



# एमएसटीसी लिमिटेड

(भारत सरकार का उपक्रम)

## MSTC LIMITED

(A Govt. of India Enterprise)

CIN : L27320WB1964GOI026211

e-assuring  
**INDIA**

MSTC/CS/SE/363

3<sup>rd</sup> September, 2022

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 2021-22 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 2021-22 along with the Notice of 57<sup>th</sup> Annual General Meeting (AGM) which has already been sent through electronic mode to the Members of the Company.

The Annual Report 2021-22 and the Notice of the 57<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



[www.mstcindia.co.in](http://www.mstcindia.co.in) / [www.mstcecommerce.com](http://www.mstcecommerce.com)

पंजीकृत कार्यालय : प्लॉट सं. सीएफ 18/2, मार्ग सं. 175, एक्शन एरिया 1सी, न्यूटाउन कोलकाता-700 156, प.ब.

Regd. Office : Plot No. CF18/2, Street No. 175, Action Area 1C, New Town, Kolkata - 700 156 W.B.

Phone: 91-33-2340 -0000/0011/0012/0013



CIN : L27320WB1694GOI26211

**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 :** cssectt@mstcindia.in

## NOTICE OF 57<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the fifty seventh Annual General Meeting (“AGM”) of the Members of MSTC Limited will be held on **Tuesday, September 27, 2022, 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, 2022 together with the Reports of the Board and the Auditors thereon and comments of Comptroller and Auditor General of India.
2. To confirm 1<sup>st</sup> and 2<sup>nd</sup> Interim dividends paid @ Rs. 2.00 per share and Rs. 6.50 per share respectively on equity shares for the Financial Year 2021-22 and to declare final dividend @ ₹ 4.40 per share (44%) on equity shares for the financial year 2021-22.

3. To appoint a Director in place of Shri Subrata Sarkar (DIN: 08290021), who retires by rotation and being eligible, offer himself 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 2022-23.

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 2022-23”.

**By Order of the Board of Directors**

Sd/-

(Ajay Kumar Rai)

Company Secretary & Compliance Officer

(FCS: 5627)

Place: Kolkata

Date : May 25, 2022

## 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 & 02/2022 (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 & SEBI/HO/CFD/CMD2/CIR/P/2022/62 (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 2021-22 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 2021-22 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 57<sup>th</sup> 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** with a copy marked to **cssectt@mstcindia.in**, **virenders@alankit.com** and **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 Director 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 **cssectt@mstcindia.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 19, 2022** through email on **cssectt@mstcindia.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 17, 2022 to September 27, 2022 (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 16, 2022 as the 'Record Date'** for determining entitlement of members to receive final dividend for the financial year ended March 31, 2022, 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 16, 2022**.
    - 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 16, 2022**.
  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 **cssectt@mstcindia.in** and **virenders@alankit.com** by **September 19, 2022**. 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 **cssectt@mstcindia.in** and **virenders@alankit.com**. The aforesaid declarations and documents need to be submitted by the shareholders by **September 19, 2022**.

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.

Members are also requested to note that the shares, if any, in respect of which dividend is not claimed for seven consecutive years along with the unclaimed dividend amount for the financial year ended March 31, 2015 (declared and paid in 2015) will be due for transfer to IEPF on **October 20, 2022**.

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 28, 2021** (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. Shri 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 23, 2022 at 9:00 A.M. and ends on Monday, September 26, 2022 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 16, 2022, 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	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' 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 "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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.</li> </ol>

	<p>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> App Store     Google Play</p> <div style="display: flex; justify-content: space-around;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for <b>Easi / Easiest</b>, 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System <b>My easi</b>.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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 &amp; voting during the meeting.</p>

**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	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022- 23058738</b> or <b>022-23058542-43</b>

**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,
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 user 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.nsd.com](http://www.evoting.nsd.com).
    - b) [Physical User Reset Password?](#) (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.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.
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

#### 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 Meeting”.
  3. Now you are ready for e-Voting as the Voting page opens.
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](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). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
  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 16, 2022**, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto: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.nsd.com](http://www.evoting.nsd.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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at [evoting@nsdl.co.in](mailto: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](mailto:virenders@alankit.com) with a copy marked to [cssectt@mstcindia.in](mailto:cssectt@mstcindia.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](mailto:virenders@alankit.com) with a copy marked to [cssectt@mstcindia.in](mailto:cssectt@mstcindia.in). If you are an Individual shareholder 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](mailto: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 meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join 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 **cssectt@mstcindia.in** latest by **5.00 p.m. (IST) on Monday, September 19, 2022**.
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 **cssectt@mstcindia.in** latest by **5.00 p.m. (IST) on Monday, September 19, 2022**. 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 Ms. Pallavi Mhatre, Senior Manager, NSDL at **evoting@nsdl.co.in** or call **1800 1020 990 / 1800 22 44 30**.



## **Brief Profile of Director Seeking Re-appointment in the 57<sup>th</sup> AGM**

### **Particulars**

### **Shri Subrata Sarkar**

DIN	08290021
Date of Birth	04/04/1970
Nationality	INDIAN
Date of Appointment on the Board	01/12/2018
Qualification	B.Sc., Chartered Accountant
Directorships held in other companies	Nil
Chairman or membership of other committees in MSTC Ltd.	Member of Stakeholders Relationship Committee and Corporate Social Responsibility 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 : May 25, 2022

e-assuring  
**iNDIA**

75  
Azadi Ka  
Amrit Mahotsav

हर एक काम  
देश के नाम

57<sup>th</sup>  
ANNUAL REPORT  
2021-22



सीआईएन / CIN : L27320WB1964GOI026211



**Shri Jyotiraditya M. Scindia**  
Hon'ble Minister of Steel & Civil Aviation  
(w.e.f. 07.07.2022)



**Shri Ram Chandra Prasad Singh**  
Hon'ble Minister of Steel  
(Upto 06.07.2022)



**Shri Faggan Singh Kulaste**  
Hon'ble Minister of State for Steel  
& Rural Development



**Shri Sanjay Kumar Singh**  
Secretary (Steel)





# Contents

## **CORPORATE OVERVIEW**

Board of Directors	2
Management Team	3
Corporate Information	3
Corporate Profile	4
Our Operational Footprint	5
Our Flagship Projects	6
Inaugurating our New Corporate Office	8
Year that gone by	9
Message from the CMD	14
Performance Highlights	18

## **STATUTORY REPORTS**

Management Discussion and Analysis	21
Board's Report	28
Corporate Governance Report	39
Business Responsibility Report	59
Annual Report on CSR	66
Secretarial Audit Report	70
Secretarial Audit Report of Subsidiary	72
Management Replies to the Comments/Observations of the Statutory Auditors	75
Form AOC-1	76

## **FINANCIAL STATEMENTS**

### **Standalone Financial Statements**

Independent Auditor's Report	78
Comments of the CAG	89
Balance Sheet	90
Statement of Profit and Loss	91
Statement of Changes in Equity	92
Statement of Cash Flows	93
Notes on Financial Statements	94

### **Consolidated Financial Statements**

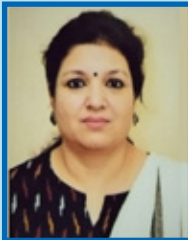
Independent Auditor's Report	129
Comments of the CAG	139
Balance Sheet	140
Statement of Profit and Loss	141
Statement of Changes in Equity	142
Statement of Cash Flows	143
Notes on Financial Statements	144



## BOARD OF DIRECTORS



**Shri Surinder Kumar Gupta**  
Chairman and Managing Director



**Smt. Bhanu Kumar**  
Director (Commercial)



**Shri Subrata Sarkar**  
Director (Finance) and CFO



**Smt. Ruchika Chaudhry Govil**  
Govt. Nominee Director



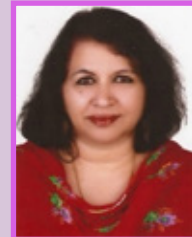
**Shri Awadhesh Kumar Choudhary**  
Govt. Nominee Director



**Dr. Vasant Ashok Patil**  
Independent Director  
(w.e.f. 1.11.2021)



**Shri Adya Prasad Pandey**  
Independent Director  
(w.e.f. 1.11.2021)



**Smt. Aparna Chaturvedi**  
Independent Director  
(Upto 13.12.2021)

## MANAGEMENT TEAM



**Shri Suresh Madhavan**

Chief Vigilance Officer



**Shri Chittaranjan Giri**

CGM (Systems)



**Shri Suchit Kumar Barnwal**

GM (Finance & Accounts)



**Shri Surya Kant**

GM (Corporate Planning, Corporate Communications, Official Language)



**Shri Bhaskar Majumdar**

GM (Training)  
(upto 31.12.2021)



**Shri Ajay Kumar Rai**

Company Secretary & Compliance Officer

## CORPORATE INFORMATION

Corporate Identification No. – L27320WB1964G0I026211

### Bankers

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

### Registrar and Transfer Agent

M/s Alankit Assignments Limited  
Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110 055  
Tel: +91-11-4254-1954/+ 91-11-4254 1234  
Email: virenders@alankit.com/ saching@alankit.com  
Website: www.alankit.com

### Auditors

M/s. S.Ghose & Co. LLP  
Chartered Accountants

### Secretarial Auditors

CS Saumayo Jyoti Seal  
Practising Company Secretary

### Registered & Head Office

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

# CORPORATE PROFILE



## Brief about company

MSTC Limited, a Category-I Mini Ratna company under the administrative control of the Ministry of Steel, Government of India, is one of the leading CPSE engaged in providing e-commerce related services across diversified industry segment offering e-auction/e-sale, e-procurement services and development of customized software/solutions. The company has emerged as a pioneer in the e-auction segment catering to the Public as well as Private Sector, partnering with different Government agencies and Ministries in conducting e-Auctions. MSTC is one of the key players offering comprehensive range of services in e-procurement segment.

Incorporated in 1964, MSTC in its 57 years of journey has transformed itself from a small canalized agency to a large multi-product diversified company. MSTC has substantially enhanced its shareholder's wealth over the period of time through dividend pay outs and bonus issues.

MSTC facilitates in recycling of scrap for industrial use and thereby reduces input cost, conserve energy and natural resources and ultimately protects the environment. The company is committed to ethical business principles, e-governance, transparency and fairness in all its business activities.

## Vision



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



## Mission

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

## Objectives



- To increase India's share in global cross border trade by facilitating reliable e-commerce enabled trading.
- 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.
- 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.
- To develop and maintain a competent, dedicated and motivated workforce.
- To enter into joint ventures with enterprises offering synergy in the area of metal and e-waste recycling, prospective business on e-commerce platform.
- 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.
- 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.

# OUR OPERATIONAL FOOTPRINT

Our operational footprint spread across the country almost in every state. All offices provide a strategic and geographical advantage in serving our principals and to cater national market with a strong competitive edge.



**Registered & Head Office:**  
Kolkata


**Regional Offices:**  
ERO at Kolkata  
WRO at Mumbai  
SRO at Chennai  
NRO at New Delhi

**Branch offices:**  
Bangalore  
Bhopal  
Bhubaneswar  
Chandigarh  
Guwahati  
Hyderabad  
Jaipur  
Lucknow  
Nagpur  
Raipur  
Ranchi  
Trivandrum  
Vadodara  
Vizag  
Patna






## Our Flagship Projects





**Spectrum**  
On behalf of Department of Telecommunication, auction portal for allocation of 4G and 5G Spectrum was developed

**DEEP** (Discovery of Efficient Electricity Price)  
e-bidding & reverse auction portal developed for power procurement by DISCOM on Short/ Medium/Long Term on behalf of Ministry of Power




**UDAN**  
Developed portal for Regional connectivity Scheme of Ministry of Civil Aviation

**e-RaKAM**  
Developed an e-platform for farmers to sell agricultural produce on pan India basis. The portal is a joint initiative by MSTC and Central Railside Warehouse Company Ltd.



**eBKray**  
Developed e-auction portal as an integral part of IBA's eBKray website for sale of mortgaged properties of different bank under SARFAESI Act. The portal will be used by all PSU Banks to sell their NPAs under SARFAESI Act through a single window for prospective buyers

**COAL e-auctions**  
e-bidding platform developed for allocation of coal linkages for non-regulated sectors by CIL/SCCL







## Scrap Auction

MSTC conducts e-auction for sale of scraps, old plant and machineries, shredded scrap of ELVs etc.

## SHAKTI

(Scheme for Harnessing and Allocating Koyala Transparently in India)  
MSTC provided a tailor made software solution for execution of the online scheme for allocation of coal linkage for regulated sector.



## Jaivik Kheti

Developed and launched the portal for organic farm produce to provide pan India direct market access to organic farmers on behalf of Ministry of Agriculture, Govt. of India



## ITD Portal for Petroleum Products

MSTC developed online portal for Integrated Trading Desk (ITD) for Export Import of petroleum products for ONGC Group.



## Auction Portal for CEPI

An auction portal has been developed on behalf of CEPI (Custodian of Enemy Property for India) for auctioning Enemy Properties.



## Recycling

MSTC through its JV Mahindra MSTC Recycling Private Limited forayed into the recycling of ELVs and White goods by converting these into shredded scrap.





# Inaugurating Our New Corporate Office

MSTC's new Corporate building was inaugurated by Shri Ram Chandra Prasad Singh, Hon'ble Minister of Steel on 26<sup>th</sup> August, 2021 in the presence of Shri Faggan Singh Kulaste, Hon'ble Minister of State for Steel and Rural Development.

The new corporate office located at Smart City of New Town, Kolkata is a IGBC certified Green Building, Steel Intensive Structure with Intelligent Building Management System and the State-of-the-Art Data Centre.





## YEAR THAT GONE BY

### GENERAL MEETINGS



Directors and CS attending 56<sup>th</sup> AGM through VC



CMD, D(C), CS during Extra-ordinary General Meeting held on 22.12.2021 through VC

### FOUNDATION DAY



CMD, D(C), D(F), CVO with other dignitaries and officials during MSTC Foundation Day



Cultural Programme during MSTC Foundation Day

### GRIHA PRAVESH



CMD, D(C) with other officials during MSTC Griha Pravesh Puja



CMD, D(C) with other officials during MSTC Griha Pravesh Puja



### ANNUAL PICNIC



D(C) with MSTC Employees and their families during Sunderban visit on Annual Picnic



CMD with MSTC Employees and their families during Sunderban visit on Annual Picnic

### ANNUAL SOCIAL PROGRAMME



CMD inaugurating the Annual Social Programme in presence of D(C), D(F), CVO and others



D(C) addressing the audience during Annual Social Programme with dignitaries present on dias



Vinod Rathore performing in musical concert during Annual Social Programme



**ANNUAL SPORTS**



CMD inaugurating the Annual Sports event in presence of D(C), D(F) and other officials of MSTC



Employees of MSTC taking part in Annual Sports Event

**CORPORATE SOCIAL RESPONSIBILITY**



Completed additional room construction by MSTC at Jidhra Primary School, South Dinajpur, W.B. under CSR



Finishing of Repair and Renovation works at Utkramita Madhya Vidyalaya, Giridih, Jharkhand under CSR

**RAJBHASHA**



CMD receiving Ispat Rajbhasha Award (3<sup>rd</sup> Prize) from Hon'ble Minister of Steel





**RAJBHASHA**



MSTC received Ispat Rajbhasha Award (3<sup>rd</sup> Prize) for the year 2020-21



Smt. K. Sheela, Manager receiving 2<sup>nd</sup> official language award from Narakas - Visakhapatnam

**VIGILANCE AWARENESS WEEK**



CMD lighting diya at inaugural function of Vigilance Awareness Week 2021



Candle Light Vigil March held in Vigilance Awareness Week 2021



Walkathon conducted in Vigilance Awareness Week 2021

**OTHER EVENTS**



CMD presenting dividend cheque to Honble Minister of Steel in presence of MOS for Steel and Rural development, Steel Secretary and Addl. Secretary, Ministry of Steel



CMD addressing the gathering during the launch of ITD portal for ONGC group

**OTHER EVENTS**



Exchange of MOU between Govt. of Gujarat and MMRPL during Investor Summit held in Gandhinagar, Gujarat



Directors, CVO and other official with Hon'ble Minister of Steel & Hon'ble Minister of State for Steel and Rural Development



COVID-19 vaccination drive for employees of MSTC & their relatives



## MESSAGE FROM THE CMD



### Dear Stakeholders,

It gives me immense pleasure to present to you the Annual Report and Accounts of your Company for the year ended 31<sup>st</sup> March, 2022.

**As Charles Darwin said It is not the strongest species that survive, nor the most intelligent, but the most responsive to change.**

In the last 24 months we have been tested by Covid-19, geographical tension, supply chain disruption etc. However with our spirit of unflinching grit we overcame those challenges and achieved greater heights. I am delighted to state that MSTC team had responded with great resilience and adaptability, which resulted in one of the outstanding year of annual growth and recorded highest ever PAT and PBT in the history for the Company. **MSTC has addressed the challenges to remarkable results** in the year 2021-22.

We are hopeful that the growth and advancement will continue to help your company to further improve its position in the coming years.

### Economic and Business Environment

Financial year 2021-22 was a highly volatile and challenging one. The cascading impact of Covid 19 and its ramification

on people, society and economy have made every one vulnerable. We are still mourning the loss of our friends and colleagues who succumbed to the pandemic and we resolve to work harder to achieve the dreams of our friends and take the company to greater heights.

The Indian economy witnessed real GDP expansion in 2021-22 after contracting in 2020-21. Almost all indicators show that the economic impact of the “second wave” in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

Over the last year, a number of policy initiatives have been undertaken to drive innovation and technology adoption in the e-commerce sector which would significantly expand access to talent, increase job creation, and catapult the sector to the next level of growth and innovation. Continuing investments by telecom operators and Government of India in rolling out fiber network for 4G/5G will help boost E-commerce in India.

The Indian E-commerce market is expected to grow to approx. US\$ 100 billion by 2025 from US\$ 46.2 billion as of 2020. Through its ‘Digital India’ campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025. The year 2021-22 has showed that the importance of B2B

e-commerce has increased more than ever. This is directly entailed from the fact that India has become a hotbed for e-commerce activities with businesses increasingly relying on B2B firms/ enablers to avail their products pan-India. Growth in B2B ecommerce had an impact on the overall economy as it reduces inefficiencies and ensure better quality and pricing for everyone present in the value chain.

### During the year under review

Considering the constraints faced during the financial year, the team has worked relentlessly with the determination, dedication and desire to excel which resulted in remarkable performance by the Company backed by staggering numbers. MSTC was able to achieve growth of around 23% in Revenue from operations net of purchases over last year, total income rose by 30% and PBT rose by around 90%. PAT rose by 98% that has almost doubled year on year basis recording highest ever profit figures for the company. During the financial year your company:

- Has crossed INR 1,348.04 bn in terms of value of goods transacted through its marketing and e-commerce verticals which is 4.51% increase over the value of goods traded in 2020-21;
- Has recorded total income of ₹ 749.56 crores;
- Total e-Commerce income has increased from ₹ 202.77 crores to ₹ 264.00 crores;
- Total e-Commerce business has recorded an increase of around 32.91% during the financial year;
- Profit after Tax during the financial year was ₹ 200.08 crores compared to ₹ 101.07 crores in the previous financial year and Profit Before Tax during the financial year was ₹ 220.08 crores compare to ₹ 114.68 crores in the previous financial year riding mainly on the e-commerce contribution;
- Paid Interim Dividend of ₹ 8.50 per shares. In addition to that Board has also recommended payment of final dividend of ₹ 4.40 per shares which will be paid after shareholders' approval in the ensuing AGM.

### 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 organisations 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 a 100% Subsidiary of the Company. During the year the subsidiary has performed very well and made record profit. During the year ended 31<sup>st</sup> March 2022, the Profit after Tax of FSNL was ₹ 40.36 crores which is 77.42 % more than the previous year.

### Joint Venture for Shredding Plant with MMRPL

As you are aware, 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. It intends to set up more Collection & Dismantling centres across India. You will be pleased to note that MMRPL has overcome the pre-traction period and started showcasing the results. The Company has posted its first profit figures of ₹ 0.56 crores for the year ended 31<sup>st</sup> March 2022.

When we talk about the consolidated performance, MSTC has once again created history as profit before tax has increased remarkably by 71% and profit after tax increased by around 76%.

### 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 raw materials, minerals and other commodities, e-procurement etc. Customized e-commerce solutions have emerged as major innovative business model of MSTC. Major operational activities undertaken by the company are as follows:

- Conducted the bidding for Commercial Coal Mines auction during 2021-22 with 4 tranches. More than 100 coal mines were offered out of which 25 were successfully allotted during 2021-22.
- Developed an e-bidding portal for Export & Import of Petroleum products for ONGC and its Group Companies.
- Developed an auction portal on behalf of Custodian of Enemy Property for India for auction of Enemy Properties.
- Developed e-Bidding platform for Hindustan Oil Exploration Co. Ltd. for off take of 1.25 MMSCD of Natural Gas from Dirok Gas field. The bidding was a grand success for the natural gas industry in the Northeast. The highest

premium received was 1\$ per MMBTU and the entire quantity of gas was successfully allocated.

