	37.36	42.00
(c) Interest accrued on loans to employees	0.22	0.30
(d) Term Deposits with original maturity of more than 12 months	1,006.60	295.75
<b>Net other financial assets</b>	<b>1,054.75</b>	<b>348.47</b>

4.1 In case of subsidiary, deposit at 4(d) includes ₹ 623.70 Millions ( Previous Year ₹ 245.70 Millions) pledged with Andhra Bank, IDBI , Bank of Baroda ,SBI and Indian Bank against Bank Guarantee & Overdraft facility.

### 5. Non-Current Tax Assets

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Advance payment of Taxes	5,223.03	7,261.74
Less: Provision for Taxation	4,597.33	6,673.55
<b>Non-Current tax assets</b>	<b>625.70</b>	<b>588.19</b>

## 6. Other assets (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>(Unsecured, considered good)</b>		
(a) Advance with public bodies		
Customs, Excise, Sales Tax ,Port Trusts etc.	0.69	0.69
(b) Advance for Building Construction	-	23.66
(c) Prepaid Lease Payment Cost *	-	0.01
(d) Other loans and advances		
(i) Prepaid expenses	1.72	1.70
(ii) Others	1.05	0.33
<b>Total Other assets</b>	<b>3.46</b>	<b>26.39</b>

6.1 \* The land on which the plant and building of the subsidiary company are situated at Rourkela, Burnpur, Bhilai, Bokaro Vizag, Durgapur & Duburi are neither freehold nor leasehold. The company has acquired right of free use from landholders as a part of service agreement. The Company has however, acquired leasehold land from SAIL - BSP on perpetual lease of 33 years w.e.f 29th December, 1988 on which the Registered Office Building of the subsidiary company has been constructed.

## 7. Deferred Tax Assets (Net)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Deferred tax (liabilities) / assets:</b>		
<b>Tax effect of items constituting deferred tax liabilities</b>		
On difference between book balance and tax balance of Property, Plant and Equipment & Intangible assets	(2.56)	(12.50)
EFBS Scheme	(0.53)	(0.64)
Tax effect of items constituting deferred tax liabilities	(3.09)	(13.14)
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences, gratuity and other employee benefits	52.36	50.31
Allowance for doubtful debts / advances	1,709.67	1,767.29
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	168.66	150.38
MAT credit Entitlement	309.09	304.16
Provision for Interest on Service tax	0.96	0.96
Through Other Comprehensive Income	49.16	37.00
Tax effect of items constituting deferred tax assets	2,289.90	2,310.10
<b>Deferred tax (liabilities) / assets (net)</b>	<b>2,286.81</b>	<b>2,296.96</b>

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### 8. Inventories

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Stores and Spares parts including loose tools	45.89	61.23
(b) Stock of Non-Moving inventory	13.60	16.33
(c) Stores and Spares - Awaiting Disposal	1.43	2.60
(d) Inventory Shortage-Pending Adjustment	0.01	0.01
(e) Goods in Transit	0.02	0.01
(f) Stock of Printing & Stationary	0.97	1.06
(g) Less: Provision		
(i) for stock of non-moving	9.49	9.83
(ii) for stores & spares - awaiting disposal	0.81	1.40
(iii) for inventory shortage	0.01	0.01
<b>Total Inventories</b>	<b>51.61</b>	<b>70.00</b>

### 9. Trade receivables (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Trade receivables</b>		
(a) Secured, considered good	6,559.40	11,406.06
(b) Unsecured, considered good	2,374.49	3,114.43
(c) Credit Impaired	8,265.29	9,652.91
Less: Allowance for Doubtful trade receivables (expected credit loss allowance)	8,302.54	9,547.00
<b>Total</b>	<b>8,896.64</b>	<b>14,626.40</b>

#### 9.1 Trade Receivables

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, Considered good	3813.90	3,696.75
Unsecured, Considered good	876.19	1,127.13
Credit Impaired	8265.29	9,652.91
Less: Provision for doubtful trade receivables	8302.54	9,547.00
	<b>4,652.84</b>	<b>4,929.79</b>
Trade Receivables outstanding for a period less than six months from the date they are due for payment		
Secured, Considered good	2,745.50	7,709.31
Unsecured, Considered good	1,498.30	1,987.30
	<b>4,243.80</b>	<b>9,696.61</b>
<b>Total</b>	<b>8,896.64</b>	<b>14,626.40</b>

9.2: Trade Receivables include an amount of ₹1478.20 millions (prev year ₹1478.20 millions) on account of exports of Gold Jewellery undertaken by the holding Company during the year 2008-09. The said Receivables were purchased by Standard Chartered Bank (SCB) under a Receivable Purchase Agreement. In terms of the said Agreement, SCB would purchase the bills raised by MSTC on the foreign buyers on account of the exports made to such buyers and pay off MSTC 95% of the bill amount and the foreign buyers would be making payments against the bills directly to SCB on the respective due dates. The said export transactions for the Company were also insured by SCB along with MSTC as co-insured, with ICICI Lombard General Insurance Company. On non-receipt of the proceeds of the bills on the due dates from the foreign buyers, SCB claimed the amounts from the Insurance Company, who, however, wrongfully repudiated the claim of SCB. On such repudiation, SCB unilaterally converted the receivables purchased by it from MSTC into debts of MSTC with interest and filed the case being Original Application in the Debt Recovery Tribunal, Mumbai. MSTC had been and is contesting the



claims of SCB before various forums including before the Hon'ble Bombay High Court , the DRT and DRAT, Mumbai including the Misc. Appeal filed by MSTC against an interim Order dated 16th September 2017 passed by the DRT, Mumbai against MSTC. In case appeal is heard by DRAT than MSTC has to make a pre deposit with DRAT, as per the provisions of relevant statute. SCB had filed a Summary Suit against ICICI Lombard for the recovery of the unrealised debts under the insurance policy , before the Bombay High Court which is pending. Pending final disposal of such cases including the Misc. Appeal filed by MSTC before the DRAT, Mumbai challenging the validity of the Order dated 16th September 2017 passed by the DRT, Mumbai, the disputed claim of SCB against MSTC has been shown as Unsecured Borrowings (vide note no 22 ) and Trade Receivables, without adjustments.

9.3: Trade receivables are generally secured either by way of stocks pledged by the customers with the Company or Bank Guarantees . In case there is a significant depletion in realizable value of such pledged stock against the book value of the corresponding receivables, the differential amount has been shown under 'Unsecured'.

Further 15 Nos. of Bank Guarantees (BG) amounting to ₹ 311.53 Millions submitted by a customer was invoked by the Company. The Customer has approached Hon'ble High Court of Andhra Pradesh with a prayer interlia for stay on invocation. The Honble High Court had initially granted interim stay. However, upon a prayer from the company, the Hon'ble Court in a subsequent hearing has ordered the Customer for extending the BGs which were due for expiry. The Customer has since complied with. As on date all the BGs are valid.

#### 9.4: Trade Receivable Credit Impaired Includes the following:

( Amount in ₹ million)

Name of the Party	31st March 2021	31st March 2020
Gyscoal Alloys Ltd.	60.60	60.60
Meherkiran Enterprises Ltd.	430.05	430.05
Tirupati Fuels P. Ltd./BALAJI COKE	554.87	555.87
Sesa International Ltd.	587.12	587.12
Balasore Alloys Ltd.	131.59	19.71
Krishna Coke ( India) Pvt Ltd	196.51	197.51
Siddartha Tubes Ltd	55.56	55.56
Topworth Pipes and Tubes Ltd.	36.27	36.27
Topworth Urja & Metals Ltd	59.43	64.53
Crest Steel & power Ltd	376.67	299.13
Topworth Steels & Power Private Ltd	1035.78	916.88
Rohit Ferro Tech Ltd.	432.37	308.65
Concast Steel and Power Ltd	2208.42	2208.42
Maa Mahamaya Industries Ltd.	-	11.55
Jai Balaji Industries Ltd	473.40	315.70
SPS Steels Rolling Mills Ltd.	-	1889.22
<b>Total</b>	<b>6,638.64</b>	<b>7,956.77</b>

MSTC has initiated all steps including legal action to realise the dues from the above customers. The related cases are pending before adjudating authorities at various levels.

9.5: Trade Receivables include ₹ 3,266.87 Millions, against business done in facilitator mode (net of provision) (Previous Year ₹ 6,537.58 Millions).

9.6: Trade Receivables include ₹ 678.13 Millions (Previous Year ₹ 695.00 Millions), against E-Commerce business (net of provision) .

9.7: In case of Subsidiary (FSNL) ₹ 484.61 Million is due from Bhilai Unit for unbilled amount. ₹ 121.35 Million is due from Nilanchal Ispat Nigam limited, Duburi which has stopped all major operation from July 2019 and is facing huge financial crisis.

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### 10. Cash and Cash Equivalents

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Cash and Cash Equivalents</b>		
(a) Cash in hand	0.02	0.00
(b) Balances with banks		
(i) In Current Account	2,314.14	606.76
(ii) In Deposit Account Maturity less than 3 months	5,142.74	1,272.67
<b>Total</b>	<b>7,456.90</b>	<b>1,879.43</b>

### 11. Bank balances other than Cash & cash equivalents

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Earmarked Balances with banks		
(i) In Unclaimed dividend account	8.55	8.03
(ii) Deposits with original maturity of more than 3 months but less than 12 months	131.67	444.44
<b>Total</b>	<b>140.22</b>	<b>452.47</b>

11.1 The deposits at a(ii) above include Nil ( Previous Year ₹ 424.65 Millions ) pledged with banks against over draft facility. The deposit at (ii) represents Margin against guarantee ₹ 111.34 Millions ( Previous Year ₹ 106.24 Millions ).