- Successfully conducted Sale of Gypsum through e-Auction for the first time.

### 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 & 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. The minerals which are mined from these blocks hold huge potential for e-sale.

### e-Retail Software

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

Due to lingering impact of Covid-19 in many parts of the World, increase in interest rates, crisis in Ukraine, disruption of supply chains, Indian economy hinges on a delicate balance amid volatile market and rising inflation weighing heavily on near-term growth prospects. It is felt that current financial year will remain volatile and organisation will need to develop smart ways to counter the same. However, I firmly believe that digital transformation is an integral part and play a key role in the development of organisation in the near future. We are also taking various steps to ensure that we remain well placed to take the opportunity with both hands as and when the same comes in our path.

### 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 in ELV sector, its pivotal role in setting up recycling plant in the automobile sector, e-waste and solid waste management sector which is a sunrise sector.
- MSTC is exploring possibilities for entering into more areas in recycling field as a step towards circular economy.

### 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.
- Business model – Technologies are changing the customers approach, creating new classes of customers and thus creating a challenge on organisation to keep themselves updated and continuously develop a model which will suit the customers need.

### Investor Services

The Company's shares have been dematerialized in both the depositories, i.e., NSDL and CDSL. 43 Shareholders out of 64,191 (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 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 molded 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 & Recognitions

During the year your company has received 3<sup>rd</sup> Ispat Rajbhasha Samman-2021 for the best performance in the field of official language implementation among Steel Public Sector Undertaking.

### 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.

### 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 Undertakings, private companies, the bankers, 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.

**Jai Hind!**



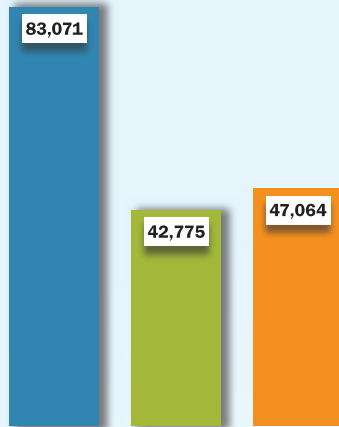
**Surinder Kumar Gupta**  
Chairman and Managing Director



# Performance Highlights

## REVENUE FROM OPERATIONS

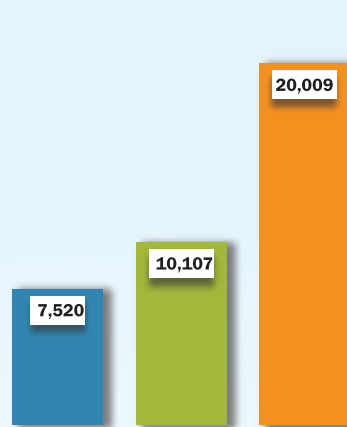
(₹ in Lakhs)



FY 2019-20 FY 2020-21 FY 2021-22

## PROFIT AFTER TAX

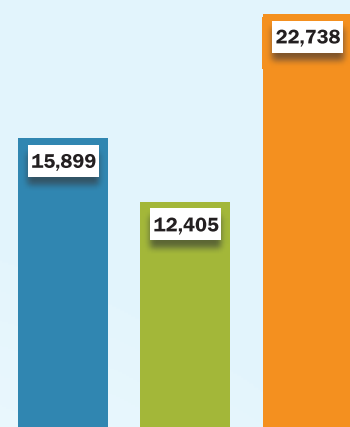
(₹ in Lakhs)



FY 2019-20 FY 2020-21 FY 2021-22

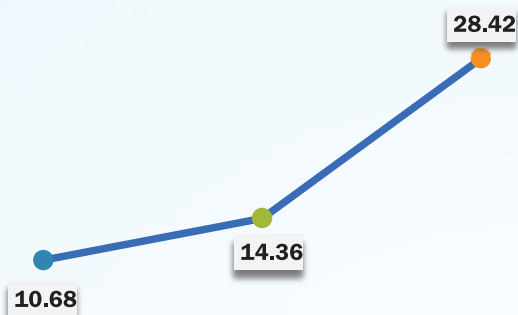
## EBITDA

(₹ in Lakhs)



FY 2019-20 FY 2020-21 FY 2021-22

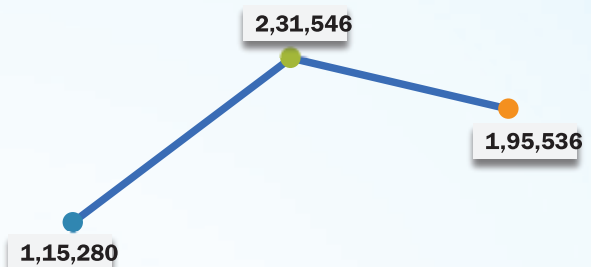
## EARNING PER SHARE (₹)



FY 2019-20 FY 2020-21 FY 2021-22

## MARKET CAPITALISATION

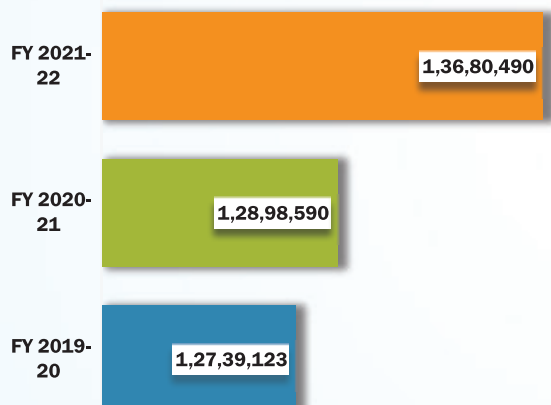
(₹ in Lakhs)



March, 2020 March, 2021 March, 2022

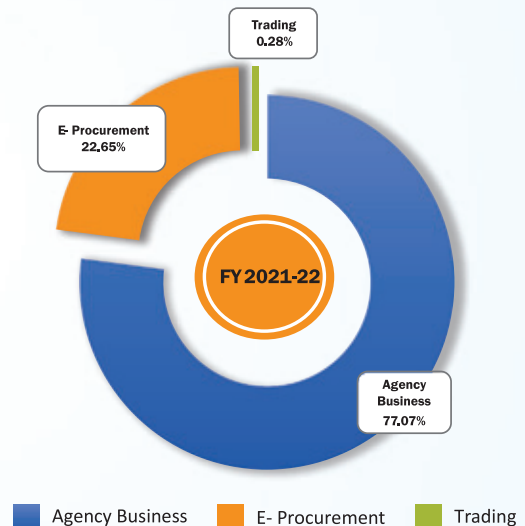
## TOTAL VOLUME OF BUSINESS

(₹ in Lakhs)



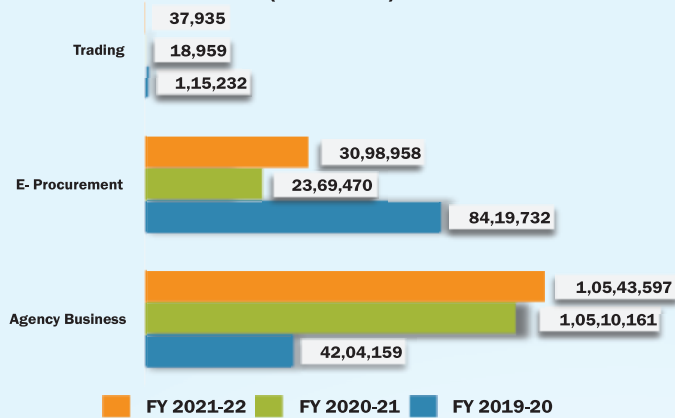
## VOLUME OF BUSINESS IN FY 2021-22

(₹ in Lakhs)



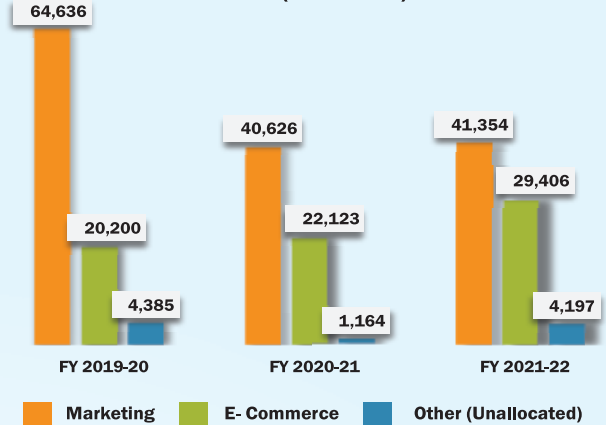
## SEGMENT WISE VOLUME OF BUSINESS

(₹ in Lakhs)



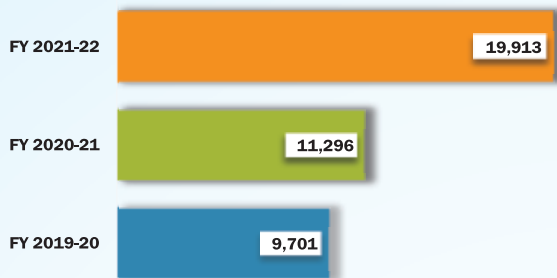
## SEGMENT WISE REVENUE

(₹ in Lakhs)



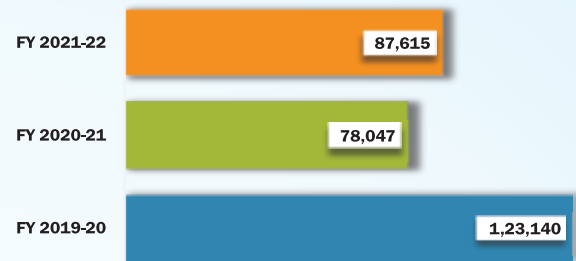
## CONSOLIDATED PROFIT AFTER TAX

(₹ in Lakhs)



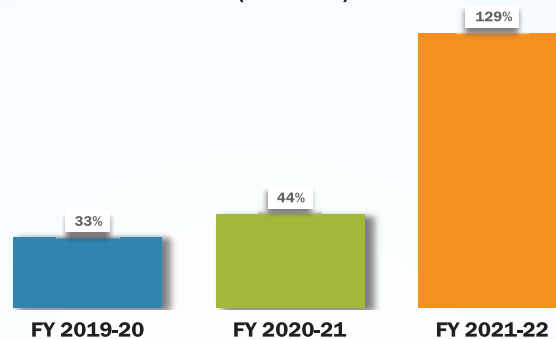
## CONSOLIDATED REVENUE FROM OPERATIONS

(₹ in Lakhs)



## DIVIDEND RATE

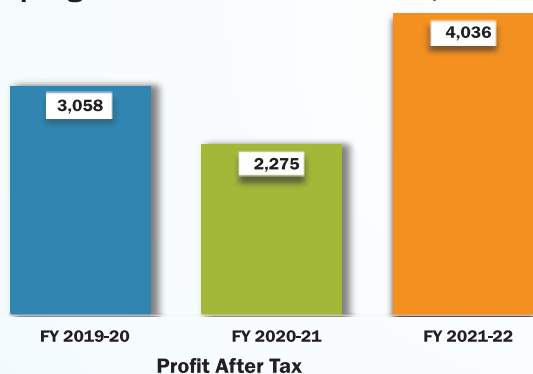
(Rate in %)



## SUBSIDIARY PERFORMANCE

Ferro Scrap Nigam Limited

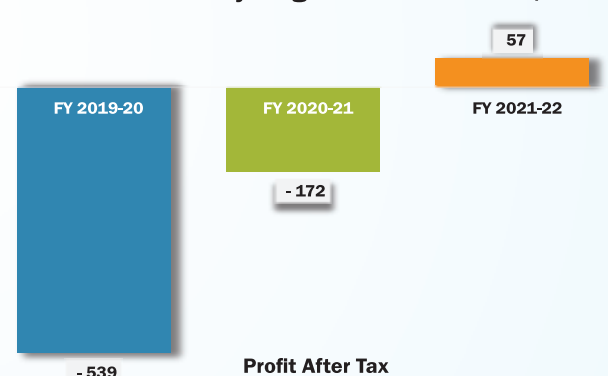
(₹ in Lakhs)

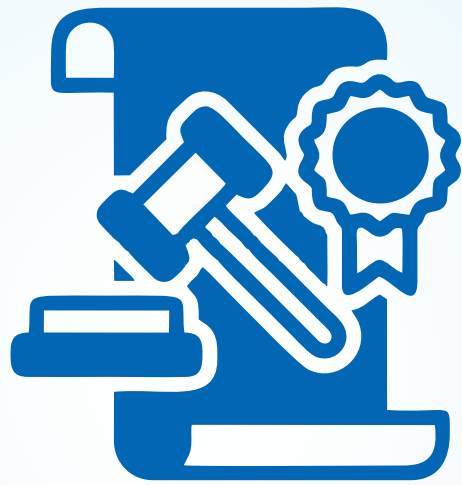


## JV PERFORMANCE

Mahindra MSTC Recycling Pvt. Ltd.

(₹ in Lakhs)





# **STATUTORY REPORTS**

## MANAGEMENT DISCUSSION AND ANALYSIS

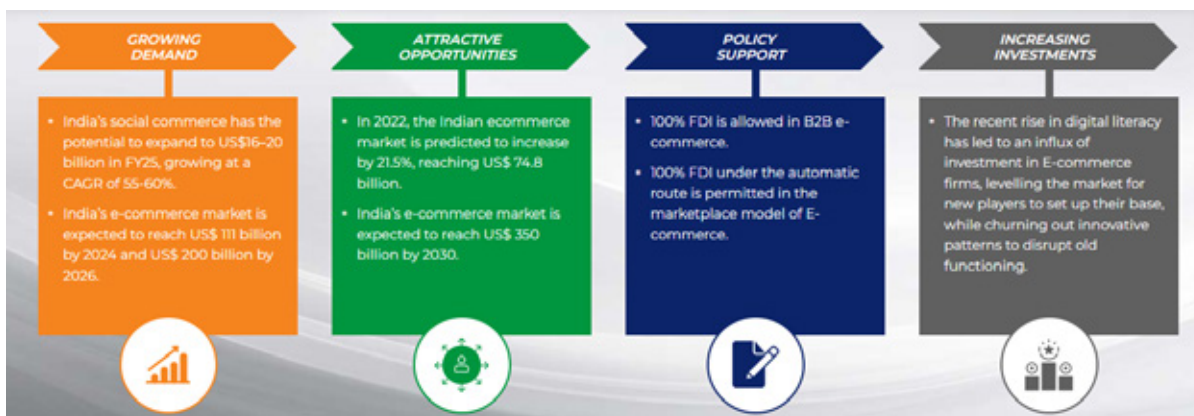
### OVERVIEW OF INDIAN ECONOMY

The Indian economy witnessed real GDP expansion in 2021-22 after contracting in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the “second wave” in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe. With the vaccination programme having covered the bulk of the population, economic momentum building back and the likely long-term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness good GDP growth in 2022-23.

Over the last year, a number of policy initiatives have been undertaken to drive innovation and technology adoption in the e-commerce sector, including relaxation of Other Service Provider regulations, Telecom Sector Reforms and Consumer Protection (e-commerce) Rules, 2020. This would significantly expand access to talent, increase job creation, and catapult the sector to the next level of growth and innovation. Continuing investments by telecom operators and Government of India in rolling out fiber network for 4G/5G will help boost E-commerce in India.

The Indian E-commerce market is expected to grow to approx. US\$ 100 billion by 2025 from US\$ 46.2 billion as of 2020. Through its ‘Digital India’ campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025.

### SNAPSHOT OF E-COMMERCE INDUSTRY IN INDIA



Source: IBEF website

The year 2021-22 has showed that the importance of B2B e-commerce has increased more than ever. This is directly entailed from the fact that India has become a hotbed for e-commerce activities with businesses increasingly relying on B2B firms/ enablers to avail their products pan-India. Growth in B2B ecommerce have an impact on the overall economy as it reduces inefficiencies and ensure better quality and pricing for everyone present in the value chain.

The Government of India has announced various initiatives, namely Digital India, Make in India, Start-up India, Skill India and Innovation Fund. The timely and effective implementation of such programs will likely support growth of E-commerce in the country. In a bid to systematise the onboarding process of retailers on e-commerce platforms, the Department for Promotion of Industry and Internal Trade (DPIIT) is reportedly planning to utilise the Open Network for Digital Commerce (ONDC) to set protocols for cataloguing,

vendor discovery and price discovery. The department aims to provide equal opportunities to all marketplace players to make optimum use of the e-commerce ecosystem in the larger interest of the country and its citizen.

The GoI has taken some major steps in the year 2021-22 to boost the production of steel in India, such as announcing the Voluntary Vehicle Scrappage policy and permitting commercial mining. As a result, scrap from steel, aluminum, and other ferrous and non-ferrous metals can be used again in the manufacturing of new products. The consumption of ferrous scrap will increase in both the primary and secondary steel manufacturing segments, and is projected to reach approximately 75 million tons per annum by 2030.

Opening up of coal mining for private sector is also the most ambitious coal sector reform. This will bring efficiency & competition in coal production, attract investments & best-in class technology, and help create more jobs in the



coal sector. So far, 28 coal mines have been successfully auctioned. Out of these, 27 coal mines have been auctioned to private companies.

India's overall economic recovery is on a solid path, amid rapid vaccination progress, less stringent social restrictions and still supportive fiscal and monetary stances. GDP is projected to expand by 6.7 per cent in 2022 after a 9 per cent expansion in 2021. Robust export growth and public investments underpin economic activity, but high oil prices and coal shortages may put hurdle on economic activity in the near term. It will remain crucial to encourage private investment to support inclusive growth beyond the recovery. India has taken an important step by committing to 50 per cent of its energy mix coming from renewable sources by 2030 and to reaching net-zero emissions by 2070.

## GLOBAL SCENARIO

Two years into the COVID-19 pandemic, the global economy continues to be plagued by uncertainty, with resurgent waves of mutant variants, supply-chain disruptions, and a return of inflation in both advanced and emerging economies. Moreover, the likely withdrawal of liquidity by major central banks over the next year may also make global capital flows more volatile.

As the world economy recovered in 2021, it is faced with serious supply-side constraints ranging from delivery delays, container shortages and semiconductor chip shortages. According to the United Nations Conference on Trade and Development, the COVID-19 pandemic led to a sudden dip in international trade. But by late 2020 there had been a swift rebound. The recovery in container trade flows, which was mainly on East-West containerized trade lanes, created a series of logistical challenges and hurdles, pushed up rates and prices, increased delays and dwell times, and undermined service reliability.

The first half of the year 2021-22 witnessed an acceleration in the global economic activity, that lifted the world trade above its pre-pandemic peak. Reflecting this, International Monetary Fund (IMF) projected higher growth of global trade volume in goods and services of 9.7 percent in 2021, moderating to 6.7 percent in 2022, in line with the projected global recovery. World Trade Organization (WTO) also upgraded its forecast for global merchandise trade volume growth to 10.8 percent in 2021, followed by a 4.7 percent rise in 2022.

In 2021-22, inflation picked up globally as economic activity revived with opening-up of economies. COVID-19 related stimulus spending, mainly in the form of discretionary handouts to households in major economies, along with pent up demand fueling consumer spending, pushed inflation up in both advanced and emerging economies. In

the advanced economies, inflation has increased from 0.7 per cent in 2020 to around 3.1 per cent in 2021. The surge in energy, food, non-food commodities, and input prices, supply constraints, disruption of global supply chains, and rising freight costs across the globe stoked global inflation during the year. Crude oil prices also witnessed an upswing during the year on the back of increased demand from recovering economies and supply cuts by the Organization of the Petroleum Exporting Countries and its allies (OPEC+).

However, in comparison to many Emerging Markets and Developing Economies (EMDEs) and advanced economies, consumer price inflation in India remained range bound, touching 4.9 per cent in November 2021 and 5.6 per cent in December 2021, owing to the proactive steps taken by India for effective supply management.

Global economic recovery from the COVID-19 pandemic hinges on a delicate balance amid volatile market and rising inflation weighing heavily on near-term growth prospects. The global economy grew by 5.5 per cent in 2021, the highest growth rate since 1976, after contracting by 3.4 per cent in 2020. World gross product in 2021 was 1.9 per cent higher than in 2019 but still 3.3 per cent below the level projected before COVID-19. The recovery of output in 2021 largely represented the resumption of household spending and investment, which had come to a screeching halt in 2020 amid lockdown measures worldwide. The world economy is projected to grow by 4 per cent in 2022 and 3.5 per cent in 2023, converging towards its long-term trend of around 3 per cent per year between 2010 and 2019.

## 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, properties, 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, liquor shop license, 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, barytes etc. and various other products like pet coke, 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. An upgraded user friendly version of e-Procurement solution was launched and is currently under certification by STQC.

### **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 kheti 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. During the fiscal 6,134 properties were sold for the Public Sector Banks valued at approx ₹ 5,36,421 Lakhs.

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

**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 and amendments. The bidding for Commercial Coal Mine auction continued during 2021-22 with 4 tranches of attempts made. More than 100 coal mines were offered out of which 25 were successfully allotted during 2021-22.

**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. For ONGC- Mangalore Refinery and Petrochemicals Limited also a separate portal was developed. MSTC also successfully carried out sale of natural gas for Hindustan Oil Exploration Company Ltd.

**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.

**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.

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.

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

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.

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 PFCCCL are conducting events, using the services of MSTC for Interstate Transmission system (ISTS) projects. This also includes solar power and wind power projects.

MSTC has recently launched its 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 is being expanded to cover all other functionalities and auction types that are available in the web version of MSTC portal.

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

e-Commerce business constitutes about 99.72% (99.85% in 2020-21) of the total volume of business of the Company during FY 2021-22. It contributed 84.66% (80.11% in 2020-21) of the total operational income.

## B. Trading Business

In trading business, which constituted 0.28% of the total volume of business during FY 2021-22 (0.15% in 2020-21), MSTC acts as a facilitator for procurement of raw material on behalf of buyers and charge mark-up on percentage basis against a bank guarantee as security.

This business contributed 1.28% of the total operational income of the Company during FY 2021-22 (1.65% in 2020-21).

This division is currently engaged in the business for procurement of industrial raw materials, projects equipment etc. against Bank Guarantee (BG) to the tune of 110% from the Customer. Customers who have sanctioned BG limits, and can use the same to procure raw materials / commodities for their projects or for trading. In this model, MOU 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 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 Customer.

The Service charge earned from this segment was ₹ 399 Lakhs during the FY 2021-22. Total performance of Trading Division during FY 2021-22 stands at ₹ 37,935 lakhs.

## 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. With the introduction of new Scrapage Policy, MMRPL's business is expected to grow in coming years.

### FUTURE OUTLOOK

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.

MSTC intends to onboard startups and smaller software companies for integrated e-commerce solution.

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.

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.

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.

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.

MSTC is exploring possibilities for entering into more areas in recycling field as a step towards circular economy.

### SOME OF THE MAJOR OPPORTUNITIES MSTC IS PURSUING:

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.

MSTC is exploring e-auction of sand mining block in other states in line with Uttar Pradesh model.

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.

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.

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.

The successful portals for EXIM products for IOCL and ONGC 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 ₹ 1,05,43,597 Lakhs, against ₹ 1,05,10,161 Lakhs in 2020-21. Break-up for the year 2021-22 vis-à-vis 2020-21 is as follows:

Business Segment	Volume of Business (₹ in Lakhs)	
	2021-22	2020-21
Scrap Disposal	6,13,546	4,57,042
e-Sale	74,72,976	84,91,038
Coal e-Auction	11,22,960	7,42,970
Iron ore e-Auction	13,34,115	8,19,111
<b>Total (A) :</b>	<b>1,05,43,597</b>	<b>1,05,10,161</b>

## B) E- Procurement

Business Segment	Volume of Business (₹ in Lakhs)	
	2021-22	2020-21
e-Procurement	30,98,958	23,69,470
<b>Total (B) :</b>	<b>30,98,958</b>	<b>23,69,470</b>
<b>Total (A+B) :</b>	<b>1,36,42,555</b>	<b>1,28,79,631</b>

## C) Trading

The performance of the Trading Division shows a total volume of business of ₹ 37,935 Lakhs, against ₹ 18,959 Lakhs in 2020-21. Break-up for the year 2021-22 vis-à-vis 2020-21 is as follows:

Business Segment	Volume of Business (₹ in Lakhs)	
	2021-22	2020-21
Indigenous materials	37,935	18,959
<b>Total (C) :</b>	<b>37,935</b>	<b>18,959</b>
<b>Grand Total (A+B+C)</b>	<b>1,36,80,490</b>	<b>1,28,98,590</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, RTI 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 fulfilment 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.

### 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. Further, it is also seen from some court orders that in case of any insolvency proceedings against any corporate entity, the BGs also become null and void. This may entails a huge risk in the BG backed procurement process.

### 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 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.

### Competition due to GeM

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. Further, GeM in coming days is going

to launch its e-auction services. Company has approached the Ministry of Steel with detail justification for writing a letter to the department of expenditure for according MSTC the similar status as provided to GeM for all assets sales purposes.

### COVID – 19 Effect

Due to vaccination severity of disease has reduced but there is a risk of further waves and emergence of highly transmissible and virulent variant.

### 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 05<sup>th</sup> April, 2018. MSTC makes it certain that the internal control system functions within the risk appetite of the Company. The company has now discontinued the risky models of business in trading.

M/s. Ray and Co. (FRN: 313124E) and M/s M.C. Bhandari &

Co. (FRN: 303002E), 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 sale of scrap materials, especially ferrous scraps from different sellers 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 and melting by its buyers.

### KEY FINANCIAL RATIOS

Key Ratios	FY 2021-22	FY 2020-21	Change in %	Reason for Difference/ Remarks
<b>Debtor Turnover Ratio</b>	0.83	0.44	90.30	Debtor turnover ratio is increased mainly due to reduction in Trade Receivables.
<b>Inventory Turnover</b>	-	-	-	Not applicable
<b>Interest Coverage Ratio</b>	86.92	18.01	382.72	Due to growth in operating profits and reduction in finance cost.
<b>Current Ratio</b>	1.09	1.01	8.20	No significant difference
<b>Debt Equity Ratio</b>	0.32	0.43	-26.16	The Company has reduced its borrowing during the year.
<b>Operating Profit Margin (%)</b>	48.31	29.00	66.59	Operating profit margin has improved compared to previous year mainly due to growth in E- Commerce business.
<b>Net profit Margin (%)</b>	42.51	23.63	79.92	Net profit margin has improved compared to previous year mainly due to growth in E- Commerce business.
<b>Return on net Worth (%)</b>	42.98	28.47	50.96	The return on equity has improved compared to previous year mainly due to growth in business resulting in increase in profit.

### 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**



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

**Place : Kolkata**  
**Date : May 25, 2022**



## BOARD'S REPORT

To,  
The Shareholders  
MSTC Limited

The Directors are pleased to present the 57<sup>th</sup> 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 31<sup>st</sup> March, 2022.

### Financial Highlights of the Company

During the financial year 2021-22 the Profit After Tax stands at ₹ 20,009 lakhs as against ₹ 10,107 lakhs in the previous year. Profit Before Tax was ₹ 22,008 lakhs compare to ₹ 11,468 lakhs in the previous year. Company has recorded total revenue of ₹ 74,957 lakhs. Total E-commerce income has increased from ₹ 20,277 lakhs to ₹ 26,400 lakhs.

The Standalone Financial results of the Company for the financial year 2021-22 and 2020-21 are given below:

Particulars	(₹ in Lakhs)	
	2021-22	2020-21
Total Income	74,957	63,913
Profit (Loss) before tax	22,008	11,468
Tax	1,999	1,361
Profit after tax	20,009	10,107
Paid up capital (Equity)	7,040	7,040
Reserves	39,508	28,456
Dividend (%)	129%*	44%
PBT Per Employee	69.87	34.23
Earnings per share (₹) (Face value ₹ 10/-)	28.42	14.36

\*(Dividend (%) includes 1<sup>st</sup> interim dividend @ 20%, 2<sup>nd</sup> interim dividend @ 65% and final dividend proposed @ 44%)

### Operational Highlights:

During the financial year 2021-22, the Company has crossed ₹ 1,36,80,490 lakhs in terms of value of goods transacted through its marketing and e-commerce verticals which is 6.06% increase over the value of goods traded in 2020-21. Other operational highlights are as follows;

**Coal Block Auction for Commercial Mining:** The bidding for Commercial Coal Mine auction continued during 2021-22 with 4 tranches of attempts made. More than 100 coal mines were offered out of which 25 were successfully allotted during 2021-22.

Export & Import Portal for ONGC Group Companies: MSTC

had developed an e-bidding portal for Export & Import of petroleum products for ONGC and its Group Companies. This portal has improved the efficiency in the Export & Import process of ONGC and its Group Companies.

**Auction portal for sale of Natural Gas:** e-Bidding platform has been developed for Hindustan Oil Exploration Co. Ltd. for off take of 1.25 MMSCD of Natural Gas from Dirok Gas field. The bidding was a grand success for the Natural gas Industry in the Northeast. The highest premium received was 1\$ per MMBTU and the entire quantity of gas was successfully allocated.

**Auction Portal for CEPI:** An auction portal has been developed on behalf of CEPI (Custodian of Enemy Property for India) for auctioning Enemy Properties.

MSTC has successfully conducted Sale of Gypsum through e-Auction for the first time.

### Dividend

During the year, the Company paid a first interim dividend of ₹ 2.00 per share and a second interim dividend of ₹ 6.50 per share. In addition, the Board of Directors of your Company has recommended a final dividend of ₹ 4.40 per share for the year, thereby taking the total dividend for the year to ₹ 12.90 per share with a total pay-out of ₹ 9,081.60 Lakhs. The dividend is payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date. The dividend declared/ recommended for the year are 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 ₹ 39,508 Lakhs as on 31<sup>st</sup> March 2022.

### Changes in Share Capital

The authorized share capital of your Company as on 31<sup>st</sup> March, 2022 stands at ₹ 15,000.00 Lakhs divided into 1,500.00 Lakhs equity shares of ₹ 10.00 each. During the year under review there is no change in share capital of your company.

### Shifting of Registered office

During the financial year the registered office of the company

has shifted from 225C A.J.C. Bose Road, Kolkata-700020 to Plot no.CF-18/2, Street No.175, Action Area I C, New Town, Kolkata – 700156 W.B. with effect from 26<sup>th</sup> August, 2021. The new registered office of MSTC Limited was inaugurated by Hon'ble Minister of Steel, Shri Ram Chandra Prasad Singh, on 26<sup>th</sup> August, 2021 in the presence of Hon'ble Minister of State for Steel and Rural Development Shri Faggan Singh Kulaste.

The 11 storied building is a 'Green Building' with Silver rating. Keeping in view the lifecycle cost and environmentally sound and safe construction, the corporate building of MSTC is a Steel intensive structure with minimum use of concrete.

### Directors Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Board of Directors 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 31<sup>st</sup> March, 2022 and of the profit of the Company for the financial year 2021-22.
- 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 31<sup>st</sup> March, 2022 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), a wholly owned subsidiary of the Company and Chairman of Mahindra MSTC Recycling Pvt. Ltd. (MMRPL), a 50:50 joint venture of the Company. Smt. Bhanu Kumar is also acting as Director of FSNL. Shri Subrata Sarkar is also acting as Director of MMRPL.

During the current financial year Smt. Aparna Chaturvedi (DIN: 00028647), Independent Director ceased to be the member of the Board with effect from 13<sup>th</sup> December, 2021. The Board places on its record sincere gratitude for the valuable guidance and support rendered by Smt. Aparna Chaturvedi during her association with the company. Consequent to her retirement from the Board she also ceased to be the Chairman of Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee.

During the financial year Shri Adya Prasad Pandey (DIN: 09347851) and Dr. Vasant Ashok Patil (DIN: 09352913) were appointed as Independent Directors with effect from 1<sup>st</sup> November, 2021. Approval of shareholders for appointment of aforesaid Independent Directors was obtained at the extra-ordinary general meeting of the company held on 22<sup>nd</sup> December, 2021.

Shri Subrata Sarkar (DIN: 08290021) Director (Finance) is retiring by rotation and being eligible offered himself for reappointment. The Directors recommended his reappointment 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. 37 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 2021-22 is available on the Company's Website at <https://www.mstcindia.co.in/content/AnnualReturns.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.

During the year, due to negative average Profit Before Tax of preceding three financial years, company does not have any CSR obligation but the CSR Committee and the Board of Directors have approved ₹ 23,98,968/- as CSR budget for the FY 2021-22 specifically for the purpose of completion of pending works pertaining to some projects undertaken in financial year 2018-19.

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 2021-22. The Report of the Secretarial Auditor as prescribed is enclosed as **Annexure V** to this Report.

The Secretarial Auditor has made following observations;

1. With respect to constitution of Board of Directors of the Company and the committees thereof, there exists shortage in the number of Independent Director including Independent Woman Director during the financial year under review. However w.e.f. 13<sup>th</sup> November, 2021 the shortage of Independent Director



in the committees were regularized and there exist no shortage of Independent Directors in the Committees as on 31<sup>st</sup> March, 2022.

In this regard it is clarified that your Company is a Govt. Company under the administrative control of Ministry of Steel, Govt. of India. 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 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 2021-22. 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 nine times during the financial year 2021-22. The details of number of meetings of the Board of Directors held during the year 2021-22 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 five committees of the Board viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders Relationship Committee and Risk Management 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 CSR Committee of the Board with Shri Adya Prasad Pandey, Independent Director as Chairman, Dr. Vasant Ashok Patil, Independent Director, 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 financial result are given:

	(₹ in Lakhs)	
Particulars	2021-22	2020-21
Total Income	41,539	36,497
Profit/(Loss) Before Tax	5,418	3,206
Profit/(Loss) After Tax	4,036	2,275

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**.

The Cabinet Committee on Economic Affairs ("CCEA"), GoI, in its meeting held on 27<sup>th</sup> October, 2016, accorded its 'in-principle' approval to disinvest entire equity shareholding held through MSTC in FSNL, through strategic disinvestment and transfer of management control. Government of India through Department of Investment and Public Asset Management, Ministry of Finance ("DIPAM") has selected

transaction advisor and legal advisor to advise DIPAM and MSTC. Shareholders of MSTC had also approved the proposal of Strategic Disinvestment of FSNL.

Government of India has already invited Global Expression of Interest (EOIs) from the Interested Bidders (IBs) for proposed strategic Disinvestment.

### 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 and later at 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 31<sup>st</sup> March 2022, the Company earned an Income of ₹ 1,748 Lakhs as against a figure of ₹ 988 Lakhs in previous year.

### 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:

(₹ in Lakhs)		
Particulars	2021-22	2020-21
Total Income	1,12,333	99,408
Profit/(Loss) before tax	23,294	13,588
Tax	3,381	2,292
Profit after tax	19,913	11,296
Paid up capital (Equity)	7,040	7,040
Reserves	58,368	48,755
PBT Per Employee	73.95	40.56
Earnings per share (₹)	28.29	16.05
(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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022.

### 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. Ray and Co. (FRN: 313124E) and M/s M.C. Bhandari & Co. (FRN: 303002E) were the Internal Auditors 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 2,00,000 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 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. The upgraded version of e-Procurement software is under certification 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 2021-22

MSTC e-Commerce Systems is certified for ISO 27001:2013 by STQC and is valid upto 27<sup>th</sup> August, 2023 (Information Security Management System Certification).

Security is in place with two different OEM Checkpoint & CISCO Next Generation Firewall at two levels (Perimeter & Server side).

ISO 9001:2015 certification is also maintained as per standards and this certificate is valid up to 9th December, 2023.

MSTC Systems division is CMMI Level 3 which is under upgradation.

Imperva Write-once management device (EOL device replaced with new device) is in place for better management & monitoring of activities related to data.

Revamping of customized e-Commerce solution for Rajasthan State Excise Department Liquor shop Leasing auction has been done and made live for new tranche of events where participation and rate hike is seen in a better way.

MSTC In-house Java Team has developed and implemented many customized ecommerce solutions like Spectrum 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, Integrated Auction portal for NPAs of Banks etc.

MSTC In-house dot Net Team developed and implemented many customized solutions like MSTC Covid Dashboard module & Training module for internal employees on MSTC Knowledge management portal, Hindi Web Magazine "Sangati", 110% backed BG marketing application, VMWare Infrastructure, E-Office & HRMS for FSNL, inclusion of Hindi in MSTC e-Office application etc.

MSTC Data Centre was shifted from rented place at 3<sup>rd</sup> Floor 225C AJC Bose Road Kolkata 700 020 to its newly constructed own building at Street No 175, Plot No CF 18/2, Action Area 1C, Newtown, Kolkata - 700156 on 26<sup>th</sup> August, 2021. Secondary ILL from different ISP to minimize downtime for connectivity, Link Load Balancer with Web Application Firewall & NIC Mail services have also been implemented during 2021-22.



MSTC started single window disposal of pond ash from thermal power stations of NTPC and its JVs which contributes to conservation of environment.

MSTC In-house Java Team developed and implemented many customized ecommerce solutions during 2021-22. One of the major developments was MRPL-ONGCEXIM portal for export of petroleum products. MSTC has also developed a dedicated portal for asset monetization by DIPAM. A customized e-procurement portal for commissioning of FGD Plants at NTPC power stations also went live during 2021-22.

MSTC developed a mobile app for its General Auction bidders which was inaugurated by the Hon'ble Steel Minister on 26<sup>th</sup> August 2021.

In FY 2021-22, MSTC has generated revenue from operations from service charges on e-Commerce to the tune of ₹ 26,913 Lakhs (previous year ₹ 20,277 Lakhs).

In 2021-22, MSTC had executed 52,017 no. of Auctions/ events through its portal for general e-Auction, Coal e-Auction and e-Procurements.

MSTC has given thrust to more automation of process and reduce human intervention. A major development in this direction was the development of robust e-Payment gateway which ensures transparency of operations and better price realisation.

In FY 2021-22, MSTC has procured goods and services through GeM portal and such procurement percentage comes to 54.42 % of total procurement made during the FY 2021-22.

### MoU Performance

The Memorandum of Understanding (MoU) with the Government of India setting performance parameters and targets for the year 2021-22 was signed by Chairman and Managing Director of the Company and Secretary (Ministry of Steel), Govt. of India, on 22<sup>nd</sup> February, 2022. 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 2021-22 is under evaluation.

In terms of DPE guidelines this year (FY 2021-22) the evaluation of financial parameters of MSTC will be done as a Group comprising of wholly owned subsidiary i.e. Ferro Scrap Nigam Ltd and 50:50 JV company i.e. Mahindra MSTC Recycling Pvt Ltd, based on Consolidated Financial Results.

### 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 for lateral entry in the executive cadre. A total of 3 persons have joined our company through direct recruitment during the year 2021-22.

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 124 executives 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 out of the total 124 executives trained, 84 executives 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.

During the year, 9 ST, 16 SC, 32 OBC and 6 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.

- Number of Complaints filed during the financial year 2021-22 : Nil
- Number of complaints disposed off during the financial year 2021-22 : NA
- Number of Complaints pending as on end of the financial year 2021-22 : Nil

### Manpower Statistics of MSTC as on 31<sup>st</sup> March 2022

	HO	ERO	PATNA	RANCHI	GUWA HATI	NRO	RAIPUR	JAIPUR	CHANDIGARH	WRO	NAGPUR	SRO	BANGALORE	TRIVANDRUM	VIZAG	BHOPAL	VADODARA	HYDERABAD	BHUBANESWAR	LUCKNOW	TOTAL
EXECUTIVE	90*	9	3	3	3	13	6	7	8	13	1	11	11	7	6	6	8	6	5	9	225
NON-EXECUTIVE	25	7	0	1	0	9	1	1	0	10	0	5	6	3	10	1	7	2	0	2	90

\*Including one official posted in MMRPL.

### SC/ST/OBC/Physically Handicapped status as on 31<sup>st</sup> March 2022

GROUP	TOTAL	SC(%)	ST(%)	OBC(%)	PHYSICALLY HANDICAPPED (%)
A	225	32(14.22)	16(7.11)	59(26.22)	7(3.11)
B	4	1(25.00)	NIL	NIL	NIL
C	81	13(16.04)	3(3.70)	23(28.39)	2(2.46)
D	5	2(40.00)	NIL	NIL	NIL
TOTAL	315	48(15.23)	19(6.03)	82(26.03)	9(2.85)

### Male/Female as on 31<sup>st</sup> March 2022

	MALE	FEMALE	TOTAL
EXECUTIVE	185	40	225
NON-EXECUTIVE	77	13	90
TOTAL	262	53	315

### Covid-19

The Financial year 2021-22 was the second year where the Covid-19 pandemic continued to affect the daily lives of all the citizens of the Country. It was also a very tiring

and testing time for all including MSTC employees and their family members. 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 ensuring our people's well-being and safety.

MSTC being a knowledge based company considers its employees as its main assets. As was done last year, with the increase in the spread of the pandemic, MSTC issued suitable instructions to all its offices to implement the various measures announced by the Government of India to ensure the safety of its employees. Various advisories were issued from time to time covering the aspects of travel, hygiene, health and safety norms. An advisory guide on corona virus, guidelines for travel to work and updated office etiquette were issued. In addition the Company organised vaccination camps for its employees and family members, contractual staff and other stake holders to protect them from covid-19. 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, medical facilities and aid to ensure their recovery. Help was also extended to the immediate families of the employees in need. In the unfortunate event of an employee's demise due to covid, the Company had sanctioned special ex-gratia payment to the family members.