11.2 In case of subsidiary, deposits at a(ii) includes ₹ 20.33 Millions (Previous Year ₹ 338.19 Millions) pledged with Bank of Baroda, IDBI, Indian Bank and Andhra Bank against Bank Guarantee and Overdraft facility.

### 12. Other financial assets (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Security deposits	113.92	115.87
<b>(b) Other loans and advances</b>		
(i) Loans to employees	4.85	5.49
(ii) Recoverable Advances to employees	7.37	5.22
(iii) Receivable from vendors / contractors / third party	81.28	6.49
(iv) Other Advances	1.59	1.81
<b>(c) Interest accrued on</b>		
(i) Term deposits	43.72	96.95
(ii) Loans to employees	0.08	0.08
<b>Net Loans and advances</b>	<b>252.81</b>	<b>231.91</b>

### 13. Other assets (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Advance with public bodies		
Customs, Excise, Sales Tax ,Port Trusts etc.	71.44	50.70
(b) Prepaid Lease Payments Cost	0.01	0.01
<b>(c) Other loans and advances</b>		
(i) Advances to employees	22.75	18.92
(ii) Advances to suppliers and service providers	6.41	2.42
(iii) Prepaid expenses	23.31	24.11
(iv) Others	0.26	0.06
<b>Total Other assets</b>	<b>124.18</b>	<b>96.22</b>

**14. Share Capital**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Authorised:</b>		
15,00,00,000 Ordinary Shares of ₹ 10 each	1,500.00	1,500.00
	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued, Subscribed and fully paid up :</b>		
704,00,000 Ordinary Shares of ₹ 10 each	704.00	704.00
	<b>704.00</b>	<b>704.00</b>

**14(a)(I) Statement of Reconciliation of Shares Outstanding**

Particulars	31st March 2021			31st March 2020		
	Number	Face Value (₹)	Amount (₹ Million)	Number	Face Value (₹)	Amount (₹ Million)
Opening Shares Outstanding	7,04,00,000	10	704.00	7,04,00,000	10	704.00
<b>Closing Shares Outstanding</b>	<b>7,04,00,000</b>	<b>10</b>	<b>704.00</b>	<b>7,04,00,000</b>	<b>10</b>	<b>704.00</b>

**14(a)(ii) Rights, preferences and restrictions attached to equity shares.**

The Company has only one class of ordinary shares ('Equity Shares') having a par value of ₹ 10 each. Each holder of ordinary shares ('Equity Shareholders') is entitled to one vote per share and are entitled to dividend and to participate in surplus, if any, in the event of winding up.

14(a)(iii) : 88,00,000 bonus shares have been issued during F.Y 2016-17 in the ratio of 1:1

14(a)(iv) : 1,76,00,000 bonus shares have been issued during F.Y 2017-18 in the ratio of 1:1

14(a)(v) : 3,52,00,000 bonus shares have been issued during F.Y 2018-19 in the ratio of 1:1

14(a)(vi) : Details of shareholders holding more than 5% of share holding

Name of the Shareholder	31st March 2021		31st March 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
President of India	45580800	64.75%	45580800	64.75%
Life Insurance Corporation of India (LIC)	3003559	4.27%	6716279	9.54%

The Government of India has divested its 25.10 % stake in MSTC Ltd through IPO during March 2019. Equity shares of MSTC Limited are listed and traded on both BSE Limited and National Stock Exchange of India Limited w.e.f. 29th March, 2019. Change in shareholding pattern post IPO is as following:

Shareholders	Pre IPO%	Post IPO%
Government of India	89.85%	64.75%
Other	10.15%	35.25%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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### 15. Other Equity

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Capital Reserve		
Opening balance	341.60	341.60
<b>Closing Balance</b>	<b>341.60</b>	<b>341.60</b>
General Reserve		
Opening balance	6,482.50	6,482.50
<b>Closing Balance</b>	<b>6,482.50</b>	<b>6,482.50</b>
Retained Earnings		
Opening balance	(2,788.88)	(3,648.41)
Add: Profit for the year	1,129.59	970.14
Other Comprehensive income for the year	(56.96)	(98.13)
Less : Final Dividend: FY 19-20	232.32	-
Less: Dividend Distribution Tax: FY 18-19 (on final)	-	12.48
Closing Balance	(1,948.57)	(2,788.88)
<b>Total Other Equity</b>	<b>4,875.53</b>	<b>4,035.22</b>

### 16. Trade Receivables (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Trade Receivables		
(1) Unsecured, considered good	-	-
(2) Unsecured, considered doubtful	-	1.14
(3) Less: Provision for doubtful trade receivables	-	1.14
<b>Total Trade Receivables</b>	<b>-</b>	<b>-</b>

### 17. Trade payables (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	-	-
- Others	-	2.64
<b>Total trade payables</b>	<b>-</b>	<b>2.64</b>

Both as at 31st March, 2021 and as at 31st March, 2020, there is no interest and overdue payment of more than 45 days outstanding to Micro, Small and Medium Enterprises.

### 18. Other financial liabilities (Non Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Liability under EFBS Scheme	7.28	5.70
<b>Total other financial liabilities</b>	<b>7.28</b>	<b>5.70</b>

**19. Provisions (Non Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Provision for employee benefits		
(1) Defined benefit Obligations		
(i) Employees Family Benefit Scheme	76.53	65.05
(ii) Gratuity	61.01	93.19
(2) Retirement Benefit Obligations		
(i) Post Retirement Medical Benefit	462.27	395.27
(ii) Contributory Post Retirement Medical Benefit	22.85	21.80
(iii) Employees Settlement Benefit Scheme	6.47	3.29
(3) Other employee benefits		
(i) Leave Encashment Benefit	300.28	248.74
(ii) Long Service Awards	0.64	0.56
<b>Total Provisions</b>	<b>930.05</b>	<b>827.90</b>

**20. Other liabilities (Non Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Advance from customers	61.20	63.25
<b>Total Other liabilities</b>	<b>61.20</b>	<b>63.25</b>

**21. Borrowings (Non Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Secured Borrowings		
House Building Loan from SBI	43.19	33.91
<b>Total</b>	<b>43.19</b>	<b>33.91</b>

The amount represents the loan obtained from State Bank of India for the construction of Corporate Office Building of Holding Company at Newtown, Rajarhat Kolkata. Out of the total sanctioned amount of ₹ 300 Millions, ₹ 195.07 Millions has been disbursed which shall be repaid in Quarterly Installments of ₹ 12.50 Millions commencing from 30th June 2019. The amount is secured by way of mortgage of the proposed Office Building. The loan is repayable in Quarterly EMI commencing from 30th June 2019. Interest is computed on daily balance method and is payable on monthly rest basis from the date of disbursement. Prepayment charges as applicable shall be payable in case of prepayment of term loan installments.

**22. Borrowings (Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
A. Secured Borrowings		
(a) Repayable on Demand		
From Banks:		
(i) Working Capital Demand Loans#	13.82	794.11
(ii) Overdraft against lien on FDR*	-	271.61
(b) House Building Loan from Bank (Refer Note No.21)	50.72	50.69
<b>Total Secured Borrowings</b>	<b>64.54</b>	<b>1,116.41</b>
B. Unsecured Borrowings		
(a) Repayable on Demand From Banks	1,436.20	1,436.20
<b>Total Unsecured Borrowings</b>	<b>1,436.20</b>	<b>1,436.20</b>
<b>Total Borrowings</b>	<b>1,500.74</b>	<b>2,552.61</b>

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- a) Loan from Indian Overseas Bank (IOB) amounting to ₹13.8 Millions (lying since 19.9.2011): This amount represents legal fees paid by the bank in defending their claims to which the Company has lodged its protest with the Bank. MSTC has filed a case in Hon'ble High Court of Calcutta against IOB for ₹365.6 Millions (which includes ₹279.8 Million towards debit of LC value & ₹85.8 Millions as debit towards legal expenses).
- b) The above amount represents ₹1436.20 million (Previous year ₹1436.20 million) towards payment made by Standard Chartered Bank (SCB), after purchase of export bills of MSTC raised on foreign buyers against export of Gold Jewellery to the buyers during 2008-09, under a Receivable Purchase Agreement. Under the said Agreement, SCB paid 95% of the value of export bills to MSTC and the foreign buyers on whom the bills were raised by MSTC would be paying against the bills directly to SCB on respective due dates mentioned in the bills. Payment failures, if any from the foreign buyers against the bills raised by MSTC was covered by SCB through an insurance Policy taken from ICICI Lombard General Insurance Company with MSTC as co-insured. On non receipt of the proceeds from the foreign buyers against the bills, SCB submitted claims with the Insurance Company, who, however, wrongfully repudiated the claim of SCB. Thereafter, SCB converted the receivables purchased from MSTC under the Receivables Purchase Agreement into loans / debts as if owing by MSTC, claimed the amount from MSTC with interest and filed a case, being the Original Application in the Debt Recovery Tribunal, Mumbai(DRT) in the year 2012, which MSTC has denied and disputed. The validity of the claim of SCB in such proceedings including against an Interim Order passed by the DRT, Mumbai on 16th September, 2017 have been challenged by MSTC by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal, Mumbai, which are currently pending. In case appeal is heard by DRAT then MSTC has to make a pre deposit with DRAT, as per the provisions of relevant statute. Other proceedings challenging the claim of SCB are also pending before various forums including the Hon'ble High Court, Bombay and in the Civil Court at Alipore, Kolkata initiated by MSTC both against SCB and the Insurance Company. Subsequently, SCB also filed a Summary Suit in late 2012 in the Hon'ble Bombay High Court against ICICI Lombard claiming the same amount under the Policy from ICICI Lombard on account of the repudiation of the claim of SCB by ICICI Lombard. The claim of SCB is contingent upon the outcome of the legal cases. Pending final disposal of all such court cases where the matters are currently pending, MSTC has disclosed the amount simultaneously as Unsecured Borrowings and as Trade Receivables (vide Note No. 9.2).