Due to outbreak of 2<sup>nd</sup> 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 2<sup>nd</sup> wave of Covid-19, and 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.

Most of the employees including outsourced staff has been fully vaccinated.

### Grievance Redressal Mechanism

MSTC has Public Grievance Redressal Cells. There are total eight (08) cells in regions and branches of the organisation and there is a Public Grievance Officer and Nodal Authority in the Head Office. There is a 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 Centralised Public Grievance Redress 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 case. Some grievances are also received by post. Action is taken to address and redress grievances received from outside and 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 periodical intervals to review the cases. The Centralised CPGRAMS and Public Grievance site of the Company are monitored regularly by Head Office.

### Statement of Public Grievances for the period of 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022 is as under:

Types of Grievances	Grievances outstanding as on 1 <sup>st</sup> April, 2021	Grievances received in 2021-22	Grievances disposed off in 2021-22	Grievances outstanding as on 31 <sup>st</sup> March, 2022
Public Grievances	03	41	41	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 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, a total of 106 RTI applications have been received through online and by post. A total of 14 First Appeals have been received. Out of the above, 93 RTI Applications and 14 First Appeals have been disposed off. The remaining RTI applications 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.

#### Efforts to Promote Use of Official Language:

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

- Workshop on Hindi Typing and Office 365 was organized.
- Development of e-office software to promote use of Hindi
- Organised Hindi Seminar on "Hindi Sikshan- Past, Present and Future".
- Published 1<sup>st</sup> Hindi Multimedia Hindi Magazine - "Rajbhasha Sangati"
- Update the Rajbhasha incentive schemes.
- Rajbhasha Rachana award announced for creative composition.
- Deputy Manager (Official Language) had joined the editorial team of "Abhivyakti" (Magazine of Tolic, PSU-Kolkata).

Chairman and Managing Director participated in the Hindi Salahkar Samiti meeting organized by Ministry of Steel on 3<sup>rd</sup> March, 2022 at Madurai, Tamilnadu.

"E-Rajbhasha Trimas-2021" was organized online among all India MSTC offices. During this period Hindi competitions and workshops were organized in Head Office, Regional and Branch Offices.

#### Rajbhasha Award:

MSTC has received the Ispat Rajbhasha Samman-2021 (3<sup>rd</sup> Prize) for the best performance in the field of official language implementation among Steel Public Sector Undertaking. Chairman and Managing Director received the award in the Hindi Salahkar Samiti meeting organized by Ministry of Steel on 3<sup>rd</sup> March, 2022 at Madurai, Tamilnadu.

### Vigilance Setup

Success of an organization lies in embodying ethical values and ensuring that all the time these remains into policies and practices of the organization. Vigilance department has a vital role to play to ensure a corruption free environment, transparency, efficiency and integrity to working of the organization. The Vigilance setup of MSTC headed by Chief Vigilance Officer (CVO) has been instrumental in

institutionalizing the anti-corruption activities. 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.

MSTC Vigilance emphasizes on systemic changes and leveraging technology for transparent system and procedures, thereby increasing organizational effectiveness. Complaints received were taken up for investigation wherever required and necessary suggestions for system improvement / disciplinary action were recommended, as deemed fit.

#### Some of the important activities undertaken by the Vigilance Department during FY 2021-22 are as follows;

- Out of 69 Complaints 61 were disposed.
- 9 Surprise Checks and Inspections were conducted by Vigilance Department.
- Scrutinized about 30% of the property returns of employees.
- 21 Audit Reports were examined and 5 training programs were conducted.
- 6 system studies were taken up and Vigilance observations/recommendations has been implemented on Whistle blower mechanism/Vigil Policy, vigilance clearance/status, CDA Rules, security aspects of the Bidder's/Seller's login in the scrap e-auction portal, HRMS Policy.
- Vigilance department studies various procedure/policies/rules and on the basis of examination, system improvements are suggested to the management. Management takes considered view on recommendations for implementation.

**Vigilance Awareness Week:** Vigilance Awareness Week - 2021 was observed with theme "Independent India@75: Self Reliance with Integrity (संवत्तर भारत@75: सत्यनिष्ठा से आत्मनिर्भरता)" in all offices of MSTC. Also, wide publicity was given to the Whistle Blower Mechanism & PIDPI initiative by displaying in the organization website as well as organising Walkathon & candlelight vigil march. This year 3<sup>rd</sup> issue of in-house vigilance brochure "Jaagrat" was released. Skit Play on the theme was organized to spread awareness amongst the employees of Corporate Office and Eastern Regional Office. Competitions such as Essay, Slogan and Painting competitions involving MSTC employees and their wards (spouse and children) were also organized through online mode. A Quiz competition for the employees of MSTC

was also conducted through online. Elocution competition was organized in Calcutta Girls' College, Kolkata for the college institutions and Poster Competition was organized in Salt Lake School, Kolkata for the school students. Students participated in these events enthusiastically and best adjudged participations have been awarded.

**Compliance of recommendations made by the Committee on Papers Laid on the Table (Rajya Sabha) in its 150<sup>th</sup> Report:**

Details of cases initiated / disposed-off during the financial year 2021-22:

- No. of cases pending as on 31<sup>st</sup> March, 2021 : 3
- No. of cases initiated during 2021-22 : 2
- No. of cases pending as on 31<sup>st</sup> March, 2022 : 2

Nature of Pending case: Irregularities in recruitment.

- Officer involved : Investigation is ongoing.
- Charge sheet issue on : N.A.
- Disciplinary proceedings : N.A.

**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,

**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.**

**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.

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**



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

**Place : Kolkata**  
**Date : May 25, 2022**

**Annexure: I**

**Foreign Exchange Earnings & Outgo**

The Company has no foreign exchange earnings and foreign exchange outgo during the year 2021-22 as well as in the previous year i.e. 2020-21.

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



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

**Place : Kolkata**  
**Date : May 25, 2022**

**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 31<sup>st</sup> March, 2022, the Board of MSTC comprises of 7 Directors which includes 3 Executive Directors (Whole-Time Directors) and 4 Non - Executive Directors, out of which 2 are Independent Directors and 2 are Government Nominee Directors. The Board comprises of 2 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

**Skills & its Description**

	Shri Surinder Kumar Gupta	Smt. Bhanu Kumar	Shri Subrata Sarkar	Smt. Ruchika Chaudhry Govil	Shri Awadhesh Choudhary	Shri Adya Prasad Pandey	Shri Vasant Ashok Patil
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	✓	✓	✓	✓	✓	x	x
Understanding of Consumer and Customer insights in diverse environments and conditions	✓	✓	✓	x	x	x	x
Experience in overseeing ecommerce functioning and use of Digital Technology across industry	✓	✓	✓	x	x	x	x
Experience in overseeing Policy Evaluation and Culture Building	✓	✓	✓	✓	✓	✓	✓



**The Composition of Board of Directors is as follows:**

Name of Director	Category	No. of Directorships and Committee Positions in other companies incorporated in India as on 31 <sup>st</sup> March, 2022			No. of Shares Held in the Company
		Directorship	Membership of committees **	Chairman ship of committees **	
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	1	-	NIL
Shri Awadhesh Kumar Choudhary	Government Nominee Director (Non Executive)	-	-	-	160*
Shri Adya Prasad Pandey (w.e.f 01.11.2021)	Non Executive & Independent Director	-	-	-	NIL
Dr. Vasant Ashok Patil (w.e.f 01.11.2021)	Non Executive & Independent Director	-	-	-	NIL
Smt. Aparna Chaturvedi (Upto 13.12.2021)	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, 9(nine) Meetings of the Board were held on 21<sup>st</sup> May, 2021, 25<sup>th</sup> June, 2021, 12<sup>th</sup> August, 2021, 26<sup>th</sup> August, 2021, 21<sup>st</sup> October, 2021, 22<sup>nd</sup> October, 2021, 12<sup>th</sup> November, 2021, 27<sup>th</sup> December, 2021 and 11<sup>th</sup> February, 2022. 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 2021-22 and attendance at the last Annual General Meeting by them are tabulated below:-

Names & Designation	Category	No of Meetings Held During Tenure	Attendance By Directors in Meetings	Whether attended last AGM held on 28 <sup>th</sup> September, 2021
Shri Surinder Kumar Gupta	Chairman Cum Managing Director	9	9	Yes
Smt. Bhanu Kumar	Whole Time Director (Commercial)	9	9	Yes
Shri Subrata Sarkar	Whole Time Director (Finance)	9	9	Yes
Smt. Ruchika Chaudhry Govil	Government Nominee Director (Non Executive)	9	9	No
Shri Awadhesh Kumar Choudhary	Government Nominee Director (Non Executive)	9	9	Yes
Shri Adya Prasad Pandey (w.e.f 01.11.2021)	Non Executive & Independent Director	3	3	NA
Dr. Vasant Ashok Patil (w.e.f 01.11.2021)	Non Executive & Independent Director	3	3	NA
Smt. Aparna Chaturvedi (Upto 13.12.2021)	Non Executive & Independent Director	7	7	Yes

**Notes:**

1. Smt. Aparna Chaturvedi ceased to be independent director w.e.f. 13<sup>th</sup> December, 2021.
2. Shri Adya Prasad Pandey and Dr. Vasant Ashok Patil were appointed as Independent Directors w.e.f 1st November, 2021.
3. 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).
4. Directors per se not related to each other.
5. The Company has proper system to enable the Board of Directors to periodically review the compliance reports of all laws applicable to the Company.
6. Information as mentioned in Schedule II Part A of the SEBI Listing Regulations has been placed before the Board for its consideration.
7. The Company also has in place, procedures to inform Members of the Board of Directors about the risk assessment and minimization.
8. 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.
9. 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 <https://www.mstcindia.co.in/content/BODComm.aspx>.

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

Shri Subrata Sarkar

Subrata Sarkar, aged fifty two (52) years is the Director (Finance) and CFO of the Company. He holds a degree in Bachelor of Science (Honours) from Bhagalpur University and has been an Associate Member of the Institute of Chartered Accountants of India. He has over twenty four (24) years of experience in finance and accounts. Prior to joining MSTC, he was associated with Sarkar Mitra & Mitra, Chartered Accountants as a Partner. He has been associated with the Company since May, 2001.

**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 five committees of the Board viz, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Stakeholders Relationship Committee and Risk Management 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 control 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, reappointment 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 officer/chief financial 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) 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 two members are Independent Directors and one member is Government Nominee Director. 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 6 (six) times during the financial year ended 31<sup>st</sup> March, 2022, on 25<sup>th</sup> June, 2021, 12<sup>th</sup> August, 2021, 22<sup>nd</sup> October, 2021, 12<sup>th</sup> November, 2021, 27<sup>th</sup> December, 2021, and 11<sup>th</sup> February, 2022.

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

Members	Category	Position	No. of Meetings held during tenure	Attendance by Members
Dr. Vasant Ashok Patil (w.e.f 13.11.2021)	Non Executive & Independent Director	Chairman*	2	2
Shri Adya Prasad Pandey (w.e.f 13.11.2021)	Non Executive & Independent Director	Member	2	2
Smt. Ruchika Chaudhry Govil	Government Nominee Director	Member	6	6
Shri Awadhesh Kumar Chaudhary (upto 13.11.2021)	Government Nominee Director	Member	4	4
Smt. Aparna Chaturvedi (upto 13.12.2021)	Non Executive & Independent Director	Chairman*	4	4

**\*Notes:**

1. Dr. Vasant Ashok Patil was appointed as member of Audit Committee w.e.f 13<sup>th</sup> November, 2021 and subsequently assumed the charge of Chairman w.e.f 27<sup>th</sup> December, 2021.
2. Smt. Aparna Chaturvedi ceased to be member and Chairman of Audit Committee w.e.f 13<sup>th</sup> December, 2021.

**ii) Nomination and Remuneration Committee**

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 1<sup>st</sup> 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 two members are Independent Directors and one member is Government Nominee Director. The Chairman of the Committee is Non – Executive Independent Director.

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

The Committee met 7 (seven) times during the financial year 2021-22 on 21<sup>st</sup> May, 2021, 25<sup>th</sup> June, 2021, 12<sup>th</sup> August, 2021, 22<sup>nd</sup> October, 2021, 12<sup>th</sup> November, 2021, 11<sup>th</sup> February, 2022 and 25<sup>th</sup> March, 2022.

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

Members	Category	Position	No. of Meetings held during tenure	Attendance by Members
Shri Adya Prasad Pandey (w.e.f 13.11.2021)	Non Executive & Independent Director	Chairman*	2	2
Dr. Vasant Ashok Patil (w.e.f 13.11.2021)	Non Executive & Independent Director	Member	2	2
Shri Awadhesh Kumar Chaudhary	Government Nominee Director	Member	7	7
Smt. Ruchika Chaudhry Govil (upto 13.11.2021)	Government Nominee Director	Member	5	5
Smt. Aparna Chaturvedi (upto 13.12.2021)	Non Executive & Independent Director	Chairman*	5	5

**\*Note :**

- Shri Adya Prasad Pandey was appointed as member of Nomination & Remuneration Committee w.e.f 13<sup>th</sup> November, 2021 and subsequently assumed the charge of Chairman w.e.f 27<sup>th</sup> December, 2021.
- Smt. Aparna Chaturvedi ceased to be member and Chairman of Nomination & Remuneration Committee w.e.f 13<sup>th</sup> December, 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 2021-22 are as under:

(₹ in Lakhs)

S. 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	53.50	4.81	8.00	66.31
2.	Smt. Bhanu Kumar	Director (Commercial)	69.33	2.80	(4.60)	67.53
3.	Shri Subrata Sarkar	Director (Finance)	48.24	1.63	2.74	52.61



Details of sitting fees paid to Independent Directors during the financial year 2021-22 are as follows:

Sl. No.	Name	Total Remuneration (₹ in Lakhs)
1.	Smt. Aparna Chaturvedi	3.45
2.	Shri Adya Prasad Pandey	1.05
3.	Dr. Vasant Ashok Patil	1.20

### iii) Stakeholders Relationship Committee

#### Terms of Reference

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

- 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.
- Review of measures taken for effective exercise of voting rights by the shareholders.

- 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.
- 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 31<sup>st</sup> March, 2022 the committee comprises of four members out of which 2 members are 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 3 (three) times during the financial year 2021-22 on 28<sup>th</sup> June, 2021, 20<sup>th</sup> September, 2021 and 21<sup>st</sup> October, 2021.

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

Members	Category	Position	No. of Meetings held during tenure	Attendance by Members
Dr. Vasant Ashok Patil (w.e.f 13.11.2021)	Non Executive & Independent Director	Chairman*	-	-
Shri Adya Prasad Pandey (w.e.f 13.11.2021)	Non Executive & Independent Director	Member	-	-
Smt. Bhanu Kumar	Director (Commercial)	Member	3	3
Shri Subrata Sarkar	Director (Finance)	Member	3	3
Smt. Aparna Chaturvedi (upto 13.12.2021)	Non Executive & Independent Director	Chairman*	3	3

#### \*Notes:

- Dr. Vasant Ashok Patil was appointed as member of Stakeholders Relationship Committee w.e.f 13<sup>th</sup> November, 2021 and subsequently assumed the charge of Chairman w.e.f 27<sup>th</sup> December, 2021.
- Smt. Aparna Chaturvedi ceased to be member and Chairman of Stakeholders Relationship Committee w.e.f 13<sup>th</sup> December, 2021.

During the financial year no shareholders' complaint has been received by the Company.

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.

### 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

#### Terms of Reference

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

- 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.
- (d) Formulate and recommend to the Board, an annual action plan for CSR activities.

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

Presently Corporate Social Responsibility Committee comprises of four members out of which two are Independent Directors, 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 2021-22 3 (three) meetings of Corporate Social Responsibility Committee were held on 21<sup>st</sup> May, 2021, 25<sup>th</sup> June, 2021 and 12<sup>th</sup> August, 2021.

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

Members	Category	Position	No. of Meetings held during tenure	Attendance by Members
Shri Adya Prasad Pandey (w.e.f 13.11.2021)	Non Executive & Independent Director	Chairman*	-	-
Dr. Vasant Ashok Patil (w.e.f 13.11.2021)	Non Executive & Independent Director	Member	-	-
Shri Subrata Sarkar	Director (Finance)	Member	3	3
Shri Awadhesh Kumar Choudhary	Government Nominee Director	Member	3	3
Smt. Aparna Chaturvedi (upto 13.12.2021)	Non Executive & Independent Director	Chairman*	3	3

#### \*Notes:

1. Shri Adya Prasad Pandey was appointed as member of Corporate Social Responsibility Committee w.e.f 13<sup>th</sup> November, 2021 and subsequently assumed the charge of Chairman w.e.f 27<sup>th</sup> December, 2021.
2. Smt. Aparna Chaturvedi ceased to be member and Chairman of Corporate Social Responsibility Committee w.e.f 13<sup>th</sup> December, 2021.

### v) Risk Management Committee

In compliance of Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Company has constituted the Risk Management Committee of the Board.

#### Terms of Reference

The Terms of Reference of Risk Management Committee is as follows:

- (a) To formulate a detailed risk management policy which shall include:
  - (i) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (ii) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (iii) Business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (e) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

(g) The Risk Management committee can seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

### Composition and details of meeting & attendance of Risk Management Committee

Presently Risk Management Committee comprises of five members out of which one is Independent Director, two are

Government Nominee Directors, one is Functional Director and one is senior executive of the company. The Chairman of the Committee is a Non- Executive Government Nominee Director.

The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2021-22, 2 (two) meetings of Risk Management Committee were held on 06<sup>th</sup> December, 2021 and 25<sup>th</sup> March, 2022.

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

Members	Category	Position	No. of Meetings held during tenure	Attendance by Members
Shri Awadhesh Kumar Choudhary	Government Nominee Director	Chairman	2	2
Smt. Ruchika Chaudhry Govil	Government Nominee Director	Member	2	1
Smt. Bhanu Kumar	Director (Commercial)	Member	2	2
Dr. Vasant Ashok Patil (w.e.f 27.12.2021)	Non Executive & Independent Director	Member	1	1
Shri Sanjib Kumar Poddar	Additional General Manager (E-Commerce)	Member	2	2
Smt. Aparna Chaturvedi (upto 13.12.2021)	Non Executive & Independent Director	Member	1	1

#### \*Notes:

- The Risk Management Committee was constituted with effect from 21<sup>st</sup> May, 2021.

### SUBSIDIARY COMPANIES

The Company has one subsidiary 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 on regular basis.

### GENERAL BODY MEETINGS

a) The Details of General meetings held in last three years are as follows:

Meeting No	Venue	Date & Time	Special Resolution Passed
54 <sup>th</sup>	Hall No. 6, (Auditorium at Level 1), Biswa Bangla Convention centre, Biswa Bangla Sarani, DG Block, New town, Action Area-1, Kolkata – 700156.	25 <sup>th</sup> September, 2019 at 11:00 Hours	Yes
55 <sup>th</sup>	Through Video conferencing at Registered office of MSTC Limited Located at 225C, AJC Bose Road, Kolkata – 700020.	25 <sup>th</sup> September, 2020 at 11:00 Hours	No
56 <sup>th</sup>	Through Video conferencing at Registered office of MSTC Limited Located at Plot no.CF-18/2, Street No.175, Action Area I C, New Town, Kolkata – 700156	28 <sup>th</sup> September, 2021, at 11:00 Hours	No
EGM	Through Video conferencing at Registered office of MSTC Limited Located at Plot no.CF-18/2, Street No.175, Action Area I C, New Town, Kolkata – 700156	22 <sup>nd</sup> December, 2021, at 11:00 Hours	Yes

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

- To approve disinvestment of the entire equity shares held by MSTC in Ferro Scrap Nigam Limited (“FSNL”), a wholly owned subsidiary of MSTC Limited, along with transfer of management and control.
  - Appointment of Dr. Vasant Ashok Patil (DIN: 09352913) as an Independent Director.
  - Appointment of Shri Adya Prasad Pandey (DIN: 09347851) as an Independent Director.
- c) No special resolution was passed last year through postal ballot and no special resolution is proposed to be conducted through Postal Ballot.

### 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 31<sup>st</sup> March, 2022 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 provision of Regulations 17(1), 18(1) & 19(1) of the SEBI (LODR) for the quarter ended June, 2021, September, 2021, and December, 2021 and non-compliance with the provision of Regulation 17(1) for March, 2022 and imposition of monetary penalty for not having requisite number of the Independent Directors in the Board, Audit Committee, Nomination Remuneration Committee and not having Independent Woman Director 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 31<sup>st</sup> December, 2020.

**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 Chairman of Audit Committee including Independent director.

**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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022, 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 29 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, statutory notices, press releases and presentations made to institutional investors/ analysts after the declaration of the quarterly, half-yearly and annual results, 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 submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) 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 25<sup>th</sup> March, 2022. 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 2021-22 will be held on 27<sup>th</sup> September, 2022 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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

The financial calendar to approve quarterly / annual financial result for the year 2022-23 is given below:

Quarter ending 30<sup>th</sup> June, 2022 on or before 14<sup>th</sup> August, 2022.

Quarter ending 30<sup>th</sup> September, 2022 on or before 14<sup>th</sup> November, 2022.

Quarter ending 31<sup>st</sup> December, 2022 on or before 14<sup>th</sup> February, 2023.

Quarter and year ending 31<sup>st</sup> March, 2023 on or before 30<sup>th</sup> May, 2023.

**(C) Book Closure Date: 17<sup>th</sup> September, 2022 to 27<sup>th</sup> September, 2022.**

**(D) Record Date for payment of Dividend: 16<sup>th</sup> September, 2022.**

**(E) Dividend Payment Date:** The Final Dividend if approved by the shareholders 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 of Dividend	Rate of Dividend (%)	Amount of unclaimed dividend as on 31 <sup>st</sup> March, 2022 (₹ in Lakhs)	Total amount of Dividend (₹ in Lakhs)	Date of Declaration of Dividend	Due date of transfer to IEPF
2021-22	2 <sup>nd</sup> Interim	65.00	32.08	4576	11.02.2022	19.03.2029
2021-22	1 <sup>st</sup> Interim	20.00	9.76	1408	12.11.2021	18.12.2028
2020-21	Final	44.00	13.52	3098	28.09.2021	03.11.2028
2019-20	Final	33.00	12.11	2323	25.09.2020	31.10.2027
2018-19	During the financial year 2018-19 no dividend was declared					
2017-18	Final	74.00	8.05	2605	26.09.2018	02.11.2025
2016-17	Final	71.00	23.32	2499	21.09.2017	27.10.2024
2016-17	Interim	95.00	10.22	1672	10.02.2017	18.03.2024
2015-16	Final	102.50	10.41	1804	28.09.2016	04.11.2023
2014-15	Final	207.00	11.06	1822	14.09.2015	20.10.2022

#### 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. No amount was transferred to IEPF during the year as no dividend was declared for the financial year 2013-14. The unclaimed dividends pertaining to the financial year 2014-15 shall be transferred to IEPF in accordance with the provisions of Companies Act.

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. No shares were transferred to IEPF during the year as there were no shares in respect of which dividend remained unpaid /unclaimed for a consecutive period of 7 years.

Further, all shares in respect of which dividends remaining unclaimed for financial year 2014-15 and thereafter shall be transferred to IEPF in accordance with the provisions of Companies Act.

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.

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). The details of such dividend/ shares are also hosted on the website of the company.

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

Sl. 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 1 <sup>st</sup> April, 2021	63	5,98,017
b)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	11	3,08,668
c)	Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year.	11	3,08,668
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 16 <sup>th</sup> October, 2017.	-	-
e)	Aggregate number of shareholders and the outstanding Shares lying in the Unclaimed Suspense Account as on 31 <sup>st</sup> March, 2022. 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.	52	2,89,349
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: +91-11-4254-1954/+91-22-4254-1234  
E-mail: virenders@alankit.com/saching@alankit.com  
Investor Grievance E-mail: mstcigr@alankit.com  
Website: www.alankit.com  
Contact Person: Virender Sharma/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/Transmission/ Splitting/Consolidation/Reissue of Shares Certificates etc. received from the shareholders from time to time.

#### (J) Dematerialization of Share and Liquidity

As on 31<sup>st</sup> March 2022, 99.66% 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	1,00,53,137	14.28
Held in Dematerialized form in NSDL	6,01,09,913	85.38
Held in Physical Form	2,36,950	0.34

#### (K) Listing Fees

Annual Listing fees for the year 2021-22, as applicable, have been paid to the Stock Exchanges.

#### (L) Stock Market Information

The shares of the Company are listed with BSE and NSE with effect from 29<sup>th</sup> 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 2021-22 are as under:

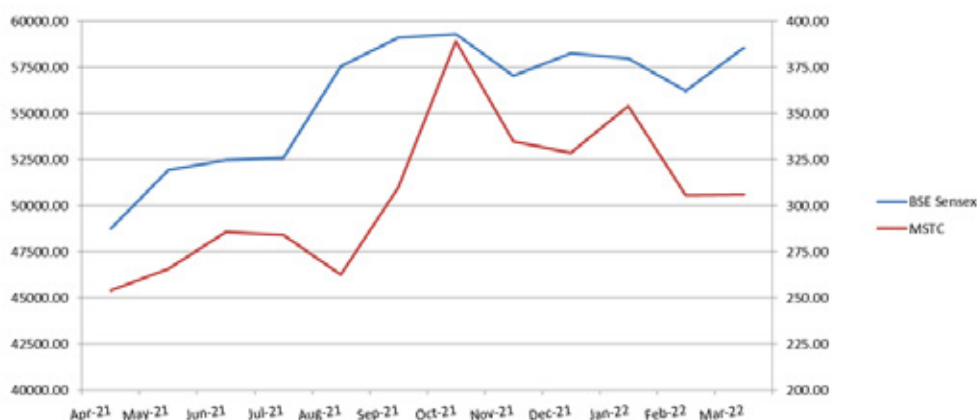


Month	BSE LIMITED*			NSE LIMITED*		
	High (Per Share)	Low (per Share)	Volume	High (Per Share)	Low (Per Share)	Volume
April 2021	316.00	249.50	15,22,698	316.00	249.50	69,84,246
May 2021	286.50	250.25	10,26,028	286.40	250.65	82,99,884
June 2021	295.00	247.35	15,82,197	295.15	247.15	1,49,30,852
July 2021	334.40	276.20	17,70,162	334.40	275.50	1,74,06,774
Aug 2021	308.00	242.35	14,39,053	308.40	248.20	1,27,12,180
Sep 2021	336.55	260.00	23,15,643	337.00	260.00	2,18,92,664
Oct 2021	542.00	306.00	51,35,194	542.00	307.15	5,05,45,189
Nov 2021	411.95	326.00	10,31,204	412.00	325.05	1,23,11,405
Dec 2021	371.00	307.85	7,65,781	371.45	307.85	75,82,263
Jan 2022	390.00	317.15	12,38,433	388.20	317.45	1,15,70,755
Feb 2022	361.30	281.75	9,06,802	361.50	282.00	75,21,567
Mar 2022	341.00	285.00	7,30,147	326.00	285.00	68,29,471

\*Source: Website of BSE and NSE.

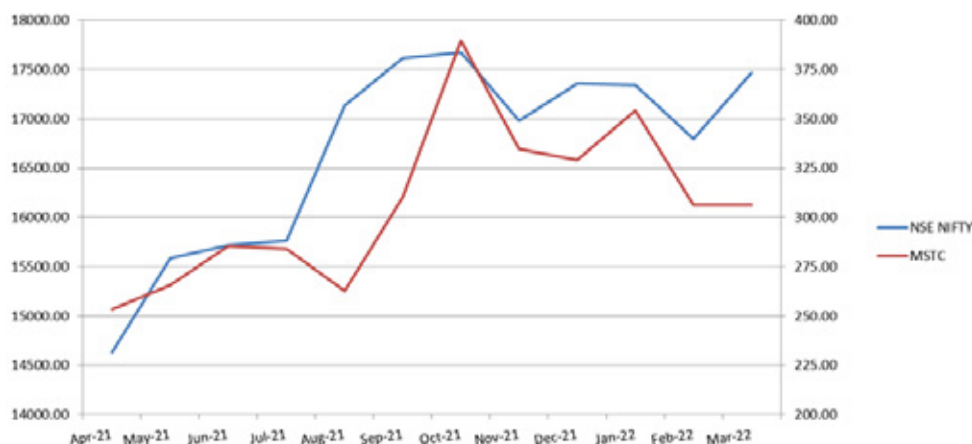
#### (N) Performance of the share price of the Company in comparison to the BSE Sensex:

Stock Performance of MSTC vis-a-vis Sensex (Based on monthly closing price)



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

Stock Performance of MSTC vis-a-vis Nifty (Based on monthly closing price)



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

**(Q) CIN of the Company:** L27320WB1964G0I026211

**(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 :

**(U) Top ten shareholders as on 31<sup>st</sup> March, 2022.**

S. No.	Name of Shareholders	No. of Shares held	% of Total Shareholding
1.	President of India	4,55,80,000	64.75
2.	Suryavanshi Commotrade Private Limited	8,00,000	1.14
3.	LICI ASM Non Par	7,93,123	1.13
4.	The New India Assurance Company Limited	7,80,735	1.11
5.	Tata Investment Corporation Limited	4,94,110	0.70
6.	J K Traders Limited	3,84,000	0.55
7.	Texmaco Infrastructure & Holdings Limited	3,75,000	0.53
8.	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	3,14,240	0.45
9.	MSTC Limited Unclaimed Suspense Account	2,89,349	0.41
10.	Aditya Deorah	2,54,000	0.36

**(V) Distribution of Shareholding by Size as on 31<sup>st</sup> March, 2022.**

Category (Shares)		Shareholders		Number of Shares	
From	To	Number	%	Number	%
1	500	57977	92.19	50,67,496	7.20
501	1000	2445	3.89	19,47,346	2.77
1001	2000	1153	1.83	17,34,215	2.46
2001	3000	461	0.73	11,82,913	1.68
3001	4000	219	0.35	7,86,021	1.12
4001	5000	150	0.24	7,05,091	1.00
5001	10000	252	0.40	18,54,494	2.63
10001	ABOVE	230	0.37	5,71,22,424	81.14

The Company Secretary & Compliance Officer MSTC Limited

Plot no.CF-18/2, Street No.175, Action Area I C, New Town, Kolkata – 700156, West Bengal, India

Tel: +91-33- 2340-0000, Email: cssectt@mstcindia.in

**(T) Plant locations:**

In view of the nature of the Company's business viz. E-Commerce and IT Enabled Services the Company operates from various offices in India.

**(W) List of All Credit Rating Obtained by the Company:****(i) Credit Rating by CARE Ratings Limited:**

Sr. No.	Particulars	Amount (₹ in Lakhs)	Rating Agency	Rating
1.	Long Term facilities	5,575.00	CARE Ratings Limited	CARE BBB; Stable (triple B; Outlook : Stable)
2.	Short Term facilities	24,643.00	CARE Ratings Limited	CARE A3+ (A Three Plus)
	<b>Total</b>	<b>₹ 30,218 Lakhs</b>		

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

Sr. No.	Particulars	Amount (₹ in Lakhs)	Rating Agency	Rating
1.	Long Term facilities	5,825.00	Acuite Ratings & Research Limited	ACUITE A+ (Outlook : Stable)
2.	Short Term facilities	27,500.00	Acuite Ratings & Research Limited	ACUITE A1+
	<b>Total</b>	<b>₹ 33,325.00 Lakhs</b>		

For &amp; on behalf of the Board of Directors



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

Place: Kolkata

Date: May 25, 2022

## 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 31<sup>st</sup> March, 2022 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 & Managing Director**  
**[DIN : 08643406]**

**Place: Kolkata**  
**Date : May 25, 2022**

### 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 31<sup>st</sup> March, 2022.

**For & on behalf of Board of Directors**



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

**Place: Kolkata**  
**Date: May 25, 2022**



## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### To the Members of

#### MSTC Limited

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MSTC Limited having CIN L27320WB1964GOI026211 and having registered office at Plot no. CF - 18/2, Street No. 175, Action Area 1C Newtown, Kolkata Paraganas North, West Bengal 700156 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial Year ending on 31<sup>st</sup> March, 2022, have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Surinder Kumar Gupta	08643406	17/12/2019
2	Mrs. Bhanu Kumar	07982360	10/10/2017
3	Mr. Subrata Sarkar	08290021	01/12/2018
4	Mrs. Ruchika Chaudhry Govil	07601895	11/10/2017
5	Mr. Awadhesh Kumar Choudhary	06942194	02/07/2020
6	Mr. Adya Prasad Pandey	09347851	01/11/2021
7	Dr. Vasant Ashok Patil	09352913	01/11/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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**



**(Priti Todi)**

**Partner**

**Place : Kolkata**

**Date : May 11, 2022**

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

**UDIN NO : A014611D000301227**

## 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 conditions of Corporate Governance by MSTC Limited for the year ended 31<sup>st</sup> March, 2022 as stipulated provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the 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, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above-mentioned Listing Regulations 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 and also the Board does not have an independent woman director with effect from 14<sup>th</sup> December, 2021 as required. 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 to 13<sup>th</sup> November, 2021. Consequent to the appointment of Independent Directors by the Government of India, the company has reconstituted the aforesaid committees w.e.f 13<sup>th</sup> November, 2021. Therefore the Committees are presently constituted in accordance with the provisions of SEBI(LODR), 2015.

We state that in respect of Investors’ grievances received during the financial year ended on 31<sup>st</sup> March, 2022, no Investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For Bajaj Todi & Associates**



**(Priti Todi)**  
**Partner**

**Place : Kolkata**

**Date : May 11, 2022**

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

**UDIN NO : A014611D000306012**

## Annexure III

## BUSINESS RESPONSIBILITY REPORT

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	L27320WB1964G0I026211
2. Name of the Company	MSTC LIMITED
3. Registered address	Plot No. CF-18/2, Street no 175, Action Area 1C, New Town, Kolkata – 700156, W.B.
4. Website	<a href="http://www.mstcindia.co.in">www.mstcindia.co.in</a>
5. E-mail id	cssectt@mstcindia.in
6. Financial Year reported	2021-22
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. Jaivikkheti portal
9. Total number of locations where business activity is undertaken by the Company	20
a) Number of International Locations (Provide details of major 5)	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)	₹ 7,040 Lakhs
2. Total Turnover(INR)	₹ 47,064 Lakhs
3. Total profit after taxes(INR)	₹ 20,009 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Due to losses incurred during FY 2018-19, the average net profit of the Company was negative resulting in no CSR budget obligation for the FY 2021-22. However, to complete the pending works pertaining to projects undertaken by the Company in the FY 2018-19, CSR Committee and Board of Directors of the Company approved ₹ 23,98,968/- as CSR budget for the FY 2021-22 which will be used specifically for the purpose of completion of pending projects of FY 2018-19.
5. List of activities in which expenditure in 4 above has been incurred:-	1. Repair and Renovation of School Building 2. Construction of additional classroom and kitchen cum dining space in school 3. Construction of a Training Centre for the unemployed youth and marginalised women

## 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/Director 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- 2340 0001
    5. e-mail id : cmdmstc@mstcindia.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	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
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 conform 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? If 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



**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 conform 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:

<b>Name of the Policy</b>	<b>Web link</b>
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>
COA/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)

<b>No.</b>	<b>Questions</b>	<b>P 1</b>	<b>P 2</b>	<b>P 3</b>	<b>P 4</b>	<b>P 5</b>	<b>P 6</b>	<b>P 7</b>	<b>P 8</b>	<b>P 9</b>
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 <a href="https://mstcindia.co.in/content/Financialperformance.aspx">https://mstcindia.co.in/content/Financialperformance.aspx</a>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Businesses should Conduct and Govern themselves with 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 2021-22, 44 grievances in total were received from both internal and external stakeholders. Out of 44, 41 grievances (93.18%) 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: Businesses 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 a ecommerce service provider company. 1. E Commerce Platform 2. Digitization of e-governance 3. JaivikKheti 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 the possibility of cartelization and collusion between the interested parties, for profit maximization in general, and against public interest in particular. JaivikKheti portal - encourages sustainable agricultural practices and will help in long range to demolish the monopoly enjoyed by the traders and commission agents.
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.	Not applicable
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 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: Businesses should promote the well-being of all employees**

3.1	Please indicate the Total number of employees.	315 as on 31 <sup>st</sup> March, 2022												
3.2	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	2 as on 31 <sup>st</sup> March, 2022												
3.3	Please indicate the Number of permanent women employees.	53 as on 31 <sup>st</sup> March, 2022												
3.4	Please indicate the Number of permanent employees with disabilities	9 as on 31 <sup>st</sup> March, 2022												
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?	28.5% (90 out of 315)												
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.	Nil												
		<table border="1"> <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	39.37% (124/314)												
	(b) Permanent Women Employees	39.62% (21/53)												
	(c) Casual/Temporary/Contractual Employees	Nil												
	(d) Employees with Disabilities	66.67% (6/9)												

**Principle 4: Businesses 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 company through its CSR activities works in the field of Education, Women empowerment, skill development, health & nutrition and Swachh Bharat Mission.

**Principle 5: Businesses 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 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 transparency 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 2021-22, 44 grievances in total received from both internal and external stakeholders. Out of this, 41 grievances (93.18%) 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. 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 <a href="https://www.mstcindia.co.in/content/about.aspx">https://www.mstcindia.co.in/content/about.aspx</a> .
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. New corporate office of the company is energy efficient and GRIHA 3 star rated green building. This results 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.	Nil

**Principle 7: Businesses when engaged in influencing 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? If Yes, Name only those major ones that your business deals with:	Yes, 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: Businesses 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 new project however in earlier financial years company has taken various projects and initiative as defined in its CSR policy. Some of the major initiative taken by the company in the earlier financial years are as follows;  <u>Literacy and Education:</u> <ul style="list-style-type: none"> <li>• Support to schools imparting education in rural and tribal areas.</li> <li>• Construction and renovation of class rooms/ school building in various schools across India.</li> <li>• Construction of Dining Space for mid-day meal scheme</li> </ul> <u>Healthcare:</u> <ul style="list-style-type: none"> <li>• Construction of toilet for girls in school.</li> <li>• Purchase of Ambulance for rural areas</li> <li>• Purchase of medical equipment for medical centers.</li> <li>• Construction of ill baby care center.</li> </ul> <u>Skill development and Women empowerment</u> <ul style="list-style-type: none"> <li>• Construction of training center for youth.</li> <li>• Organizing skill development training for poor youth</li> <li>• Construction of shelter home for marginalized women and provide training</li> <li>• Distribution of sewing machine to tribal women</li> <li>• Purchase of computers and laboratory equipments for girls school laboratory.</li> </ul>
8.2	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?	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.
8.3	Have you done any impact assessment of your initiative?	Impact assessment is not applicable to MSTC Limited
8.4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	During the current financial year company has allocated ₹ 23,98,968/- as CSR budget for the FY 2021-22 which the Company used specifically for the purpose of completion of pending projects of FY 2018-19. The projects were related to Repair and Renovation of School Building, Construction of additional classroom and kitchen cum dining space in school, Construction of a Training Centre for the unemployed youth and marginalised women.
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.	The CSR Committee of the Company visits the projects on time to time basis and ensures that the development work carried by the CSR team is adopted by the community.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

9.1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	1.24% of the total number of cases as on 31 <sup>st</sup> March, 2022.
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)	Not applicable
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.	Nil
9.4	Did your company carry out any consumer survey/ consumer satisfaction trends?	No

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

**Place : Kolkata**  
**Date : May 25, 2022**

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

**Annexure IV**
**ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2021-22**
**1. Brief outline on CSR Policy of the Company.**

- a. 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).
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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: <https://www.mstcindia.co.in/content/BODComm.aspx>
- b. CSR Policy: [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)
- c. CSR projects: [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)

**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>	Nil

**6. Average net profit of the company as per section 135(5) (₹ in lakh): ₹ (834.57) lakhs**

**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)	(16.69)
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).	(16.69) 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)		Total 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
17,83,500*	6,15,468*	22.04.2022		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					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.	
1.	Repair and renovation of school building of Utkramita Madhya Vidyalaya	Education	Yes	Jharkhand	Giridih	5,10,000	Through Implementing Agency	Gram Kalyan (NGO)	NA
2.	Repair and renovation of school building of Nabo Prathamik Vidyalaya	Education	Yes	Jharkhand	Ramgarh	4,35,000	Through Implementing Agency	An Unit of Research (NGO)	NA

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.
3.	Construction of a Training Centre for the unemployed youth and marginalized women	Skill Development	Yes	West Bengal	North 24 Parganas	2,77,500	Through Implementing Agency	Holy Mission For Children's Welfare & Rural Development (NGO)	NA
4.	Renovation of school Building of Madhupur Madhyamik Siksha Kendra	Education	Yes	West Bengal	North 24 Parganas	2,46,000	Through Implementing Agency	Mother Child Survival Development Revolution (NGO)	NA
5.	Construction of classroom and kitchen cum dining space	Education	Yes	West Bengal	South Dinajpur	3,15,000	Through Implementing Agency	Dakshin Dinajpur Deshbandhu Rural Development Society (NGO)	NA
<b>Total</b>						<b>17,83,500</b>			

- (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)** : ₹ 17,83,500
- (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	17,83,500*
iii	Excess amount spent for the financial year [(ii)-(i)]	17,83,500*
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)]	17,83,500*

**\*Note:** The Company has incurred losses in the financial year 2018-19. As a result, the Average Profit (Loss) Before Tax was ₹ (834.57) lakhs accordingly there was no CSR obligation for the financial year 2021-22. However CSR Committee and the Board in their respective meetings held on 12<sup>th</sup> August, 2021 approved ₹ 23,98,968 as CSR budget for the FY 2021-22 specifically for the purpose of completion of pending works pertaining to some projects undertaken in financial year 2018-19. Out of the approved CSR budget of ₹ 17,83,500 has been spent during the year and unspent amount of ₹ 6,15,468 is transferred to separate bank account named MSTC Unspent CSR Account for the FY 2021-22 which will be spent within stipulated time.