# Secured against Current Assets.

\* Secured by lien on FDR current year Nil (Previous Year ₹695.02 Millions).

### 23. Trade payables (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	0.35	0.75
- Others #	3,999.26	6,297.86
- Accrued wages and salaries*	308.53	238.16
<b>Total trade payables</b>	<b>4,308.14</b>	<b>6,536.77</b>

\* It includes ₹28.53 Millions in FY 2020-21 ( Previous Year ₹28.06 Millions) towards provision for pension benefit of employees and ₹67.64 Millions in FY 2020-21 ( Previous Year ₹47.36 Millions) towards wage revision of the employees due from 01.01.2017. In case of Subsidiary (FSNL) it includes ₹86.53 Millions in FY 2020-21 (Previous Year ₹95.66 Millions) towards wage revision of the employees due from 1st January, 2017.

# Trade Payable includes Nil (Previous Year ₹484.32 Millions) backed by Letter of credit.

Both as at 31st March, 2021 and as at 31st March, 2020, there is no interest and overdue payment of more than 45 days outstanding to Micro, Small and Medium Enterprises.

### 24. Other financial liabilities (Current)

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Interest payable		
(i) Interest accrued but not due on borrowings	788.90	788.90
(b) Unclaimed dividends	8.49	8.03
(c) Creditors for other liabilities		
(i) Security deposits/EMD	6,489.31	4,690.98
(ii) Deposits received from customers	1,646.62	1,109.14
(iii) Deposit under EFBS	9.75	8.27
(iv) Payable under EFBS Deposit schemes	2.44	1.89
(v) Others	8.33	8.91
<b>Total other financial liabilities</b>	<b>8,953.84</b>	<b>6,616.12</b>

**25. Provisions (Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Provision for employee benefits		
(1) Defined benefit Obligations		
Employee Family Benefit Scheme	25.35	19.06
(2) Retirement Benefit Obligations		
(i) Post Retirement Medical Benefit	8.59	9.19
(ii) Contributory Post Retirement Medical Benefit	0.90	1.24
(iii) Employees Settlement Benefit Scheme	0.55	0.26
(3) Other employee benefits		
(i) Leave Encashment Benefit	17.35	17.23
(ii) Long Service Awards	0.05	0.13
(iii) Wage Revision	348.69	262.16
(iv) Additional Resource Generation Scheme payable to Non-executives	5.10	6.43
(v) Performance Related Pay		
For 2018-19	-	16.46
For 2019-20	19.54	20.56
For 2020-21	8.42	-
(4) Provident Fund #	-	25.17
(b) Other Provisions*	31.19	25.26
<b>Total Provisions</b>	<b>465.73</b>	<b>403.15</b>

\* Other Provisions includes accident claim, demand raised by MVI, etc. in case of subsidiary company.

# This represents the provision for Nil (Previous Year - ₹ 25.17 Million ) towards the contribution for deficit in income of PF Trust . (Refer Note No. 41)

**26. Other liabilities (Current)**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(i) Statutory Dues		
(a) Service Tax & GST payable	171.98	124.22
(b) Tax deducted and collected at source	373.75	24.91
(c) Provident Fund and Pension	16.93	17.30
(d) Pension for Executive	14.95	15.38
(e) Others	0.06	0.15
(ii) Advance from customers	43.18	39.81
<b>Total Other liabilities</b>	<b>620.85</b>	<b>221.77</b>

**27. Assets classified as held for sale**

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Property, Plant and Equipment	30.15	29.60
(b) Liabilities associated with asset held for sale	7.06	8.46

In the case of Subsidiary :

- (1) Asset classified as held for sale is classified under "Current Assets" at their written down value since these assets have already been retired from normal continuing operations and is held only for sale / auction. Further, where management expects that any part of the said assets is likely to be disposed off written off within one year on the Balance Sheet date, the same are classified as current assets.
- (2) Amount deposited by H1 bidder but asset / sub-assemblies not lifted on reporting date is considered under "Liabilities directly associated with asset held for sale".

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### 28. Revenue from operations

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Sale of Goods	1,757.69	5,703.60
(b) Service Charges	2,057.66	1,903.47
(c) Other Operating Revenues	461.90	699.73
(d) Processing of scrap & other items	3,527.41	4,007.19
<b>Total Revenue from Operations</b>	<b>7,804.66</b>	<b>12,313.99</b>

- (a) During the year, an amount of ₹ 51.41 Millions ( Previous Year ₹ 48.12 Millions ) was collected towards E-auction Registration of Holding Company. Out of total collection of current year, an amount of ₹ 41.13 Millions ( Previous Year ₹ 38.50 Millions) has been kept in liabilities to be distributed in subsequent four years, since related registration is valid for life long. Accumulated undistributed balance standing as on 31st March, 2021 is ₹ 104.38 Millions (Previous Year ₹ 103.07 Millions). Balance amount for which registration is valid upto one year is accounted for as income during the current period.
- (b) Other Operating Revenues of Holding Company also include Interest from customers ₹ 345.04 Millions in current year (Previous Year ₹ 586.73 Millions) .
- (c) Tax deducted at source on Service Charge and Interest income of Holding Company amounts to ₹ 99.79 Millions in current year ( Previous Year ₹ 126.67 Millions) .
- (d) In case of Subsidiary (FSNL) ₹ 53.22 Million has been reversed in case of Bhilai unit due to revision in rates by Bhilai Steel Plant against unbilled Revenue booked in FY 2019-20.

### 29. Other income

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Interest income		
(i) Interest on FDR	132.41	140.85
(ii) Interest on Employee Advances	2.90	3.23
(b) Liability written back	12.76	-
(c) Provision no longer required written back	1,968.13	482.51
(d) Sale of Sub-assemblies	1.68	1.01
(e) Profit on Sale of Assets	2.10	0.47
(f) Liquidated damages and other recoveries	1.49	2.68
(g) Miscellaneous income	14.66	15.24
<b>Total Other Income</b>	<b>2,136.13</b>	<b>645.99</b>

Tax deducted at source from interest on bank deposits of Holding company amounted to ₹ 4.99 Millions (Previous Year ₹ 7.54 Millions).

### 30. Purchases of Stock-in-Trade

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Purchases of Stock-in-Trade	1,746.07	5,663.12
(b) Lancing Tubes	4.35	4.92
(c) Oxygen & Acetylene	23.36	29.98
(d) Lubricants	10.85	14.51
(e) Diesel & Gasolene	278.02	295.11
(f) Stores & Spare Parts	104.53	133.19
(g) Water, Power, Fuel	10.28	11.15
<b>Total</b>	<b>2,177.46</b>	<b>6,151.98</b>



### 31 . Employee Benefit Expense

( Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Salaries and wages, including bonus	1,410.70	1,502.96
(b) Contribution to provident and other funds	147.64	148.82
(c) Staff welfare expenses	175.59	176.27
<b>Total Employee Benefit Expense</b>	<b>1,733.93</b>	<b>1,828.05</b>

### 32 . Finance costs

( Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Interest expense		
(i) Interest on Short term borrowings	10.92	230.38
(ii) Interest Paid to Customers	60.23	56.70
(iii) Interest on account of EFBS Deposits	0.31	0.14
<b>Total finance costs</b>	<b>71.46</b>	<b>287.22</b>

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### 33. Other expenses

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(a) Repairs and Maintainance for		
(i) Machinery	65.27	87.53
(ii) Building	1.24	3.74
(iii) Others	48.20	46.11
(b) EDP Expenses	8.95	14.73
(c) Insurance charges	15.51	11.21
(d) Rent	34.80	35.03
(e) Rates and taxes	6.43	10.83
(f) Bank Charges	7.91	8.18
(g) Travelling Expenses	7.39	33.47
(h) Foreign Travelling Expenses	-	-
(i) Car Hire Charges	10.88	12.70
(j) Meeting and Conference	1.57	5.44
(k) Training	1.04	5.26
(l) Directors' Sitting Fees	0.65	1.25
(m) Statutory Auditors' Remuneration		
(i) Audit Fees	1.24	1.14
(ii) Tax Audit Fees	0.14	0.14
(iii) Out-of-Pocket Expenses	0.39	0.72
(n) Telex, Postage and Telegram	1.69	4.09
(o) Electricity	9.57	11.47
(p) Printing and Stationery	5.21	7.44
(q) Entertainment	1.42	2.02
(r) Telephone Charges	6.32	5.18
(s) Advertisement	4.61	7.44
(t) Legal Expenses	8.29	18.47
(u) Consultancy Charges	6.41	10.79
(v) Internal Audit fees	0.16	0.28
(w) Out-of-Pocket Expenses (Internal Auditor)	0.27	0.63
(x) Miscellaneous Expenses	35.72	37.32
(y) Staff Recruitment Expenses	0.45	0.71
(z) Newspaper, Books and Periodicals	0.20	0.24
(aa) Corporate Social Responsibility (Refer Note No - 42)	50.00	11.71
(ab) Auction Tender Expenses	8.48	9.99
(ac) Cost of services through outside agency/Equipment rent	1,326.66	1,510.41
(ad) Hiring of manpower for operational activities	72.28	88.29
(ae) Security Services	46.65	43.20
(af) Bad Debts Written off	1,803.61	373.99
(ag) Allowance for Bad and Doubtful Advances/Debts *	716.98	387.36
(ah) Stock Yard Expenses	13.90	9.80
(ai) Freight	6.19	4.75
(aj) Loss of written off / Sale of Fixed Assets	2.56	0.84
(ak) Provision for Assets Awaiting for Disposal	8.89	7.56
(al) Donation *	50.00	-
(am) Discount on Credit Notes	4.84	-
(an) Plot Rent	0.75	0.75
<b>Total Other Expenses</b>	<b>4,403.72</b>	<b>2,832.21</b>

\* Notes in case of Holding Company

- 1) The Company has made a Donation to PM CARES Fund.
- 2) Bad Debt written off at (af) above represents unrealised trade receivable under cash and carry model of business with equivalent amount held in Provision for Doubtfull Debts and Advances which has been written back and is part of Note 26(d).The above write off is as per approval of Board of Directors in Meeting no. 303 held on 11th February, 2021.
- 3) Allowances for Bad and Doubtful Advances are provision made during the year as per Provisioning Policy on Trade Receivable implemented from third Quarter Accounts ending 31st December, 2019.