During the financial year 2018-19 company had undertaken CSR project of ₹ 254.00 lakh against the CSR budget 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 obligation 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 (PMCARES Fund) during the FY 2019-20 as per the directions of Ministry of Steel, Government of India.



**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 section135(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 in the reporting Financial Year (in ₹ )	Cumulative amount 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


(Adya Prasad Pandey)  
Chairman CSR Committee  
[DIN : 09347851]



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

Date: May 25, 2022

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) 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 31<sup>st</sup> March , 2022 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 31<sup>st</sup> March, 2022 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 standards 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 matter my observation is 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 including Independent Woman Director during the financial year under review. However w.e.f. 13<sup>th</sup> November, 2021 the shortage of Independent Director in the committees were regularized and there exist no shortage of Independent Directors in the Committees as on 31<sup>st</sup> March, 2022.*

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 the 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: May 11, 2022

UDIN: F009766D000304731

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 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 31<sup>ST</sup> MARCH, 2022

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

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

I 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 my 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, the explanations and clarifications given to me and the representation made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the Covid-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2022 ('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.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 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.

I 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 me, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned hereinabove, subject to the following observations:

- a) As on 31<sup>st</sup> March, 2022, the Company has no Independent Directors on the Board of the Company in compliance of the provisions of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises (DPE Guidelines) and the Companies Act, 2013 and the Rules made thereunder.
- b) The Audit Committee, CSR Monitoring Committee and Nomination & Remuneration Committee were duly constituted till 13<sup>th</sup> December, 2021 and afterwards dissolved by the Board of Directors of the Company in their meeting held on 08<sup>th</sup> February, 2022 due to improper composition of Board of Directors required as per the provisions of the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises (DPE Guidelines) and the Companies Act, 2013 and the Rules made thereunder.
- c) The Company has generally filed Forms, returns, documents, resolutions and intimations required to be filed with the Registrar of Companies, the Regional Director and the Central Government on time. Additional filing fees was paid for one Form (ADT-1) filed after prescribed period. However, it is informed by the company that the delay in filing of e-form ADT-1 was mainly due to late receipt of approval from CAG and consent of Statutory Auditor.
- d) As informed by Management that during the audit period, the Company has neither received any show cause notice nor any legal proceedings were pending under the provisions of the Companies Act with appropriate authorities/courts.

**I further report that:**

M/s Ferro Scrap Nigam Limited is a Private Limited Company and is a wholly owned subsidiary of MSTC Limited. As on 31<sup>st</sup> March, 2022, the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors as required under the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Ministry of Heavy Industries and Public Enterprises (DPE Guidelines) and the provisions of the Companies Act, 2013 and the Rules made thereunder. I 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.

**I 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.

**I 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.

**I further report that:**

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

- a) The Company is engaged in the business of Scrap recovery and allied jobs for various steel plants in India and depends on work from various State-owned Companies. In the previous financial year, the Inter-Ministerial Group (IMG) had taken a decision to award works to FSNL on competitive bidding rather on nomination basis by steel plants of CPSEs. FSNL had filed an appeal with the Divisional Bench of Hon'ble Calcutta High Court to challenge the order passed by the single judge of Hon'ble Calcutta High Court under a writ petition. FSNL has been granted stay by the Divisional Bench of Hon'ble Calcutta High Court. The existing system of awarding work to FSNL on nomination basis shall continue till disposal of Appeal.

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.

CS Amrish Kumar Chourasia  
Practicing Company Secretary  
FCS No.: 7018  
C P No.: 12594  
UDIN:- F007018D000641399

Place : Bhilai  
Date : July 18, 2022

**'ANNEXURE A'**

My Secretarial Audit Report of even date is to be read along with this letter.

1. The Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for our 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 provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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.

CS Amrish Kumar Chourasia  
Practicing Company Secretary  
FCS No.: 7018  
C P No.: 12594  
UDIN:- F007018D000641399

Place : Bhilai  
Date : July 18, 2022

**Annexure - VII**

**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 31<sup>ST</sup> MARCH, 2022**

<b>Sl. No.</b>	<b>Qualified Opinion/Observation</b>	<b>Management's Replies</b>
	Report on Other Legal & Regulatory Requirement (Annexure A)	
i(d)	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 ₹ 7.42 / ₹ 4.13 lakhs 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.
ix(a)	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 Indian Overseas Bank ₹ 138.23 lakhs and Standard Chartered Bank ₹ 14361.97 lakhs as mentioned in Note No. 19A(a) and 19B of the Notes to Accounts	Both the matters are subjudice in various forums and have been adequately disclosed in Note No. 19 of the Notes to Accounts.

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



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

**Annexure-VIII**

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013 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 ₹ Lakh)

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.	2021-22
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	₹ 3200
7. Reserves and surplus	₹ 18037.62
8. Total assets	₹ 42373.29
9. Total liabilities(Excluding Equity)	₹ 21135.67
10. Investments	Nil
11. Total income	₹ 41538.93
12. Profit before taxation	₹ 5417.69
13. Provision for taxation	₹ 1381.25
14. Profit after taxation	₹ 4036.44
15. Proposed dividend	₹ 3040 Interim ₹ 900 Final
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

<b>Name of Associates or Joint Ventures</b>	<b>Mahindra MSTC Recycling Private Limited</b>
1. Latest Audited Balance Sheet Date	31 <sup>st</sup> March, 2022
2. Date on which the Associate or Joint Venture was associated or acquired	16.12.2016
3. Shares of Associate or Joint Ventures held by the company on the year end No. of shares Amount of Investment in Associates or Joint Venture Extent of Holding (in percentage)	Face Value of ₹ 10/- each 286 lakh ₹ 2860 lakh 50%
4. Description of how there is significant influence	Significant influence due to share holding
5. Reason why the associate / joint venture is not consolidated	Not Applicable
6. Net worth attributable to shareholding as per latest audited Balance Sheet	₹ 2062.80 lakh
7. Profit for the year	₹ 56.57 lakh
i. Considered in Consolidation	50% share ₹ 28.29 lakh
ii. Not Considered in Consolidation	50% share ₹ 28.28 lakh

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

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

Place: Kolkata  
Date: May 25, 2022

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

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

**(Suchit Kumar Barnwal)**  
General Manager  
Finance & Accounts

**(Subrata Sarkar)**  
Director (Finance) & CFO  
DIN - 08290021

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





# **FINANCIAL STATEMENTS**

Standalone Financial Statements

## 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022, 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 No. 34 of the Standalone Financial Statements there is a non- Provision of Deferred Tax Asset of ₹ 6,479.28 lakhs on Provision for Doubtful Debts of ₹ 18,541.91 lakhs since 01<sup>st</sup> April, 2018.
  - (b) The Title Deed of a freehold flat in Mumbai having Gross Block of ₹ 7.42 lakhs as at 31<sup>st</sup> March, 2022 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 communicated in our report.

Sl.	Key Audit Matters	Auditor's Response
i.	<p><b>Recoverability of Trade Receivables:</b></p> <p>As at 31<sup>st</sup> March 2022, Trade Receivables Gross is ₹ 1,04,956.12 lakhs (Net ₹ 40,786.20 lakhs), with ₹ 64,169.92 lakhs being considered as Credit Impaired for which a provision for bad and doubtful debts for similar amount is held in the Books.</p> <p>In the event of reference of each case of debt with impaired credit to NCLT and /or other forums for adjudication, the Company is exposed to potential risk of financial loss when the recoveries become subjected to long processes of litigations and eventually doubtful.</p>	<p>While examining details of Receivables and transactions during the year ended 31<sup>st</sup> March, 2022, we have observed the nature of the Trade Receivables including those Advance to Customers classified as such, 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 31<sup>st</sup> March, 2022.</p> <p>Since Company's obtaining of balance confirmations from Parties is an ongoing process (as referred to in Note 41), 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.</p>

Sl.	Key Audit Matters	Auditor's Response
	<p>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.</p> <p>The disclosures related to Trade Receivables of the Company are provided in Note 8.1 to 8.6 to the accompanying Standalone Financial Statements.</p>	
ii.	<p><b>IT Systems &amp; Control:</b></p> <p>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.</p>	<p>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.</p>
iii.	<p><b>Assessment of allowance for Bad and Doubtful Advances and Contingent Liabilities:</b></p> <p>Assessment of allowance for Bad and Doubtful Advances made during the year and Contingent liabilities requiring 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 29 &amp; 33 (a) to the accompanying Standalone Financial Statements.</p>	<p>We have carried out the validation of the information provided by the management by performing the following procedures:-</p> <ul style="list-style-type: none"> <li>- Evaluating reasonableness of the underlying assumptions.</li> <li>- Understanding the current status of the litigations.</li> <li>- Examining the relevant documents on available records.</li> <li>- Reviewing legal opinion/ industry practices wherever necessary.</li> <li>- Verification of various disclosures made by the management.</li> <li>- Obtaining Management's Representation as per guidelines of the ICAI.</li> <li>- Company's Accounting Policy.</li> </ul>

#### 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

6. 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.

### Other Matter

7. The following other matters are mentioned.

- (a) With reference to Note 41, 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 pandemic situation out 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, 2020 ("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 5<sup>th</sup> 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 5<sup>th</sup> 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, 2021, 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 33(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.
  - (iii) The Company did not have any need to transfer amounts, required to be so transferred, to the Investor Education and

Protection Fund during the year in view of the fact that there was no dividend declared in the 8<sup>th</sup> preceding year of 2014-15 on account of loss incurred by the Company for the year 2013-14.

- (iv) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to Accounts, no funds has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or any other person(s) or entity (ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to Accounts, no funds has been received by the Company from any person(s) or entity (ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or

indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures considered reasonable and appropriate in the circumstances, nothing has come to notice that may cause us to believe that the representations as noted in Sl.(h)(iv) & (v) above contain any material misstatement.

- (vi) The Company has declared dividend or paid during the year in compliance with the Companies Act, 2013.
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: May 25, 2022**

**M.No.052183**  
**UDIN : 22052183AKDENA6876**

## 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)**

- |  |  |
|--|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property plant &amp; equipment.</p> <p>(b) The Company maintains proper records showing full particulars of its Intangible Assets.</p> <p>(c) The Company has carried out physical verification of its property, plant &amp; equipment as per a programme for the purpose during the year. According to the information and explanations, no material discrepancies were noticed on such verification</p> <p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company the Title Deeds of all Immovable Properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are in the name of the Company. 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 ₹ 7.42 / ₹ 4.13 lakhs respectively) for which no title deed could be made available for verification.</p> <p>(e) There was no revaluation of any asset during the year.</p> <p>(f) According to the information and explanations given to us and on the basis of examination of the records of the Company, there was no proceedings initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.</p> <p>(ii) (a) 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.</p> <p>(b) The Company has Working Capital and Demand Loans from Banks as on 31<sup>st</sup> March, 2022 in excess of ₹ 5 Crores which are sub-judice and have been separately reported upon in Clause (ix) (a) hereinbelow in this report. There is no other Working Capital Limits, viz. Cash Credit or Overdraft operated by the Company. No Stock</p> | <p>Statement and Quarterly Returns are required to be submitted to the lending Banks in terms of subsisting agreements.</p> <p>(iii) As per information and explanations given to us and based on examination of records, the Company has not made any investments or granted any loan or advance in the nature of 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.</p> <p>(iv) According to the information and explanations given to us and based on examination of records, the Company has not granted any loan or provided any guarantee/ security as specified under Section 185 of the Act. The company has also not given any loan nor made any investment during the year under section 186 of the Act.</p> <p>(v) According to the information and explanations given to us and based on examination of records, 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. and therefore, the provision of Clause 3(v) of the Order is not applicable on the Company</p> <p>(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</p> <p>(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 31<sup>st</sup> March, 2022 for a period of more than six months from the date of becoming payable.</p> |
|--|--|

(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 31<sup>st</sup> March, 2022 which has not been deposited on account of a dispute are as follows:

SI No	Name of the Statute	Nature of Dues	Period to which the amount relates (FY)	Amount (₹ in Lakhs)	Forum where the dispute is pending
1	UP Trade Tax Act 1948	Claim by Sales Tax Authority	2001-02	1.93	High Court Allahabad
	UP Trade Tax Act 1948		2004-05	1.67	Commercial Tax Tribunal Bench, Ghaziabad.
2	WB VAT Act 2003	Claim by Sales Tax Authority	2009-10	426.33	Appellate Revision Board, Kolkata
	WB VAT Act 2003		2012-13	517.20	Senior Joint Commissioner, Commercial Taxes, Kolkata
3	AP VAT Act 2005	Claim by Sales Tax Authority	1998-99	22.53	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	AP VAT Act 2005		1999-00	41.08	CTO-Suryabag Circle
	AP VAT Act 2005		2004-05	9.08	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	AP VAT Act 2005		2005-06	3.70	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	AP VAT Act 2005		2006-07	0.76	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
	AP VAT Act 2005		2008-13	79.35	High Court of Judicature at Hyderabad
	AP VAT Act 2005		2008-13	56.22	Appellate Joint Commissioner (Appeals), Vijayawada
4	Delhi Value Added Tax Act, 2004	Claim by Sales Tax Authority	2010-11	0.22	VATO-KCS, DVAT
5	J&K Sales Tax Act 1962	Claim by Sales Tax Authority	2015-16	0.27	Commercial Tax Circle-N, Jammu
6	CST (Central Sales Tax Act)	Claim by Sales Tax Authority	2009-10	249.00	Sales Tax Appellate Tribunal (STAT) , Visakhapatnam
7	Jharkhand Value Added Tax Act, 2005	Claim by Sales Tax Authority	2015-16	4.45	Commissioner of Commercial Tax, Govt. of Jharkhand
	Jharkhand Value Added Tax Act, 2005		2016-17	7.93	Commissioner of Commercial Tax, Govt. of Jharkhand
8	Orissa Sales Tax Act	Claim by Sales Tax Authority	1986-87	269.00	High Court Orissa
9	Gujarat VAT Act 2003	Claim by Sales Tax Authority	2004-05	217.99	Gujarat Value Added Tax Tribunal against DC (Appeal Order)
<b>Total of Sales Tax Dues</b>				<b>1,908.71</b>	
10	Customs Act 1962	Claim by Custom Department	1995-96	266.25	Madras High Court
	Customs Act 1962		2001-02	203.81	High Court Calcutta
	Customs Act 1962		2012-13	635.70	CESTAT Bangalore or CESTAT Chennai
	Customs Act 1962		2013-14	83.55	CESTAT Bangalore or CESTAT Chennai
<b>Total of Custom Dues</b>				<b>1,189.31</b>	
11	Finance Act 1994 (Service Tax)	Service Tax Demand	2005-07	1,490.10	CESTAT Kolkata
<b>Total of Service Tax Dues</b>				<b>1,490.10</b>	
12	Income Tax Act 1961 (TDS)		2015-16	9.85	Commissioner Appeals, Kolkata
<b>Total Income Tax Dues</b>				<b>9.85</b>	
<b>TOTAL TAX DUES</b>				<b>4,597.97</b>	

(viii) According to the information and explanations given to us, there has not been any transaction not recorded in the Books of Accounts which have been surrendered or disclosed as income during the year in the tax assessment under Income Tax Act, 1961 (43 of 1961).



- (ix) (a) 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 as under :

Nature of Borrowing	Name of Lender	Amount (₹ in lakhs)	Whether Principal or Interest	No of days delay or unpaid	Remarks
Claim from Bank on account of Legal Fees paid by them	Indian Overseas Bank	138.233	Principal	Since 19.09.2011	Refer Note 19A(a) to Accounts
Export Bills Purchase	Standard Chartered Bank	14,361.977	Principal Interest Accrued but not due is ₹ 7,889.03 Lakhs	Since 2008-09	Refer Note 19B to Accounts

- (b) According to information and explanations given to us and based on our examination of records, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) The Company had taken Term Loan from State Bank of India for the purpose of construction of its Corporate Office Building, The amount of loan as disbursed and obtained by the Company has been utilized for the purpose for which such loan was received and there was no diversion of such loan for any other purpose.
- (d) According to information and explanations given to us and on an overall examination of the Balance Sheet, there was no funds received on short term basis and used prima-facie for long term purposes.
- (e) The Company has not taken any funds from entity or person on account of its subsidiary, associate or joint venture.
- (f) The Company did not receive any loan during the year on pledge of securities held in its subsidiary, joint venture or associate.
- (x) (a) Based on the information and explanations given by the management and our examination of records, 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.
- (b) Based on the information and explanations given to us and based on our examination of records, the Company did not make any preferential allotment or private placement of shares or convertible debentures.
- (xi) (a) During the course of our examination of the books and records 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 cases of fresh fraud on or by the Company or 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.
- (b) According to the information and explanations given to us, no report under sub-section 12 of Section 143 of the Companies Act, 2013 has been filed with the Central Government by the Auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014.
- (c) According to information and explanations given to us, there was no whistleblower complaint received by the Company during the year.
- (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 37 to the Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has an Internal Audit System commensurate with the nature and size of its business. The Company gets its Internal Audits conducted for all its Branches and Head Office operations on a quarterly, half-yearly, yearly fixed on a Cluster basis through engagement of Firms of Chartered Accountants whose appointments are made by appropriate approvals by its Board of Directors. Such reports have been duly examined and considered by us while forming audit opinion on the Financial Statements.
- (xv) According to information and explanations given to us and on the basis of examination of records, the Company has not entered into any non-cash transactions with its Directors or persons connected with them.

- (xvi) In our opinion and according to the information and explanations given to us and on the basis of examination of records, the Company is neither required to be registered under section 45 IA of the Reserve Bank of India Act, 1934, nor the Company has been engaged in a Non-banking Financial or Housing Finance activities, nor the Company is a Core Investment Company (CIC) and nor the Group has any CIC as part of the Group and accordingly, therefore, provision of clauses 3 (xvi) (a), (b), (c) and (d) of the Order are not applicable to the Company.
- (xvii) The Company neither incurred any Cash Loss during the year nor in the previous year.
- (xviii) There was no resignation of the Statutory Auditor during the year.
- (xix) According to the information and explanations given to us and based on the Financial Ratios, Aging and expected dates of realization of financial assets and obligation for payment of financial liabilities as also considering the Directors' Report, other information accompanying the Financial Statements and based on our examination of the evidence of supporting assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of audit that the Company is not capable of meeting its liabilities existing at the Balance Sheet date as and when they fall due within

a period of one year from the Balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us and on the basis of our examination of records, there is no unspent amount under Section 135(5) of Companies Act, 2013 pursuant to any project, whether ongoing or other than ongoing. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable,

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

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

**Place: Kolkata**  
**Date: May 25, 2022**

**M.No.052183**  
**UDIN : 22052183AKDENA6876**

## 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 31<sup>st</sup> March, 2022.**

**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")**

### Opinion

1. We have audited the internal financial controls over Financial Reporting of MSTC Limited ("the Company") as at 31<sup>st</sup> March, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company as at and for the year ended on that date. In our opinion, the Company has, in all respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March 2022 based on the internal financial controls criteria, with reference to Standalone financial statements, established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### 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 Accountant 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 :
  - (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

- transactions and dispositions of the assets of the Company;
- (ii) 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
  - (iii) 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.

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.

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

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

5. Because of the inherent limitations of internal financial controls over financial reporting, including

**Place: Kolkata**  
**Date: May 25, 2022**

**CA Pradip Kumar Mitra**  
**Partner**  
**M.No.052183**  
**UDIN : 22052183AKDENA6876**

## **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:**

<b>Directions</b>		<b>Auditor's Reply</b>
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.	The matter has been adequately dealt with in our report of even date. [Para 3 (ii) of Key Audit Matter]
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).	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 2021-22.
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.	There is no case of funds received/receivable during the financial year 2021-22 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**  
**M.No.052183**  
**UDIN : 22052183AKDENA6876**

**Place: Kolkata**  
**Date: May 25, 2022**



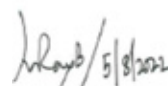
## **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MSTC LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

The preparation of financial statements of MSTC Limited for the year ended 31<sup>st</sup> March, 2022 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<sup>th</sup> May, 2022

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<sup>st</sup> March, 2022 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.