**34 (a). Statement of Opening Stock, Purchases, Sales and Closing Stock of Holding Company for the year ended 31st March 2021**

(Qty '000 MT/MTR) (Amount in ₹ million)

Description of material		Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Coke / Coal	2020-21	-	-	-	-	-	-	-	-
	2019-20	-	-	548.92	2,398.94	548.92	2,417.77	-	-
Pipes & Tubes	2020-21	-	-	190.03	1,841.70	190.03	1,853.44	-	-
	2019-20	-	-	44.13	3,261.69	44.13	3,283.34	-	-
	2020-21	-	-	-	1,841.70	-	1,853.44	-	-
	2019-20	-	-	-	5,660.63	-	5,701.11	-	-
Add :	2020-21	Final Bill Adjustment		-	(95.63)	-	(95.75)	-	-
	2019-20	-	-	-	2.49	-	2.49	-	-
Closing	2020-21	-	-	-	1,746.07	-	1,757.69	-	-
	2019-20	-	-	-	5,663.12	-	5,703.60	-	-

**34 (b) . In addition to above the Holding Company have also purchased material as facilitator as per details below:**

(Qty '000 MT/MTR) (Amount in ₹ million)

Description of material		Qty	Purchase Value	Service Charges Earned
Coke / Coal	2020-21	-	-	-
	2019-20	132.33	236.85	4.40
Tower	2020-21	-	-	0.58
	2019-20	3.97	93.61	0.94
Misc Items	2020-21	112.00	10.00	4.01
	2019-20	396.26	642.79	11.05
TMT Bar	2020-21	4,157.00	78.33	15.49
	2019-20	2,942.83	2,094.74	30.51
Chrome Ore	2020-21	12.00	7.00	1.33
	2019-20	17.65	1,430.64	13.19
Channel	2020-21	1,200.00	54.52	7.28
	2019-20	22.19	1,045.13	9.02
Electrical Equipment/Project Materials	2020-21	-	-	1.39
	2019-20	364.00	315.85	3.18
<b>Total</b>	<b>2020-21</b>	<b>5,481.00</b>	<b>149.85</b>	<b>30.08</b>
	<b>2019-20</b>	<b>3,879.23</b>	<b>5,859.61</b>	<b>72.29</b>

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### 34 (c). Segmental Reporting as per IndAS 108:

In terms of IndAS 108 the Group has identified Marketing, E-Commerce and Scrap Recovery & Allied Jobs as its three Primary Reportable Business Segments. There is no Secondary Segment.

(Amount in ₹ million)

Particulars		Marketing	E-Commerce	Others (unallocated)	Scrap Recovery & Allied Jobs	Total
Total Revenue	2020-21	4,062.61	2,212.16	16.34	3,649.68	9,940.79
	2019-20	6,463.57	2,019.72	377.82	4,098.87	12,959.98
Total Expenses	2020-21	4,251.65	100.82	900.66	3,328.83	8,581.96
	2019-20	6,295.15	24.71	1,334.16	3,638.53	11,292.55
Profit/(Loss) before Tax	2020-21	(189.04)	2,111.34	(884.32)	320.85	1,358.83
	2019-20	168.42	1,995.01	(956.34)	460.34	1,667.43
Tax expenses	2020-21	-	-	-	-	229.25
	2019-20	-	-	-	-	697.29
Profit/(Loss) for the year	2020-21	-	-	-	-	1,129.58
	2019-20	-	-	-	-	970.14

Assets and liabilities used in the Group's business are not identified to any of the reportable segments, as these are used interchangeably between the segments. Hence the Management believes, that it is currently not practicable to provide segment disclosure related to assets and liabilities.

#### Information about major customers

The revenues from transactions with a single external customer amounting to 10% or more of the entity's revenues are given below:-

(Amount in ₹ million)

Major Customer (Customer having more than 10% revenue)	31st March 2021	31st March 2020
Total Revenue	1853.44	6293.32
No. of Customers	2	2
% of Total Revenue	18.64	48.56
Product Segment	Marketing and Scrap Recovery & Allied Jobs	Marketing and Scrap Recovery & Allied Jobs

### 35. Expenditure incurred in Foreign Currency:

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Import of Goods	-	201.25
<b>Total</b>	<b>-</b>	<b>201.25</b>

### 36. Contingent Liabilities & Commitments

#### (a) Contingent Liabilities

(Amount in ₹ million)

Sl No.	Particulars	31st March 2021	31st March 2020
1	Sales Tax & Customs	329.08	327.82
2	Money Suits	1,742.70	1,567.84
3	Arbitration	3.02	3.02
4	Income Tax	0.99	26.57
5	Service Tax	515.67	792.25
6	Claims against the company not acknowledged as debt	36.98	13.59
7	Outstanding Bank Guarantees	56.99	146.95
	<b>Total</b>	<b>2,685.43</b>	<b>2,878.04</b>

#### (b) Commitments

(Amount in ₹ million)

Sl No.	Particulars	31st March 2021	31st March 2020
1	Construction of New Office Building at New town Kolkata	75.14	160.92
2	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	29.12	7.97
	<b>Total</b>	<b>104.26</b>	<b>168.89</b>

### 37. Tax Expenses

#### (i) Income Tax Recognised in the Statement of Profit and Loss

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Current Tax		
- For the period	103.05	306.85
- For earlier years	103.91	54.90
(2) Deferred Tax	22.30	335.54
<b>Total income tax expense recognised in the current year</b>	<b>229.26</b>	<b>697.29</b>

#### (ii) The income tax expense for the period can be reconciled to the accounting profit (loss) as follows:

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Profit before tax for the year	1,358.84	1,667.43
(2) Income tax expense calculated at 34.944 % in Holding Company and 25.168% in Subsidiary Company (FSNL)	515.12	568.31
(3) Effect of expenses that are not deductible in determining taxable profit	241.26	16.63
(4) Effect of income that is exempt/deductible from tax	(0.78)	34.28
(5) Effect on deferred tax due to change in income tax rate @34.944% To 25.168% (In case of Subsidiary Company - FSNL)	-	23.17
(6) Tax for earlier years	103.91	54.90
(7) Effect of Taxes on Bad Debt written off	(630.25)	-
<b>Total</b>	<b>229.26</b>	<b>697.29</b>

In case of Holding Company tax rate used for the year 2020-21 and 2019-20 in the reconciliations above is the corporate tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4 %) payable by corporate entities in India on taxable profits under the Indian tax law. For Deferred Tax calculation of financial year 2019-20, income tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4 %).

However the Holding company has a MAT credit of ₹ 309.09 Millions (Previous Year - ₹ 304.16 Million) for which company is entitled to credit in next assessment years against tax payable on income for those years. The Company feels that it will earn sufficient profit in coming years. Accordingly deferred tax assets has been recognised for MAT credit entitlement. However no Deferred tax asset has been recognised on the provision for Doubtfull Debts of ₹ 695.05 Million ( Previous year ₹ 339.91 Million) as a conservative approach.

During the year, an amount of ₹ 6.85 Million (Previous Year ₹ 10.25 Million) has been deposited under Direct Tax Vivad Se Vishwas Act, 2020 by Holding Company. Further an amount of ₹ 1.07 Million has also been deposited in FY 2021-22 under said scheme. Tax Expense of ₹ 9.53 Million (Previous Year ₹ 54.30 Million) has been booked against Income Tax cases settled/deposited under the said scheme which comprised 5 (five) assessment years.

The Holding Company has not adopted new Income Tax Rate specified under section 115BAA and it continued to apply normal Income Tax Rate.

Subsidiary Company (Ferro Scrap Nigam Limited) has opted for the tax rates specified under section 115BAA at lower rates and has considered @ 25.168% for the purpose of these results.

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### (iii) Movement in Deferred Tax

(Amount in ₹ million)

Particulars	31st March 2020	Charge/ (credit) for the Year	31st March 2021
<b>Through Profit or Loss</b>			
<b>Deferred Tax Liabilities</b>			
Employee Family Benefit Scheme, Property Plant & Equipment and Intangible Assets and Others	13.14	(10.05)	3.09
	13.14	(10.05)	3.09
<b>Deferred Tax Assets</b>			
Property Plant & Equipment Others	-	-	-
Provision against other expenses	200.69	20.33	221.02
Allowances for Doubtful Debts & Advances	1,767.29	(57.62)	1,709.67
Others	0.96	-	0.96
MAT credit entitlement	304.16	4.93	309.09
<b>Net Deferred Tax (Liabilities)/ Assets</b>	<b>2,273.10</b>	<b>(32.36)</b>	<b>2,240.74</b>
<b>Total Deferred Tax (Liabilities)/ Assets</b>	<b>2,259.96</b>	<b>(22.31)</b>	<b>2,237.65</b>
<b>Through Other Comprehensive Income</b>			
<b>Deferred Tax Assets</b>			
Remeasurement of Defined Benefit Plan	37.00	12.16	49.16
<b>Gross Deferred Tax (Liabilities)/ Assets</b>	<b>2,296.96</b>	<b>(10.15)</b>	<b>2,286.81</b>

### 38. Earnings per Share

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
Profit for the period	1,129.59	970.14
Profit attributable to Shareholders	1,129.59	970.14
Weighted average No. of Shares for Basic EPS	7,04,00,000	7,04,00,000
Nominal value of Ordinary Shares (₹)	10.00	10.00
<b>Basic/Diluted Earnings per Share (₹ Per Share)</b>	<b>16.05</b>	<b>13.78</b>

### 39. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments. The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note to the consolidated financial statements.

#### (1) Categories of Financial Instruments

The following table presents carrying amount and fair value of each category of financial assets and liabilities as at the year end. Carrying value is equivalent to the fair value.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020	Measured at
<b>Financial assets</b>			
Trade Receivables	8,896.64	14,626.40	Amortised cost
Other Financial Assets	1,307.56	580.38	Amortised cost
Cash and Cash Equivalents	7,456.90	1,879.43	Amortised cost
Other Bank Balances	140.22	452.47	Amortised cost
Investments	143.57	112.07	Amortised cost
<b>Total Financial Assets</b>	<b>17,944.89</b>	<b>17,650.75</b>	
<b>Financial Liabilities</b>			
Borrowings	1,543.93	2,586.52	Amortised cost
Trade Payables	4,308.14	6,538.66	Amortised cost
Other Financial Liabilities	8,961.12	6,621.81	Amortised cost
<b>Total Financial Liabilities</b>	<b>14,813.18</b>	<b>15,747.00</b>	

## (2) Capital Management

The Group manages its capital to ensure that the Group is able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group is not subject to any externally imposed capital requirements.

## (3) Financial risk management objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (like- currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group does not enter into or trade of financial instruments, including derivative financial instruments, for speculative purposes.

### (a) Market Risk

The Group's activities exposes it, primarily to the financial risks of changes in foreign currency exchange rates. On a case to case basis, the Group enters into Forward foreign exchange contracts to hedge the exchange rate risk.

#### (i) Interest rate risk management

At present Group has converted maximum of its loan to MCLR based, hence the rate is firm for a contract period usually for a year.

#### (ii) Foreign Currency risk management

The foreign currency exposure of the Group is due to import liabilities. Transactions are on back to back basis with customers. The gain and loss if any is passed on to the customers. Some times forward cover is taken to hedge the related foreign currency exposure in terms of discussion with the customers. Wherever foreign exchange fluctuations are to be borne by the customers as per agreement with them, foreign exchange gain/ loss are not recognized in the books of the Group.

### (b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transact with entities that are rated by agencies where available and if not available, the Group uses other publicly available financial information and its own past records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are monitored and the aggregated value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Senior management committee.

### (c) Liquidity risk management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual undiscounted cash obligations of financial liabilities including estimated interest payments as at 31st March, 2021, as at 31st March, 2020.

(₹ in Million)

Financial Liabilities	31st March 2021				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Borrowings	1,543.93	1,543.93	1,500.74	43.19	-
Trade payables	4,308.14	4,308.14	4,308.14	-	-
Other financial liabilities	8,961.12	8,962.65	8,953.84	6.83	1.98
	<b>14,813.18</b>	<b>14,814.71</b>	<b>14,762.71</b>	<b>50.02</b>	<b>1.98</b>
Financial Liabilities	31st March 2020				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Borrowings	2,586.52	2,586.52	2,552.61	33.91	-
Trade payables	6,538.66	6,538.66	6,538.66	-	2.64
Other financial liabilities	6,621.81	6,623.64	6,417.90	154.62	51.12
	<b>15,747.00</b>	<b>15,748.83</b>	<b>15,509.18</b>	<b>188.53</b>	<b>53.76</b>

## (4) Fair value Measurement

None of the Company's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

## 40. Related Party Disclosures

### (i) Name of the related parties and description of relationship:

#### 1) Joint Venture

Mahindra MSTC Recycling Private Limited

#### 2) Key Managerial Personnel

Shri Surinder Kumar Gupta (From 17.12.2019)	Chairman and Managing Director
Shri Bam Bahadur Singh (Upto 30.11.2019)	Chairman and Managing Director
Shri Subrata Sarkar	Director (Finance)
Smt. Bhanu Kumar	Director (Commercial)
Shri Ajay Kumar Rai	Company Secretary
Shri Gangaram Aloria (upto 05.09.2020)	Independent Director
Dr. Rudramauni Shivayogappa Yeli (upto 08.03.2021)	Independent Director
Smt. Pravati Parida (Upto 01.04.2019)	Independent Director
Dr. T. V. Muralivallabhan (upto 05.09.2020)	Independent Director
Smt. Aparna Chaturvedi	Independent Director
Shri Rajib Bhattacharya	Managing Director
Shri Satadal Mitra	Chief Financial Officer
Shri Ashok Mishra	Company Secretary
Shri Aurobindo Behera	Independent Director
Smt. Aparna Chaturvedi	Independent Director
Smt. Laxmi Verma	Independent Director

### (ii) Transaction with Related Parties

#### (a) Compensation to Key Managerial Personnel

Particulars	Nature of related party / relationship	Remuneration (₹ in Million)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
<b>For the year ended March 31st, 2021</b>					
Shri Surinder Kumar Gupta	Chairman and Managing Director	4.76	0.30	0.09	5.15
Shri Subrata Sarkar	Director (Finance) & CFO	3.82	0.28	0.05	4.15
Smt. Bhanu Kumar	Director (Commercial)	4.78	0.35	(0.15)	4.98
Shri Ajay Kumar Rai	Company Secretary and Compliance Officer	2.65	0.18	0.29	3.12
Shri Gangaram Aloria	Independent Director	0.10*	-	-	0.10
Dr. Rudramauni Shivayogappa Yeli	Independent Director	0.20*	-	-	0.20
Dr. T. V. Muralivallabhan	Independent Director	0.12*	-	-	0.12
Smt. Aparna Chaturvedi	Independent Director	0.47*	-	-	0.47
Shri Rajib Bhattacharya	Managing Director	5.39	0.18	(0.11)	5.46
Shri Satadal Mitra	Chief Financial Officer	3.70	0.16	0.22	4.07
Shri Ashok Mishra	Company Secretary	1.78	0.09	0.18	2.04
Smt. Laxmi Verma	Independent Director	0.24*	-	-	0.24



Particulars	Nature of related party / relationship	Remuneration (₹ in Million)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
<b>For the year ended March 31st, 2020</b>					
Shri Surinder Kumar Gupta (From 17.12.2019)	Chairman and Managing Director	1.20	0.06	-	1.26
Shri Bam Bahadur Singh (Upto 30.11.2019)	Chairman and Managing Director	4.06	-	-	4.06
Shri Subrata Sarkar	Director (Finance)	3.91	0.32	0.27	4.50
Smt. Bhanu Kumar	Director (Commercial)	4.67	0.36	0.51	5.54
Shri Ajay Kumar Rai	Company Secretary	2.75	0.11	0.38	3.24
Shri Gangaram Aloria	Independent Director	0.32*	-	-	0.32
Dr. Rudramauni Shivayogappa Yeli	Independent Director	0.32*	-	-	0.32
Dr. T. V. Muralivallabhan	Independent Director	0.39*	-	-	0.39
Smt. Aparna Chaturvedi	Independent Director	0.41*	-	-	0.41
Shri Rajib Bhattacharya	Managing Director	4.59	0.31	(0.20)	4.70
Shri Satadal Mitra	Chief Financial Officer	3.38	0.30	0.21	3.89
Shri Ashok Mishra	Company Secretary	1.54	0.09	0.16	1.79
Shri Aurobindo Behera	Independent Director	0.17*	-	-	0.17
Smt. Laxmi Verma	Independent Director	0.21*	-	-	0.21

**Note: \* It indicate Directors Sitting Fees.**

- Since the facility of private use of car for limited mileage is provided by the company to the Directors, such facility has not been considered as benefit/perquisite.
- The above includes Performance related pay on actual payment basis.

**(b) Transaction with Mahindra MSTC Recycling Private Limited (50:50 Joint Venture)**

(₹ in million)

Particulars	31st March 2021	31st March 2020
Investment in Joint Venture	40.00	-
Amount received towards reimbursement of expenditure	1.65	0.66
Amount paid towards reimbursement of expenditure	0.6	0.61
Amount Received for providing E-Auction Service	0.14	0.23

**41. Employee Benefits**

**Defined Contribution Plans**

**1. Provident Fund**

12% of Basic pay and dearness allowance contributed to the provident fund trust by the Group.