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



**(Mausumi Ray Bhattacharyya)  
Director General Audit (Mines)  
Kolkata**

**Place: Kolkata**

**Date: August 5, 2022**

## Standalone Balance Sheet as at 31<sup>st</sup> March 2022

(Amount in ₹ Lakhs)

Particulars	Notes	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>Property, Plant and Equipment and Intangible assets</b>			
(a) Property, Plant and Equipment	2	5,987.40	704.80
(b) Capital Work in Progress	2	-	5,025.01
(c) Leasehold Land	2	700.78	708.24
(d) Intangible assets	2	93.70	14.03
		<b>6,781.88</b>	<b>6,452.08</b>
<b>(e) Financial assets</b>			
<b>(i) Investments</b>			
(a) In Subsidiary	3	1,581.00	1,581.00
(b) In Joint Venture	3	2,860.00	2,260.00
<b>(ii) Other financial assets</b>			
	4	464.58	492.04
(f) Non-Current tax assets	5	7,082.39	5,264.16
(g) Deferred tax assets (net)	6	20,833.24	22,250.14
(h) Other non current assets	7	43.48	33.97
<b>Total non-current assets</b>		<b>39,646.57</b>	<b>38,333.39</b>
<b>(2) Current assets</b>			
<b>(a) Financial assets</b>			
(i) Trade receivables	8	40,786.20	72,376.48
(ii) Cash and cash equivalents	9	70,600.51	70,787.79
(iii) Other Bank Balances	10	2,930.45	1,198.86
(iv) Other financial assets	11	7,037.30	2,053.53
(b) Other current assets	12	230.37	233.75
<b>Total current assets</b>		<b>1,21,584.83</b>	<b>1,46,650.41</b>
<b>TOTAL ASSETS</b>		<b>1,61,231.40</b>	<b>1,84,983.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	13	7040.00	7,040.00
(b) Other equity	14	39,507.96	28,455.98
<b>Total equity</b>		<b>46,547.96</b>	<b>35,495.98</b>
<b>(2) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	18	-	431.90
(ii) Other financial liabilities	15	366.93	72.77
(b) Provisions	16	1,767.84	2,530.90
(c) Other non-current liabilities	17	799.52	612.05
<b>Total non-current liabilities</b>		<b>2,934.29</b>	<b>3,647.62</b>
<b>(3) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	19	14,950.48	15,007.39
<b>(ii) Trade payables</b>			
Total Outstanding dues of			
a) Micro & Small Enterprises	20	14.68	3.50
b) Creditors other than Micro & Small Enterprises	20	15,935.89	38,078.31
<b>(iii) Other financial liabilities</b>			
	21	78,083.28	87,901.19
(b) Other current liabilities	22	2,384.53	4,849.81
(c) Provisions	23	380.29	-
<b>Total current liabilities</b>		<b>1,11,749.15</b>	<b>1,45,840.20</b>
<b>Total liabilities</b>		<b>1,14,683.44</b>	<b>1,49,487.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,61,231.40</b>	<b>1,84,983.80</b>

The accompanying notes forms an integral part of the financial statements.

In terms of our report of even date.

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

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

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

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

**(Subrata Sarkar)**  
Director (Finance) & CFO  
DIN: 08290021

**Place: Kolkata**  
**Date: May 25, 2022**

**(Suchit Kumar Barnwal)**  
General Manager  
Finance & Accounts

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

## Standalone Statement of Profit & Loss for the Year ended 31<sup>st</sup> March 2022

(Amount in ₹ Lakhs)

Particulars	Note	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
<b>I Revenue from operations</b>	24	47,063.91	42,774.49
<b>II Other Income</b>	25	27,892.68	21,138.76
<b>III Total Income (I + II)</b>		<b>74,956.59</b>	<b>63,913.25</b>
<b>IV EXPENSES</b>			
(a) Purchases of Stock-in-Trade	26	15,878.48	17,460.69
(b) Employee benefit expense	27	8,570.78	6,775.80
(c) Finance costs	28	261.60	688.96
(d) Depreciation and amortisation expense	2	467.98	248.10
(e) Other expenses	29	27,769.94	27,271.61
<b>Total Expenses</b>		<b>52,948.78</b>	<b>52,445.16</b>
<b>V Profit before tax (III- IV)</b>		<b>22,007.81</b>	<b>11,468.09</b>
<b>VI Tax Expense</b>	34		
(a) Current tax		649.43	1,039.06
(b) Deferred tax		1,349.77	321.96
<b>Total tax expense</b>		<b>1,999.20</b>	<b>1,361.02</b>
<b>VII Profit for the year (V- VI)</b>		<b>20,008.61</b>	<b>10,107.07</b>
<b>VIII Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	38	192.10	(392.70)
(b) Income tax on above		(67.13)	121.60
		<b>124.97</b>	<b>(271.10)</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>20,133.58</b>	<b>9,835.97</b>
<b>X Earnings per equity share (face value ₹10 each):</b>	35		
(a) Basic (in ₹)		28.42	14.36
(b) Diluted (in ₹)		28.42	14.36

The accompanying notes forms an integral part of the financial statements.

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

Place: Kolkata  
Date: May 25, 2022

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

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

**(Suchit Kumar Barnwal)**  
General Manager  
Finance & Accounts

**(Subrata Sarkar)**  
Director (Finance) & CFO  
DIN: 08290021

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

## Standalone Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022

(Amount in ₹ Lakhs)

### Particulars

#### A. Equity Share Capital

##### Equity shares of ₹10 each issued, subscribed and fully paid

	Nos	Face Value (₹)	Amount
Balance as at 31 <sup>st</sup> March, 2022	7,04,00,000	10	7,040.00
Balance as at 31 <sup>st</sup> March, 2021	7,04,00,000	10	7,040.00
Balance as at 31 <sup>st</sup> March, 2020	7,04,00,000	10	7,040.00

#### B. Other Equity

	General Reserve	Retained Earnings	Total
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>49,616.00</b>	<b>(21,160.02)</b>	<b>28,455.98</b>
Profit for the year ended 31 <sup>st</sup> March, 2022	-	20,008.61	20,008.61
Other Comprehensive Income for the year	-	124.97	124.97
Final Dividend: FY 20-21	-	(3,097.60)	(3,097.60)
Interim Dividend: FY 21-22	-	(5,984.00)	(5,984.00)
Transfer to General Reserve/(From) Retained Earning	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>49,616.00</b>	<b>(10,108.04)</b>	<b>39,507.96</b>
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>49,616.00</b>	<b>(28,672.79)</b>	<b>20,943.21</b>
Profit for the year ended 31 <sup>st</sup> March, 2021	-	10,107.07	10,107.07
Other Comprehensive Income for the year	-	(271.10)	(271.10)
Final Dividend: FY 2019-20	-	(2,323.20)	(2,323.20)
Transfer to General Reserve/(From) Retained Earning	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>49,616.00</b>	<b>(21,160.02)</b>	<b>28,455.98</b>

The accompanying notes forms an integral part of the financial statements.

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

Place: Kolkata  
Date: May 25, 2022

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

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

(Suchit Kumar Barnwal)  
General Manager  
Finance & Accounts

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN: 08290021

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



## Standalone Statement of Cash Flows for the Year ended 31<sup>st</sup> March 2022

(Amount in ₹ Lakhs)

Particulars	For the Year ended 31 <sup>st</sup> March 2022	For the Year ended 31 <sup>st</sup> March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax for the Period	22,007.81	11,468.09
Adjustments for:		
Depreciation /Amortisation Expenses	476.90	255.55
Dividend Income	(4,160.00)	(1,000.22)
Interest Income	(1,657.84)	(677.15)
Finance Cost	261.60	688.96
Loss on sale of Property Plant and Equipments	1.56	1.17
Provision no Longer Required Written Back	(22,038.18)	(19,298.01)
Bad Debt Witten Off	22,038.14	18,036.07
Provision for Bad and Doubtful Advances	3,555.25	6,950.48
<b>Operating profit before Working Capital changes</b>	<b>20,485.24</b>	<b>16,424.94</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	23,093.42	44,547.91
(Increase)/decrease in Other Assets	(6.14)	203.83
Adjustments for increase / (decrease) in Operating Liabilities:		
Increase/ (decrease) in Trade Payables & Others Financial Liabilities	(31,654.99)	2,169.60
Increase/ (decrease) in Other Liabilities	(2,277.81)	4,038.95
Increase/ (decrease) in Provisions	(190.68)	226.63
<b>Cash generated from Operations</b>	<b>9,449.04</b>	<b>67,611.86</b>
Direct Taxes Paid (Net of Refund)	(2,467.59)	(1,087.48)
<b>Net cash from Operating Activities</b>	<b>6,981.45</b>	<b>66,524.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds of Property Plant and Equipment (Net)	(808.26)	(2,194.57)
Investment In Fixed Deposits	(1,731.59)	(56.12)
Investment in Joint Venture	(600.00)	(400.00)
Interest received	1,643.13	675.98
Dividend Income	4,160.00	1,000.22
<b>Net cash (used) in Investing Activities</b>	<b>2,663.28</b>	<b>(974.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(Repayment) of Short Term Borrowings	(488.81)	(7,709.84)
Interest Paid	(261.60)	(688.96)
Dividend Paid	(9,081.60)	(2,323.20)
<b>Net cash used in Financing Activities</b>	<b>(9,832.01)</b>	<b>(10,722.00)</b>
<b>Net increase/(decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>(187.28)</b>	<b>54,827.89</b>
<b>Cash and Cash equivalents at the beginning of the Period</b>	<b>70,787.79</b>	<b>15,959.90</b>
<b>Cash and Cash equivalents at the end of the Period</b>	<b>70,600.51</b>	<b>70,787.79</b>

Note :

(1) Figures in brackets indicate outflows.

The accompanying notes forms an integral part of the financial statements.  
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

Place: Kolkata  
Date: May 25, 2022

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

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

**(Suchit Kumar Barnwal)**  
General Manager  
Finance & Accounts

**(Subrata Sarkar)**  
Director (Finance) & CFO  
DIN: 08290021

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

## Notes to Standalone financial statements for the year ended 31<sup>st</sup> March, 2022

### 1.A GENERAL INFORMATION

MSTC Limited (the “Company”) is a Miniratna Category-I Company was incorporated under the Companies Act, 1956 on 9<sup>th</sup> September, 1964. It is domiciled in India, having registered office at Plot No.- CF-18/2, Street No.-175, Action Area 1C, New Town, Kolkata-700156 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. 29<sup>th</sup> 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

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1<sup>st</sup> April, 2022, as below:

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts

received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

### 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 Lakhs, 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 Equipments	5
Vehicles	8
Furnitures and Fixtures	10
Partition and Cubicles	10
Building	60
Building (Other than RCC)	30
Air Conditioners	10
Electrical Installation & Equipments	10
Computers & EDP Equipments	3
Servers	6
Machinery	15

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/ other clients 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 including development and maintainance of e-portal.
  - 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 month 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 JUDGEMENTS**

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, which is as following:

Sl. No.	Particulars	Amount of provisioning
1.	Trade Receivables (e-Commerce Business)	Outstanding more than 2 years – 50% Outstanding more than 3 years – balance amount
2.	Trade Receivables (Associate supply Business)	In this model since actual funding for procurement is done by MSTC's associate supplier, there is no scope for business loss to the account of MSTC. Hence no provisioning against such trade receivables is envisaged.
3.	Trade Receivables (110% BG backed Business)	Since the transaction is entirely covered by Bank Guarantee, no provisioning against such trade receivables is envisaged.
4.	Trade Receivables (Cash & carry business)	The policy provides for provisioning at various stages depending upon the age and quantum of security available (pledged stock) for concerned trade receivable.

- 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 and Intangible Assets

(Amount in ₹ Lakhs)

Particulars	Freehold Buildings	Freehold Buildings Other than RCC structure	Electrical Installation & Equipment	Machinery	Office Equipment	Office Air Conditioner	Furniture and fixtures	Office Partition & Cubicles	Computer and EDP Equipments	Vehicles	Total Tangible Assets
<b>Gross Block as at 31<sup>st</sup> March, 2020</b>	<b>112.70</b>	-	-	-	<b>37.30</b>	<b>40.60</b>	<b>136.80</b>	<b>75.70</b>	<b>556.60</b>	<b>20.90</b>	<b>980.60</b>
Additions	-	-	-	-	1.60	9.50	0.40	2.50	48.20	-	62.20
Disposals	-	-	-	-	0.70	2.20	0.30	-	18.00	-	21.20
<b>Gross Block as at 31<sup>st</sup> March, 2021</b>	<b>112.70</b>	-	-	-	<b>38.20</b>	<b>47.90</b>	<b>136.90</b>	<b>78.20</b>	<b>586.80</b>	<b>20.90</b>	<b>1,021.60</b>
Additions	-	3,339.06	788.43	237.90	423.99	311.61	282.20	2.85	375.19	-	5,761.23
Disposals	-	-	-	-	4.44	10.82	46.25	55.79	16.43	-	133.73
<b>Gross Block as at 31<sup>st</sup> March, 2022</b>	<b>112.70</b>	<b>3,339.06</b>	<b>788.43</b>	<b>237.90</b>	<b>457.75</b>	<b>348.69</b>	<b>372.85</b>	<b>25.26</b>	<b>945.56</b>	<b>20.90</b>	<b>6,649.10</b>
<b>Depreciation as at 31<sup>st</sup> March, 2020</b>	<b>13.50</b>	-	-	-	<b>6.00</b>	<b>19.80</b>	<b>97.60</b>	<b>40.20</b>	<b>0.60</b>	<b>10.60</b>	<b>188.30</b>
Charge for the year	2.90	-	-	-	6.90	3.50	4.70	4.20	123.50	2.50	148.20
Disposals	-	-	-	-	0.50	2.10	0.10	-	17.00	-	19.70
<b>Depreciation as at 31<sup>st</sup> March, 2021</b>	<b>16.40</b>	-	-	-	<b>12.40</b>	<b>21.20</b>	<b>102.20</b>	<b>44.40</b>	<b>107.10</b>	<b>13.10</b>	<b>316.80</b>
Charge for the year	2.87	73.87	52.33	10.53	62.59	23.97	21.65	3.93	185.39	2.45	439.58
Disposals	-	-	-	-	2.03	8.03	35.27	38.92	10.43	-	94.68
<b>Depreciation as at 31<sup>st</sup> March, 2022</b>	<b>19.27</b>	<b>73.87</b>	<b>52.33</b>	<b>10.53</b>	<b>72.96</b>	<b>37.14</b>	<b>88.58</b>	<b>9.41</b>	<b>282.06</b>	<b>15.55</b>	<b>661.70</b>
<b>Net book value as at 31<sup>st</sup> March, 2021</b>	<b>96.30</b>	-	-	-	<b>25.80</b>	<b>26.70</b>	<b>34.70</b>	<b>33.80</b>	<b>479.70</b>	<b>7.80</b>	<b>704.80</b>
<b>Net book value as at 31<sup>st</sup> March, 2022</b>	<b>93.43</b>	<b>3,265.19</b>	<b>736.10</b>	<b>227.37</b>	<b>384.79</b>	<b>311.55</b>	<b>284.27</b>	<b>15.85</b>	<b>663.50</b>	<b>5.35</b>	<b>5,987.40</b>
<b>Particulars</b>	<b>Capital Work in Progress</b>		<b>Leasehold Land</b>	<b>Software Licence</b>	<b>Trade Mark</b>	<b>Total Intangible Assets</b>					
<b>Gross Block as at 31<sup>st</sup> March, 2020</b>	<b>2,892.31</b>	<b>715.69</b>	-	<b>307.03</b>	<b>0.40</b>	<b>307.43</b>					
Additions	2,132.70	-	-	-	-	-					
Disposals*	-	7.45	-	-	-	-					
<b>Gross Block as at 31<sup>st</sup> March, 2021</b>	<b>5,025.01</b>	<b>708.24</b>	-	<b>307.03</b>	<b>0.40</b>	<b>307.43</b>					
Additions	-	-	-	108.07	-	108.07					
Disposals*	5,025.01	7.46	-	-	-	-					
<b>Gross Block as at 31<sup>st</sup> March, 2022</b>	-	<b>700.78</b>	-	<b>415.10</b>	<b>0.40</b>	<b>415.50</b>					
<b>Depreciation as at 31<sup>st</sup> March, 2020</b>	-	-	-	<b>193.20</b>	<b>0.30</b>	<b>193.50</b>					
Charge for the year	-	-	-	99.80	0.10	99.90					
Disposals	-	-	-	-	-	-					
<b>Depreciation as at 31<sup>st</sup> March, 2021</b>	-	-	-	<b>293.00</b>	<b>0.40</b>	<b>293.40</b>					
Charge for the year	-	-	-	28.40	-	28.40					
Disposals	-	-	-	-	-	-					
<b>Depreciation as at 31<sup>st</sup> March, 2022</b>	-	-	-	<b>321.40</b>	<b>0.40</b>	<b>321.80</b>					
<b>Net book value as at 31<sup>st</sup> March, 2021</b>	<b>5,025.01</b>	<b>708.24</b>	-	<b>14.03</b>	-	<b>14.03</b>					
<b>Net book value as at 31<sup>st</sup> March, 2022</b>	-	<b>700.78</b>	-	<b>93.70</b>	-	<b>93.70</b>					

**Notes:**

- Disposal of Leasehold land represents amortisation of Prepaid Lease Payment.
- Companies Residential building & Office Flats at Mumbai and Residential flats at Kolkata are under attachment by the order of DRT, Mumbai.
- Freehold Building other than RCC structure is mortgaged to SBI against a loan taken for the construction of the same.
- The cost of capitalisation of Corporate Office Building on the date of completion is as approved by Board of Directors, pending project closure and settlement with the PMC agency.
- The Title Deed of the immovable property are held in the name of the company.
- All assets, wherever applicable have been duly registered with the Registrar of Company for the charges.
- At the time of implementation and adoption of IndAS w.e.f 1<sup>st</sup> 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 1<sup>st</sup> 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.**

(Amount in ₹ Lakhs)

Particulars	No. of Shares		Amount	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<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	1,581.00	1,581.00
<b>(b) Investment in 50:50 Joint Venture Company</b>				
Mahindra MSTC Recycling Private Limited (Face Value ₹10/- each)	2,86,00,000	2,26,00,000	2,860.00	2,260.00
<b>Total</b>			<b>4,441.00</b>	<b>3,841.00</b>

**Notes:**

- During F.Y 2021-22 MSTC Limited have invested ₹600.00 Lakhs (Previous Year ₹ 400 Lakhs) towards unquoted equity contribution in Mahindra MSTC Recycling Private Limited, comprising of 60 Lakhs shares of Face value of ₹ 10 each ranking pari pasu with the existing investment in similar shares.
- The shareholders of MSTC Limited in Extra-Ordinary General Meeting dated 22<sup>nd</sup> December 2021 have decided to sell the entire stake in Ferro Scrap Nigam Limited (FSNL). Accordingly the process for sale has already started.

**4 . Other Financial Assets (Non Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Security deposits	136.58	82.97
(b) Loans to employees	321.74	372.90
(c) Interest accrued on loans to employees	0.96	1.17
(d) Balance with scheduled banks in deposit accounts	5.30	35.00
<b>Total</b>	<b>464.58</b>	<b>492.04</b>

4.1 The term deposits are pledged with banks as margin for guarantee.

**5 . Non-Current Tax Assets**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Advance payment of Taxes	48,106.21	45,649.29
Less: Provision for Taxation	41,023.82	40,385.13
<b>Total</b>	<b>7,082.39</b>	<b>5,264.16</b>

**6 . Deferred Tax Assets (Net)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>(a) Through Profit or Loss</b>		
<b>Deferred tax (liabilities) / assets:</b>		
<b>Tax effect of items constituting deferred tax liabilities</b>		
EFBS Scheme	(62.06)	(5.33)
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>(62.06)</b>	<b>(5.33)</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	(163.14)	(6.28)
Allowances for doubtful debts / advances	15,944.25	16,992.57
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,598.76	1,686.62
MAT credit Entitlement	3,090.97	3,090.97
<b>Tax effect of items constituting deferred tax assets</b>	<b>20,470.84</b>	<b>21,763.88</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>20,408.78</b>	<b>21,758.55</b>
<b>(b) Through Other Comprehensive Income</b>		
<b>Tax effect of items constituting deferred tax assets</b>		
Remeasurement of Defined Benefit Plan	424.46	491.59
<b>Deferred tax (liabilities) / assets (net)</b>	<b>424.46</b>	<b>491.59</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>20,833.24</b>	<b>22,250.14</b>

**7 . Other Assets (Non Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>(a) Advance with public bodies</b>		
Sales Tax	6.92	6.92
<b>(b) Other Advances</b>		
(i) Prepaid expenses	11.12	16.58
(ii) Others	25.44	10.47
<b>Total</b>	<b>43.48</b>	<b>33.97</b>

**8 . Trade Receivables (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Trade receivables</b>		
(a) Considered Good - Secured	34,727.85	65,594.03
(b) Considered Good - Unsecured	6,058.35	6,782.45
(c) Credit Impaired	64,169.92	82,652.85
Less: Allowance for Doubtful trade receivables	64,169.92	82,652.85
<b>Total</b>	<b>40,786.20</b>	<b>72,376.48</b>

Notes:

8.1 Trade Receivables

(Amount in ₹ Lakhs)

Particulars	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
<b>As at 31<sup>st</sup> March 2022</b>						
Undisputed Trade Receivables Considered Good	25,535.13	1,636.04	8,638.02	223.66	4,753.35	<b>40,786.20</b>
Undisputed Trade Receivables Considered Doubtful	-	-	-	226.70	900.99	<b>1,127.69</b>
Disputed Trade Receivables Considered Good	-	-	-	-	-	-
Disputed Trade Receivables Considered Doubtful	-	-	-	4,323.72	58,718.51	<b>63,042.23</b>
Less: Allowance for Doubtful trade receivables	-	-	-	4,550.42	59,619.50	<b>64,169.92</b>
<b>Total</b>	<b>25,535.13</b>	<b>1,636.04</b>	<b>8,638.02</b>	<b>223.66</b>	<b>4,753.35</b>	<b>40,786.20</b>
<b>As at 31<sup>st</sup> March 2021</b>						
Undisputed Trade Receivables Considered Good	59,949.18	949.23	1,132.74	168.13	10,177.20	<b>72,376.48</b>
Undisputed Trade Receivables Considered Doubtful	-	-	-	188.17	1,296.37	<b>1,484.54</b>
Disputed Trade Receivables Considered Good	-	-	-	-	-	-
Disputed Trade Receivables Considered Doubtful	-	-	11,881.36	17,270.86	52,016.09	<b>81,168.32</b>
Less: Allowance for Doubtful trade receivables	-	-	11,881.36	17,459.03	53,312.46	<b>82,652.85</b>
<b>Total</b>	<b>59,949.18</b>	<b>949.23</b>	<b>1,132.74</b>	<b>168.13</b>	<b>10,177.20</b>	<b>72,376.48</b>

Due date of Trade Receivables is considered from the date of Bill.