**2. Pension**

In terms of Ministry of Steel Directives Pension scheme for the employees of MSTC has been formulated, under Defined Contribution Plan. The company contributes annually to LIC of India through a trust. LIC will provide the pension to the employees from the corpus created on account of employees, by way of contribution from MSTC (The Employer)."

**3. Leave Encashment Benefit**

In case of subsidiary, it is payable on separation to eligible employees, shall be limited to 300 days (Earned Leave and Half-Pay Leave combined), and HPL shall not be commuted as per DPE Guidelines for calculation of 300 days limit. Encashment of accumulated earned leave is also allowed upto 30 days once in a calendar year.

#### 4. Post Retirement Settlement Benefit

In case of subsidiary, it is payable to retiring employees for settlement at their declared home town.

#### 5. Employee Family Benefit Scheme

In case of subsidiary, monthly payment to disabled separated employees / legal heirs of deceased employees in lieu of prescribed deposit till the notional date of superannuation of deceased employees.

#### 6. Long Term Service Award

In case of subsidiary, it is payable in kind for rendering minimum 25 years of service and also on superannuation.

#### Defined Benefits Plans

##### 1. Gratuity:

The Gratuity is payable on separation at the rate of 15 days pay for each completed year of service to eligible employees who render continuous service for a minimum period of 5 years and upto 30 years. The Gratuity is calculated at the rate of one month's wages last drawn by the employee for every completed year of service in excess of 30 years. The maximum amount of Gratuity payable to employee is ₹ 2 Million. The Gratuity is funded with LIC of India. Till March'18 the Company contributed in the fund every year as premium on the basis of demand raised by LIC of India which was accounted as Gratuity on the basis of payment of premium. In addition, the company has done actuarial valuation of Gratuity Fund in accordance with Ind AS 19.

##### 2. Post Retirement Medical Benefit:

The Post Retirement Medical Benefit is a medical benefit to the superannuated employees and their spouse. The members will be covered through Mediclaim Insurance admitted of the Insurance Company. This is available to superannuated employees at any hospital under the Mediclaim Insurance Policy. In addition to this expenses incurred in domiciliary treatment is also reimbursed as per prescribed ceiling. The benefits are funded through a separate trust formed by the Holding Company for this purpose. The Holding Company provides the corpus for this. Deficit if any is being compensated by the Holding Company. Till F.Y 2015-16, the Company used to contribute to the fund based on own estimates. From F.Y 2016-17, first time actuarial valuation has been done and accordingly liability has been provided in the books of accounts.

##### 3. Contributory Scheme for Post Retirement Medical Facilities (Domiciliary):

In case of subsidiary, the payment of medical facilities (Domiciliary) to the separated executives as covered under contributory scheme for post retirement medical facilities (domiciliary) for executives.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments. Further, the overseas plan has a relatively balanced investment in equity securities, debt instruments and real estates. Due to the long-term nature of the plan liabilities, the board of the overseas Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

- (a) The Group has recognised an amount of ₹ 151.04 Millions (Previous Year ₹ 165.23 Millions ) in Statement of Profit and Loss for the current year as expenses under defined contribution plans.

( Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
<b>Benefit (Contribution to)</b>		
Provident Fund & others*	122.51	137.17
Pension	28.53	28.06
<b>Total</b>	<b>151.04</b>	<b>165.23</b>

\* This represents the provision for Nil (Previous Year - ₹ 25.17 Million) towards the contribution for deficit in income of PF Trust for the FY 2020-21 (Refer Note No. 25)

**(b) The company operates post retirement defined benefit plans as follows :**

- i. Funded:
  - a. Gratuity.
  - b. Post Retirement Medical Benefit Scheme.
- ii. Unfunded:
  - a. In case of subsidiary, Post Retirement Medical Benefit Scheme is unfunded.
  - b. Contributory scheme for Post Retirement Medical Facilities (Domiciliary)

**(c) Details of the Gratuity Plan are as follows :**

Particulars	For the year ended	
	31st March 2021	31st March 2020
<b>1. Assumptions</b>		
a. Discount rate (per annum)	5.90%	6.20%
b. Estimated rate of return on plan assets (per annum)	5.90%	6.20%
c. Rate of escalation in salary (per annum)	8.00%	8.00%
In case of subsidiary, rate of escalation in salary (per annum)	"Non-Executive- 6% Executive- 5%"	"Non-Executive- 6% Executive- 5%"

**2. Amounts recognised in Consolidated statement of profit and loss in respect of defined benefit plans under Gratuity are as follows:**

( Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Current service cost	36.86	36.90
b. Service Cost	36.86	36.90
c. Net Interest on net defined benefit liability / (asset)	3.22	3.34
<b>d. Cost recognized in P&amp;L</b>	<b>40.08</b>	<b>40.24</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
a. Actuarial (gain)/loss due to DBO Experience	17.68	22.08
b. Actuarial (gain)/loss due to DBO assumption changes	12.64	39.41
c. Actuarial (gain)/loss arising during period	30.32	61.49
d. Return on plan assets (greater)/less than discount rate	(4.76)	(3.89)
e. Actuarial (gains)/losses recognised in OCI	25.57	57.59
<b>f. (Income)/Cost recognized in OCI</b>	<b>25.57</b>	<b>57.59</b>

## Consolidated Report

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the Consolidated statement of profit and loss on the basis of actuarial valuation under INDAS 19.
4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

### 5(a). Movements in the present value of the defined benefit obligation are as follows

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Obligation as at the beginning of the year	899.82	866.87
b. Current Service Cost	36.86	36.90
c. Interest Cost on DBO	53.13	58.01
d. Past Service Cost- Plan Amendment	-	-
e. Acquisitions ( credit)/cost	-	-
f. Actuarial gains and losses arising from changes in financial assumptions	8.92	27.92
g. Actuarial gains and losses arising from experience adjustments	21.29	33.57
h. Actuarial gains and loss arising demographic assumption	0.11	-
i. Benefits paid from plan asset	(108.29)	(123.45)
<b>J. Closing defined benefit Obligation</b>	<b>911.84</b>	<b>899.82</b>

### 5 (b). Movements in the fair value of the plan assets are as follows

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Fair value of the assets at the end of prior period	806.62	792.25
b. Interest Income on plan assets	49.92	54.68
c. Employer Contributions	97.82	79.26
d. Return on plan assets greater/(lesser) than discount rate	4.77	3.89
e. Benefits paid	(108.29)	(123.45)
<b>f. Fair Value of assets at the end of current period</b>	<b>850.84</b>	<b>806.62</b>

6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Effect of a 1% change in discount rate</b>		
Increase		
(i) aggregate current service and interest cost	(40.69)	(41.83)
(ii) closing balance of obligation	871.15	857.99
Decrease		
(i) aggregate current service and interest cost	43.84	45.20
(ii) closing balance of obligation	955.68	945.02
<b>Effect of a 1% change in salary escalation rate</b>		
Increase		
(i) aggregate current service and interest cost	23.79	27.30
(ii) closing balance of obligation	935.62	927.12
Decrease		
(i) aggregate current service and interest cost	(25.51)	(28.86)
(ii) closing balance of obligation	886.33	870.96

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

**8. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years**

**Details of the Post Retirement Medical Benefit Scheme are as follows:**

Particulars	For the year ended	
	31st March 2021	31st March 2020
<b>1. Assumptions</b>		
a. Discount rate (per annum)	5.90%	6.20%
b. Medical Inflation (per annum)	5.00%	5.00%
<b>2. Amounts recognised in consolidated statement of profit and loss in respect of defined benefit plans under Post Retirement Medical Benefit Scheme are as follows:</b>		
	(Amount in ₹ million)	
Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Current service cost	14.36	10.02
b. Service Cost	14.36	10.02
c. Net Interest on net defined benefit liability / (asset)	26.06	21.30
<b>d. Cost recognized in P&amp;L</b>	<b>40.42</b>	<b>31.32</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
e. Actuarial (gain)/loss due to DBO Experience	7.90	6.61
f. Actuarial (gain)/loss due to DBO assumption changes	49.17	57.91
g. Actuarial (gain)/loss arising during period	57.07	64.52
h. Return on plan assets (greater)/less than discount rate	(3.02)	11.31
i. Actuarial (gains)/losses recognised in OCI	54.05	75.83
j. Adjustments for limit on net assets	-	-
<b>k. (Income)/Cost recognized in OCI</b>	<b>54.05</b>	<b>75.83</b>

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.

4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

**5. Movements in the present value of the defined benefit obligation are as follows**

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Obligation as at the beginning of the year	497.21	413.94
b. Current Service Cost	14.36	10.02
c. Interest Cost	30.37	29.13
d. Actuarial gains and losses arising from changes in financial assumptions	56.42	70.51
e. Actuarial gains and losses arising from experience adjustments	0.65	(5.99)
f. Actuarial gains and loss arising from demographic assumption	-	-
g. Benefits paid directly by the Company	(22.47)	(20.41)
<b>h. Closing defined benefit Obligation</b>	<b>576.54</b>	<b>497.21</b>

## Consolidated Report

6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Effect of a 1% change in discount rate</b>		
Increase		
(i) aggregate current service and interest cost	(71.83)	(62.64)
(ii) closing balance of obligation	504.71	434.57
Decrease		
(i) aggregate current service and interest cost	83.98	73.89
(ii) closing balance of obligation	660.52	571.09
<b>Effect of a 1% change in medical inflation rate</b>		
Increase		
(i) aggregate current service and interest cost	72.98	65.78
(ii) closing balance of obligation	649.52	562.99
Decrease		
(i) aggregate current service and interest cost	(62.21)	(55.62)
(ii) closing balance of obligation	514.33	441.59

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
8. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**In case of subsidiary, details of the Contributory Scheme for Post Retirement Medical Facilities (Domiciliary) are as follows:**

Particulars	For the year ended	
	31st March 2021	31st March 2020
<b>1. Assumptions</b>		
a. Discount rate (per annum)	5.90%	6.20%
b. Medical Inflation (per annum)	Not Applicable	Not Applicable

- 2. Amounts recognised in Consolidated statement of profit and loss in respect of defined benefit plans under Contributory Scheme for Post Retirement Medical Facilities (Domiciliary) are as follows:**

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Current service cost	0.66	0.57
b. Service Cost	0.66	0.57
c. Net Interest on net defined benefit liability / (asset)	1.40	1.28
d. Immediate recognition of (gains)/losses-other long term employee benefit plans		
<b>e. Cost recognized in P&amp;L</b>	<b>2.06</b>	<b>1.86</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
a. Actuarial (gain)/loss due to DBO Experience	(1.14)	1.24
b. Actuarial (gain)/loss due to DBO assumption changes	0.82	2.30
c. Actuarial (gain)/loss arising during period	(0.33)	3.54
d. Actuarial (gains)/losses recognised in OCI	(0.33)	3.54
<b>e. (Income)/Cost recognized in OCI</b>	<b>(0.33)</b>	<b>3.54</b>

3. The current service cost and the net interest expenses for the year are included in the 'Employee benefits expense' line item in the consolidated statement of profit and loss.
4. The remeasurement of the net defined benefit liability is included in other comprehensive income.

**5. Movements in the present value of the defined benefit obligation are as follows**

(Amount in ₹ million)

Particulars	For the year ended	
	31st March 2021	31st March 2020
a. Obligation as at the beginning of the year	(23.04)	(18.51)
b. Current Service Cost	(0.66)	(0.57)
c. Interest Cost	(1.40)	(1.28)
d. Actuarial gains and losses arising from experience adjustments	-	-
g. Benefits paid directly by the Company	1.02	0.86
h. Amounts recognized in OCI	0.33	(3.54)
<b>i. Closing defined benefit Obligation</b>	<b>(23.75)</b>	<b>(23.04)</b>

6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
<b>Effect of a 1% change in discount rate</b>		
Increase		
(i) aggregate current service and interest cost	(2.56)	(2.53)
(ii) closing balance of obligation	(26.31)	(25.57)
Decrease		
(i) aggregate current service and interest cost	3.10	3.07
(ii) closing balance of obligation	(20.66)	(19.98)
<b>Effect of a 1% change in medical inflation rate</b>		
Increase		
(i) aggregate current service and interest cost	Not Applicable	Not Applicable
(ii) closing balance of obligation	-	-
Decrease		
(i) aggregate current service and interest cost	Not Applicable	Not Applicable
(ii) closing balance of obligation	-	-

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
8. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## Consolidated Report

### 42. Expenditure incurred on Corporate Social Responsibility Activities

- In accordance to Section 135 of the Companies Act 2013 , gross amount required to be spent by the group during the year - ₹ 6.70 Millions.
- The group has incurred ₹ 50.00 Millions in current year (Previous Year ₹ 11.71 Millions) as CSR expenditure.

(Amount in ₹ million)

Particulars	31st March 2021	31st March 2020
(1) Construction/ Renovation of any asset	-	3.28
(2) Construction of Toilet Blocks	-	3.03
(3) Contribution to PM Cares Fund*	50.00	5.40
<b>Total</b>	<b>50.00</b>	<b>11.71</b>

\* Note :- Above contribution to PMCARES FUND in current year is made by subsidiary .

Above figures are disclosed separately in note no 33(aa).

- Balances of Trade Receivables, Trade Payables and Advances includes balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made.
- The current assets of the holding company are under charge with consortium bank against sanction of credit facilities to the company.
- In case of Subsidiary (FSNL) operation of Haridwar Unit (inside BHEL , Haridwar ) has been closed w.e.f 1st October, 2020 due to non-extension / renewal of agreement. The management has transferred all the assets of the unit to other Operational Units and Corporate Office.
- The Board of Directors of the Company adopted the Financial Statements in 306th Board Meeting held on 25th June, 2021.
- The figures for the corresponding previous years have been regrouped/reclassified wherever necessary to make them comparable.
- The Board of Directors of the Holding Company in its 306th Meeting held on 25th June, 2021 has proposed a final dividend of ₹4.40 per share in respect of year ending 31st March 2021, @ 44% on equity share capital which is ₹ 704.00 Millions as on date. The payment of Dividend is subject to approval of shareholders at Annual General Meeting. If approved it will result in a cash outflow of ₹309.76 Millions.

In terms of our report of even date  
For S. Ghose & Co LLP  
Chartered Accountants  
FRN : 302184E/E300007

CA Pradip Kumar Mitra  
Partner  
M. No : 052183

Dated : June 25, 2021  
Place : Kolkata

For MSTC LIMITED

(Surinder Kumar Gupta)  
Chairman and Managing Director  
Managing Director  
DIN- 08643406

(S K Barnwal)  
Addl. General Manager  
Finance & Accounts

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN- 8290021

(Ajay Kumar Rai)  
Company Secretary  
M. No : F5627







**एमएसटीसी लिमिटेड**

(भारत सरकार का उपक्रम)

**MSTC Limited**

(A Govt. of India Enterprise)

प्लॉट नं. सीएफ-18/2, स्ट्रीट नं. 175, एक्सन एरिया 1C, न्यू टाउन, कोलकाता - 700 156, प. ब.  
Plot No. CF-18/2, Street no 175, Action Area 1C, New Town, Kolkata - 700156, W.B.  
फोन / Phone : 91-33-2340-0000

वेबसाइट / website : [www.mstcindia.co.in](http://www.mstcindia.co.in) | [www.mstcecommerce.com](http://www.mstcecommerce.com)

सीआईएन / CIN : L27320WB1964GOI026211



CIN : L27320WB1964GOI026211

**Registered Office** : Plot No. CF-18/2, Street no 175, Action Area IC  
New Town, Kolkata – 700156, W.B.

**Phone** : 91-33-2340-0000, **Website** : www.mstcindia.co.in **Email** : cosec@mstcindia.co.in

## NOTICE OF 56<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the fifty sixth Annual General Meeting (“AGM”) of the Members of MSTC Limited will be held on **Tuesday, September 28, 2021 at 11:00 A.M.** through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company, which shall be the deemed venue of the AGM.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone as well as Consolidated Financial Statement of the Company for the financial year ended March 31, 2021 together with the Reports of the Board and the Auditors thereon and comments of Comptroller and Auditor General of India.
2. To declare the Final Dividend of ₹ 4.40 per equity share for the year ended March 31, 2021.
3. To appoint a Director in place of Smt. Ruchika Chaudhry Govil (DIN: 07601895), who retires by rotation and being eligible, offer herself for re-appointment.
4. To authorize Board of Directors of the Company to fix remuneration of the Statutory Auditors of the Company appointed by the Comptroller & Auditor General of India for the Financial Year 2021-22.

To consider and if thought fit to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 142 and other applicable provisions of the Companies Act, 2013 and rules made there under, the Board of Directors of the Company be and is hereby authorized to determine the amount of remuneration payable to the Statutory Auditors under Section 139(5) of the Companies Act, 2013 as appointed by the Comptroller and Auditor General of India, including reimbursement of out of pocket expenses, if any incurred by the said Auditors in connection with the Audit of Accounts of the Company for the Financial year 2021-22”.

**By Order of the Board of Directors**

Sd/-

(Ajay Kumar Rai)

Company Secretary & Compliance Officer

(FCS: 5627)

Place: Kolkata

Date: June 25, 2021

## NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its circular nos. 14/2020, 17/2020, 20/2020 & 02/2021 (hereinafter collectively referred to as "MCA Circulars") and SEBI vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 & SEBI/HO/CFD/CMD2/CIR/P/2021/11 (hereinafter collectively referred to as "SEBI Circulars") permitted companies to hold AGM through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (Act), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), MCA and SEBI Circulars, the AGM of the Company is being held through VC/OAVM.
2. In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.mstcindia.co.in](http://www.mstcindia.co.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at <https://www.evoting.nsdl.com>.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned under **Note no. 33** of this Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 56th AGM and hence the Proxy Form, Attendance Slip and route map for the venue of the AGM are not annexed to this Notice.
5. Corporate Members intending to send their authorized representative(s) pursuant to section 113 of the Act to attend the Meeting are requested to send a scan copy of the Board Resolution/ Authority letter authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through registered email address of the member to [ps@bajajtodi.in](mailto:ps@bajajtodi.in) with a copy marked to [cosec@mstcindia.co.in](mailto:cosec@mstcindia.co.in), [virenders@alankit.com](mailto:virenders@alankit.com) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Brief profile of the Directors seeking appointment/re-appointment in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is annexed hereto and forms part of the Notice.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection to the members during the AGM. All documents referred to in the Notice shall also be made available for inspection by the member of the Company, without

- payment of fees upto the date of AGM. Members desirous of inspecting such documents may send their requests at [cosec@mstcindia.co.in](mailto:cosec@mstcindia.co.in) from their registered e-mail address mentioning their names and folio numbers/demat account numbers.
9. Members desiring any information relating to the accounts are requested to write to the Company on or before **September 25, 2021** through email on [cosec@mstcindia.co.in](mailto:cosec@mstcindia.co.in) so as to enable the management to keep the information ready.
  10. The Register of Members and Share Transfer Books of the Company will remain closed from **September 21, 2021 to September 28, 2021 (both days inclusive)** for the purpose of Annual General Meeting.
  11. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.
  12. The Company has appointed Smt. Priti Todi of M/s. Bajaj Todi & Associates, Practicing Company Secretary, as Scrutiniser to scrutinise the voting process in a fair and transparent manner.
  13. The business set out in the Notice will be transacted through remote electronic voting system. Instruction and other information relating to E-voting are given under **Note no. 32** of this Notice.
  14. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company, will be entitled to vote at the AGM.
  15. The Company has fixed **September 20, 2021 as the 'Record Date'** for determining entitlement of members to receive final dividend for the financial year ended March 31, 2021, if approved at the AGM. The final dividend, once approved by the members in the AGM, will be paid to the eligible shareholders within the stipulated period of 30 days of declaration. The dividend will be paid, after deduction of tax at source, through electronic mode to those members whose updated bank account details are available. For members whose bank account details are not updated, dividend warrants / demand drafts will be sent to their registered address.
  16. Final dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid to:
    - a. all beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities depositories Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) collectively "Depositories" as of close of business hours on September 20, 2021.
    - b. all members in respect of shares held in physical form after giving effect to valid transfer, transposition or transmission requests lodged with the company as of the close of business hours on September 20, 2021.
  17. **TDS on Dividend:** Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Alankit Assignments Limited (in case of shares held in physical mode) and depository participants (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the

benefit of non-deduction of tax at source through email to [cossec@mstcindia.co.in](mailto:cossec@mstcindia.co.in) and [virenders@alankit.com](mailto:virenders@alankit.com) by **September 20, 2021**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cossec@mstcindia.co.in](mailto:cossec@mstcindia.co.in) and [virenders@alankit.com](mailto:virenders@alankit.com). The aforesaid declarations and documents need to be submitted by the shareholders by **September 20, 2021**.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

18. **Unpaid/unclaimed dividend:** Pursuant to the provisions of the Companies Act, 2013 read with Rules made thereunder (as amended), any money transferred to the Unpaid Dividend Account of a Company which remains unpaid/ unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company along with interest accrued (if any) thereon to 'Investors Education & Protection Fund' (IEPF) constituted by the Central Government. Accordingly, the Company has transferred the unclaimed dividend to IEPF which were belonging to the shareholders whose dividend were unpaid/unclaimed from the Financial Year 2012-13.

Further, pursuant to the Investor Education and Protection Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), the Company has uploaded details of unpaid and unclaimed amounts lying with the Company as on September 25, 2020 (date of last Annual General Meeting) on its website at [www.mstcindia.co.in](http://www.mstcindia.co.in) and also on the website of the Ministry of Corporate Affairs.

19. **Compulsory transfer of Equity Shares to Investors Education & Protection Fund (IEPF):** Pursuant to the provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended), all shares on which dividend has not been paid or claimed for seven consecutive years has been transferred to IEPF.
20. Further, members are requested to note that in respect of dividend and shares transferred to IEPF, members are entitled to claim the same from IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Nodal Officer of the Company at the registered office of the Company, along with the requisite documents enumerated in Form IEPF-5. Mr. Ajay Kumar Rai, Company Secretary & Compliance Officer is the Nodal Officer of the company for the purpose of verification of such claims.
21. In terms of IEPF Rules, Member can file only one consolidated claim in respect of the company in a financial year.
22. Members who have not received or not encashed their dividend warrants may approach M/s. Alankit Assignments Limited, Registrar & Share Transfer Agent of the Company, or Secretarial Department of the Company for obtaining the same.
23. Bonus shares have been issued by the company on January 11, 2019 to those Shareholders holding shares in demat mode only and shares belonging to those shareholders who hold shares in physical mode were kept in a separate account

- known as “**MSTC Limited Unclaimed Suspense account**”. All Shareholders holding shares in physical mode are requested to convert their shares immediately from physical to demat mode and claim the bonus shares from the company.
24. Members may avail the facility of nomination in terms of Section 72 of the Act, by nominating any person to whom their shares in the Company shall vest on occurrence of events stated in Form SH-13. Form SH-13 is to be submitted in duplicate to M/s. Alankit Assignments Limited, RTA of the Company. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
  25. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to Alankit Assignments Limited, the Registrar and Share Transfer Agent of the company if shares are held in physical form or to the respective Depository Participants if share are held in electronic form.
  26. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit PAN and Bank details to their depository participants with whom they are maintaining their demat accounts. Member holding shares in physical forms are also required to submit their PAN and Bank Account details to the Registrar and Share Transfer Agent/Secretarial Department of the Company.
  27. In terms of the SEBI Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019, except in case of transmission or transposition and re-lodged transfers of securities. Further SEBI vide its circular dated September 07, 2020 had fixed March 31, 2021 as cut-off date for re-lodgement of transfer deed. In view of the above, Members are advised to dematerialize shares held by them in physical form.
  28. The Company has opted for dematerialization of shares. MSTC shares have been dematerialized with NSDL and CDSL bearing ISIN INE255X01014. Members holding shares in physical form are requested to dematerialize the same immediately.
  29. Members holding shares in the same name or in the same order of names but in several folios are requested to consolidate them into one folio.
  30. Non-resident Indian Members are requested to inform Company's Registrar and Share Transfer Agent, M/s. Alankit Assignments Limited, immediately of:
    - (a) Change in their residential status on return to India for permanent settlement.
    - (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  31. To Support the 'Green Initiative', the members who have not registered their e-mail addresses are requested to register the same with the company's Registrar and Share Transfer Agent/ Depository Participants for receiving all communication including Annual reports, Notices, Circulars etc. from the Company electronically. A Public notice regarding providing the email ids and other details has already been uploaded on the Company's Website [www.mstcindia.co.in](http://www.mstcindia.co.in).
  32. **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND E-VOTING ON THE DAY OF THE AGM ARE AS FOLLOWS:-**

**The remote e-voting period begins on Friday, September 24, 2021 at 9:00 A.M. and ends on Monday, September 27, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 20, 2021,**

**may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

**Type of shareholders**

Individual Shareholders holding securities in demat mode with NSDL.

**Login Method**

1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. **<https://eservices.nsdl.com>** either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If you are not registered for IDeAS e-Services, option to register is available at **<https://eservices.nsdl.com>**. Select **"Register Online for IDeAS Portal"** or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **<https://www.evoting.nsdl.com/>** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number, held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the



remote e-Voting period or joining virtual meeting & voting during the meeting.

4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for **Easi / Easiest**, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or **www.cdslindia.com** and click on New System **Myeasi**.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

**Login type**

Individual Shareholders holding securities in demat mode with NSDL

Individual Shareholders holding securities in demat mode with CDSL

**Helpdesk details**

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at **evoting@nsdl.co.in** or call at toll free no.: **1800 1020 990** and **1800 22 44 30**

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cslindia.com** or contact at **022-23058738** or **022-23058542-43**

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at **https://eservices.nsdl.com/** with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. **Your User ID details** are given below :

**Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical**

**Your User ID is:**

- a) For Members who hold shares in demat account with NSDL.

8 Character DP ID followed by 8 Digit Client ID  
For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.

- b) For Members who hold shares in demat account with CDSL.

16 Digit Beneficiary ID  
For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*

- c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company

For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*

5. **Password details** for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter with attested specimen signature of the duly authorized

signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **ps@bajajtodi.in** with a copy marked to **cosec@mstcindia.co.in**, **virenders@alankit.com** and **evoting@nsdl.co.in**.

2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. **September 20, 2021** may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on **www.evoting.nsdl.com** or call on toll free no. **1800 1020 990 and 1800 22 44 30**. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system"(Above).
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on **www.evoting.nsdl.com** to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of **www.evoting.nsdl.com** or call on toll free no.: **1800 1020 990 and 1800 22 44 30** or send a request to Shri Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at **evoting@nsdl.co.in**

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **virenders@alankit.com** with a copy marked to **cosec@mstcindia.co.in**.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **virenders@alankit.com** with a copy marked to **cosec@mstcindia.co.in**. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to **evoting@nsdl.co.in** for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
33. **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**
  1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
  2. Members are encouraged to join the Meeting through Laptops for better experience.
  3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at **cosec@mstcindia.co.in** latest by **5.00 p.m. (IST)** on **Monday, September 20, 2021**.
  6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at **cosec@mstcindia.co.in** latest by **5.00 p.m. (IST)** on **Saturday, September 25, 2021**. The same will be replied by the company suitably.
  7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
  8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
  9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
  10. Members who need assistance before or during the AGM, can contact Shri Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at **evoting@nsdl.co.in** or call **1800 1020 990 / 1800 22 44 30**.

### **Brief Profile of Directors seeking appointment in the 56th AGM**

Name	:	Smt. Ruchika Chaudhry Govil
DIN	:	07601895
Date of Birth	:	31/12/1965
Nationality	:	INDIAN
Date of Appointment on the Board	:	11/10/2017
Qualification	:	I.R.S.
List of Directorships held in other companies	:	Rashtriya Ispat Nigam Limited
Chairman or membership of other committees in MSTC Ltd.	:	Member of Audit Committee, Nomination & Remuneration Committee and Risk Management Committee

For other details such as brief resume, expertise, relationships between directors inter-se, directorships held and shareholding in respect of above director, please refer to the Corporate Governance Report which is a part of the Annual Report.

**By Order of the Board of Directors**

Sd/-

(Ajay Kumar Rai)

Company Secretary & Compliance Officer

(FCS : 5627)

Place: Kolkata

Date : June 25, 2021