8.2: The Current borrowings includes ₹14,361.97 lakhs (Previous period ₹14,361.97 lakhs) 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. 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 (DRT), Mumbai 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 16<sup>th</sup> September, 2017 have been challenged by MSTC by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal (DRAT), Mumbai, which are currently pending. Further to above, MSTC had approached Hon'ble High Court of Mumbai against auction program by DRT to sell attached immovable properties of MSTC Limited (viz. Residential and office flats at Mumbai & residential flats at Kolkata). Hon'ble Bombay High Court had stayed the auction program as well as the recovery proceedings upon deposit of ₹ 5,562.75 lakhs with the Court, due to vacancy in DRAT. On the assumption of chairperson at DRAT the stay now stands vacated and the amount has been transferred to DRAT. In case the appeal is heard by DRAT then MSTC may have to make a pre-deposit with DRAT (after adjustment of amount of ₹5,562.75 lakhs already deposited), 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 Borrowings (vide Note No 19) and as Trade Receivables. Since the matter is subjudice and is contingent in nature, no further materiality is envisaged at this juncture.

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'.

8.4: Trade Receivable Credit Impaired Includes the following : (Amount in ₹ Lakhs)

Name of the Party	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Gyscoal Alloys Ltd.	605.95	605.95
Meherkiran Enterprises Ltd.	4,300.45	4,300.45
Tirupati Fuels P. Ltd./BALAJI COKE	5,548.71	5,548.71
Sesa International Ltd.	5,871.22	5,871.22
Balasore Alloys Ltd.	1,315.90	1,315.90
Krishna Coke ( India) Pvt Ltd	1,965.07	1,965.07
Siddartha Tubes Ltd	555.63	555.63
Topworth Pipes and Tubes Ltd.	362.71	362.71
Topworth Urja & Metals Ltd	594.30	594.30
Crest Steel & Power Ltd	3,766.74	3,766.74
Topworth Steels & Power Private Ltd	10,357.76	10,357.76
Rohit Ferro Tech Ltd.	4,323.72	4,323.72
Concast Steel and Power Ltd	45.99	22,084.14
Maa Mahamaya Industries Ltd.	-	0.04
Jai Balaji Industries Ltd	8,182.39	4,734.02
<b>Total</b>	<b>47,796.54</b>	<b>66,386.35</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 ₹ 24,826.59 Lakhs ( Previous Year ₹ 32,668.70 lakhs ) against business done in facilitator mode(net of provision) .

8.6: Trade Receivables include ₹ 6,058.35 Lakhs (Previous Year ₹ 6,781.30 Lakhs ) against E-Commerce business (net of provision) .

## 9 . Cash and Cash Equivalents

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Cash and Cash Equivalents</b>		
(a) Cash in hand	-	0.21
(b) Balances with banks		
Balance with scheduled banks		
In Current Account	26,574.42	19,360.15
In Fixed Deposit Maturity less than 3 months	44,026.09	51,427.43
<b>Total</b>	<b>70,600.51</b>	<b>70,787.79</b>



**10 . Bank balances other than cash & cash equivalents**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Earmarked Balances with banks</b>		
(i) In Unclaimed dividend account	130.53	85.46
(ii) Deposits with maturity of more than 3 months but less than 12 months	2,799.92	1,113.40
<b>Total</b>	<b>2,930.45</b>	<b>1,198.86</b>

10.1 The deposit at (ii) includes Margin against guarantee ₹ 2,673.48 Lakhs ( Previous Year ₹ 1,113.39 Lakhs ).

**11 . Other financial assets (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Security deposits	1,135.47	1,138.35
(b) Deposit with Court #	5,566.53	-
(c) Other loans and advances		
(i) Loans to employees	40.42	47.67
(ii) Recoverable Advances to employees	17.33	30.14
(iii) Receivable from third party	239.95	812.80
(iv) Other Advances	14.40	15.85
(d) Interest accrued on		
(i) Term deposits	23.06	8.35
(ii) Loans to employees	0.14	0.37
<b>Total</b>	<b>7,037.30</b>	<b>2,053.53</b>

# The amount includes ₹ 5,562.75 lakhs deposited pursuant to Honble High court of Mumbai's order in the DRAT appeal matter. Later it has been transferred to DRAT Mumbai by the Honble High Court of Mumbai. Refer Note No. 8.2.

11.1 No loan was given to Directors/KMP/Related Party as defined under Companies Act, 2013.

**12. Other Assets (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>(Unsecured, considered good)</b>		
(a) Advance with public bodies GST , Service Tax & Sales Tax	57.05	51.28
(b) Other Advances		
(i) Advances to employees	163.65	169.72
(ii) Prepaid expenses	7.24	10.09
(iii) Others	2.43	2.66
<b>Total</b>	<b>230.37</b>	<b>233.75</b>

**13. Share Capital**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Authorised:</b>		
15,00,00,000 Ordinary Shares of ₹ 10 each	15,000.00	15,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and fully paid up :</b>		
704,00,000 Ordinary Shares of ₹ 10 each	7,040.00	7,040.00
	<b>7,040.00</b>	<b>7,040.00</b>

**13(a) (i) : Statement of Reconciliation of Shares Outstanding**

Particulars	31 <sup>st</sup> March 2022			31 <sup>st</sup> March 2021		
	Number	Face Value (₹)	Amount (₹ Lakhs)	Number	Face Value (₹)	Amount (₹ Lakhs)
Opening Balance	7,04,00,000	10	7,040.00	7,04,00,000	10	7,040.00
Closing Balance	7,04,00,000	10	7,040.00	7,04,00,000	10	7,040.00

**13(a) (ii): Rights, preferences and restrictions attached to equity shares.**

The Company has only one class of ordinary shares ('Equity Shares') having a face 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.**

Name of the Shareholder	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021		% Change
	No. of shares held	% of holding	No. of shares held	% of holding	
President of India (Promoter)	4,55,80,800	64.75%	4,55,80,800	64.75%	Nil

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. 29<sup>th</sup> March, 2019. Change in shareholding pattern post IPO is as following:

Shareholders	Pre IPO%	Post IPO%
Government of India through President of India (Promoter)	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 ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>(1) General Reserve</b>		
Opening balance	49,616.00	49,616.00
Add: Transfer from Retained Earnings	-	-
Closing Balance	49,616.00	49,616.00
<b>(2) Retained Earnings</b>		
Opening balance	(21,160.02)	(28,672.79)
Add: Profit for the year	20,008.61	10,107.07
Other Comprehensive income for the year	124.97	(271.10)
Less: Final Dividend: FY 19-20	-	(2,323.20)
Less: Final Dividend: FY 20-21	(3,097.60)	-
Less: Interim Dividend: FY 21-22	(5,984.00)	-
Less: Transfer to General Reserve	-	-
Closing Balance	(10,108.04)	(21,160.02)
<b>Total Other Equity (1+2)</b>	<b>39,507.96</b>	<b>28,455.98</b>

### 15. Other Financial Liabilities (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Liability under EFBS Scheme	366.93	72.77
<b>Total</b>	<b>366.93</b>	<b>72.77</b>

### 16. Provision (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Provision for Post Retirement Medical Scheme	1,380.16	1,568.70
(b) Provision for Leave Encashment	387.68	805.90
(c) Provision for Gratuity	-	156.30
<b>Total</b>	<b>1,767.84</b>	<b>2,530.90</b>

### 17. Other liabilities (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Advance from customers	799.52	612.05
<b>Total</b>	<b>799.52</b>	<b>612.05</b>

### 18. Borrowings (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Secured Borrowings</b>		
House Building Loan from SBI	-	431.90
<b>Total</b>	<b>-</b>	<b>431.90</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 ₹3,000 Lakhs, ₹1,950.70 Lakhs has been disbursed which is repayable in Quarterly Installments of ₹125.00 Lakhs commencing from 30<sup>th</sup> 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. The Loan has been exclusively utilised for the purpose for which it was obtained.

### 19. Borrowings (Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>A. Secured Borrowings</b>		
(a) Repayable on Demand From Banks		
Working Capital Demand Loans#	138.23	138.23
<b>Current Maturity of Long Term Debt</b>		
(b) House Building Loan from Bank (Refer Note No. 18)	450.28	507.18
<b>Total Secured Borrowings</b>	<b>588.51</b>	<b>645.41</b>
<b>B. Unsecured Borrowings</b>		
Repayable on Demand From Banks	14,361.97	14,361.97
<b>Total Unsecured Borrowings</b>	<b>14,361.97</b>	<b>14,361.97</b>
<b>Total (A+B)</b>	<b>14,950.48</b>	<b>15,007.39</b>

- a) Loan from Indian Overseas Bank (IOB) amounting to ₹138.23 Lakhs: (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 ₹ 3,656.00 Lakhs (which includes ₹ 2,798.00 Lakhs towards debit of LC value & ₹ 858.00 Lakhs as debit towards legal expenses).
- b) The above amount represents ₹ 14,361.97 lakhs (Previous year ₹ 14,361.97 Lakhs) towards payment made by Standard Chartered Bank (SCB), after purchase of export bills of MSTC raised on foreign buyers against export of Gold Jewelleries 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 16<sup>th</sup> September, 2017 have been challenged by MSTC by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal, Mumbai, which are currently pending. Further to above, MSTC had approached Hon'ble High Court of Mumbai against auction program by DRT to sell attached immovable properties of MSTC Limited (viz. Residential and office flats at Mumbai & residential flats at Kolkata). Hon'ble Bombay High Court had stayed the auction program as well as the recovery proceedings upon deposit of ₹ 5,562.75 lakhs with the Court, due to vacancy in DRAT. On the assumption of chairperson at DRAT the stay now stands vacated and the amount has been transferred to DRAT. In case the appeal is heard by DRAT then MSTC may have to make a pre-deposit with DRAT (after adjustment of amount of ₹5,562.75 lakhs already deposited), 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. 8.2) .

## 20. Trade payables (Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Creditors for supplies and services		
- Dues to micro and small enterprises	14.68	3.50
- Others #	13,412.48	36,413.71
- Accrued wages and salaries*	2,523.41	1,664.60
<b>Total trade payables</b>	<b>15,950.57</b>	<b>38,081.81</b>

### Notes:

#### 20.1 Trade Payables (Current)

(Amount in ₹ Lakhs)

Particulars	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
<b>As at 31<sup>st</sup> March 2022</b>					
MSME	14.68	-	-	-	<b>14.68</b>
Others	2,793.10	6,580.08	90.79	6,471.92	<b>15,935.89</b>
<b>Total</b>	<b>2,807.78</b>	<b>6,580.08</b>	<b>90.79</b>	<b>6,471.92</b>	<b>15,950.57</b>
<b>As at 31<sup>st</sup> March 2021</b>					
MSME	3.50	-	-	-	<b>3.50</b>
Others	29,960.42	431.45	478.46	7,207.88	<b>38,078.20</b>
<b>Total</b>	<b>29,963.92</b>	<b>431.45</b>	<b>478.46</b>	<b>7,207.88</b>	<b>38,081.70</b>

Due date is from the date of billing and/or from the date of accounting , as the case may be.

There is no disputed dues.

\* Includes ₹ 297.27 Lakhs in FY 2021-22 (Previous Year ₹285.32 Lakhs) towards provision for pension benefit of employees, and ₹ 1,436.00 Lakhs in FY 2021-22 ( Previous Year ₹ 676.45 Lakhs ) towards wage revision of the employees due from 1<sup>st</sup> January, 2017.

Both as at 31<sup>st</sup> March, 2022 and as at 31<sup>st</sup> March, 2021, there is no interest and overdue payment of more than 45 days outstanding to Micro, Small and Medium Enterprises.

### 21 . Other Financial Liabilities (Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Interest payable		
(i) Interest accrued but not due on borrowings	7,889.03	7,889.03
(b) Unclaimed dividends	130.53	84.95
(c) Creditors for other liabilities		
(i) Security deposits/EMD	55,876.23	63,255.92
(ii) Deposits received from customers	13,797.10	16,466.22
(iii) Deposit under EFBS	228.17	97.47
(iv) Payable under EFBS Deposit schemes	58.23	24.35
(v) Others	103.99	83.25
<b>Total</b>	<b>78,083.28</b>	<b>87,901.19</b>

### 22. Other Liabilities (Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Statutory Dues		
(i) GST and Profesional Tax payable	676.76	913.12
(ii) Tax deducted and collected at source	1,231.75	3,504.91
(b) Advance from customers	476.02	431.78
<b>Total</b>	<b>2,384.53</b>	<b>4,849.81</b>

### 23. Provision (Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Provision for PF Trust #	60.65	-
Provision for Post Retirement Medical Scheme	61.32	-
Provision for Leave Encashment	127.19	-
Provision for Gratuity	131.13	-
Provision for Provident Fund	-	-
<b>Total</b>	<b>380.29</b>	<b>-</b>

# This represents the provision for ₹ 60.65 Lakhs (Previous Year - Nil ) towards the contribution for deficit in income of PF Trust . (Refer Note No. 38)



**24 . Revenue from operations**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Sale of Goods	15,983.55	17,576.92
(b) Service Charges	26,694.61	20,578.56
(c) Other Operating Revenues	4,385.75	4,619.01
<b>Total</b>	<b>47,063.91</b>	<b>42,774.49</b>

- (a) During the year, an amount of ₹ 995.25 Lakhs ( Previous Year ₹ 514.10 Lakhs) was collected towards E-auction Registration. Out of total collection of current year, an amount of ₹ 829.38 Lakhs ( Previous Year ₹ 411.28 Lakhs ) 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 31<sup>st</sup> March, 2022 is ₹ 1,275.55 Lakhs ( Previous Year ₹ 1,043.83 Lakhs ). 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 ₹ 3,040.38 Lakhs in current year ( Previous Year ₹ 3,450.37 Lakhs).
- (c) Tax deducted at source on Service Charge amounts to ₹ 1,726.91 Lakhs in current year (Previous Year ₹ 922.73 Lakhs ) .

**25. Other income**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Interest income		
(1) Interest on FDR	1,657.84	677.15
(2) Interest on Employee Advances	24.99	28.95
(b) Dividend Income		
From investment in subsidiaries	4,160.00	1,000.22
(c) Liability written back	-	127.61
(d) Provision no longer required written back	22,038.18	19,298.01
(e) Miscellaneous income	11.67	6.82
<b>Total</b>	<b>27,892.68</b>	<b>21,138.76</b>

Tax deducted at source from interest on bank deposits amounted to ₹ 164.01 Lakhs ( Previous Year ₹ 49.93 Lakhs), TDS on Dividend Received is ₹ 416.00 Lakhs (Previous Year ₹ 75.10 lakhs).

**26. Purchases of Stock-in-Trade**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Purchases of Stock-in-Trade	15,878.48	17,460.69
<b>Total</b>	<b>15,878.48</b>	<b>17,460.69</b>

**27. Employee Benefit Expense**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Salaries and Wages	7,278.00	5,806.61
(b) Contribution to Provident and other funds	607.37	588.95
(c) Staff welfare expenses	685.41	380.24
<b>Total</b>	<b>8,570.78</b>	<b>6,775.80</b>

## 28. Finance costs

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Interest expense</b>		
(i) Interest on Short term borrowings from Banks	-	83.57
(ii) Interest on House Building Loan from Banks	38.44	-
(iii) Interest Paid to Customers	223.16	602.33
(iv) Interest on account of EFBS Deposits	-	3.06
<b>Total</b>	<b>261.60</b>	<b>688.96</b>

## 29. Other expenses

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Repairs and Maintainance	582.16	463.11
(b) EDP Expenses	158.05	89.54
(c) Insurance charges	9.42	9.15
(d) Rent	342.77	347.92
(e) Rates and taxes	17.28	8.75
(f) Bank Charges	20.08	78.05
(g) Travelling Expenses	55.49	48.24
(h) Foreign Travelling Expenses	-	-
(i) Car Hire Charges	131.25	108.76
(j) Meeting and Conference	63.20	15.67
(k) Training	9.78	10.44
(l) Directors' Sitting Fees	5.70	6.45
(m) Statutory Auditor's Remuneration		
(i) Audit Fees	10.60	9.75
(ii) Tax Audit Fees	1.50	1.00
(iii) Out-of-Pocket Expenses	0.12	0.75
(n) Stock Yard Expenses	65.92	139.03
(o) Telex, Postage and Telegram	9.95	16.87
(p) Electricity	128.58	95.71
(q) Printing and Stationery	26.03	20.52
(r) Entertainment	19.67	14.20
(s) Telephone Charges	43.49	34.74
(t) Advertisement	82.77	28.07
(u) Legal Expenses	206.50	82.87
(v) Consultancy Charges	27.76	42.28
(w) Internal Audit fees	1.44	1.56
(x) Out-of-Pocket Expenses (Internal Auditor)	1.95	2.74
(y) Staff Recruitment Expenses	0.28	4.55
(z) Newspaper, Books and Periodicals	1.76	1.96
(aa) Corporate Social Responsibility (Refer Note No. 40)	17.84	-
(ab) Auction Tender Expenses	103.69	84.84
(ac) Bad Debts Written off*	22,038.14	18,036.07
(ad) Allowance for Bad and Doubtful Advances*	3,555.25	6,950.48
(ae) Miscellaneous Expenses	24.06	10.08
(af) Donation	-	500.00
(ag) Plot Rent	7.46	7.46
<b>Total</b>	<b>27,769.94</b>	<b>27,271.61</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 & Carry model of business with equivalent amount held in Provision for Doubtful Debts & Advances which has been written back and is part of Note 25(d). The above write off is as per approval of Board of Directors in Meeting No. 313 held on 11<sup>th</sup> February, 2022.
- 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 31<sup>st</sup> December, 2019.

**30. Statement of Opening Stock, Purchases, Sales and Closing Stock for the year ended 31<sup>st</sup> March, 2022**

(Qty '000 MT) (Amount ₹ in Lakhs)

Description of material		Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Pipes & Tubes	2021-22	-	-	170.00	15,878.48	170.00	15,983.55	-	-
	2020-21	-	-	190.03	18,417.03	190.03	18,534.44	-	-
	2020-21	-	-	-	15,878.48	-	15,983.55	-	-
	2019-20	-	-	-	18,417.03	-	18,534.44	-	-
Add :	2021-22				-		-	-	-
	2020-21		Final Bill Adjustment		(956.34)		(957.52)	-	-
Closing	2021-22				15,878.48		15,983.55	-	-
	2020-21				17,460.69		17,576.92	-	-

**31. In addition to Note no. 30, the Company have also purchased material as facilitator as per details below:**

(Qty '000 MT) (Amount ₹ in Lakhs)

Description of material		Qty	Purchase Value	Service Charges Earned
Cement	2021-22	850.00	51.00	0.64
	2020-21	-	-	-
Pipe	2021-22	-	-	11.20
	2020-21	-	-	-
TRA Mix	2021-22	4.00	144.89	0.87
	2020-21	-	-	-
HSD	2021-22	1,733.00	1,296.62	7.78
	2020-21	-	-	-
Electrical Items	2021-22	1,945.00	1,219.24	12.74
	2020-21	-	-	-
Tower	2021-22	-	-	-
	2020-21	-	-	5.80
Misc Items	2021-22	19,492.00	71.36	5.35
	2020-21	112.00	10.00	40.10
TMT Bar	2021-22	13,868.00	7,614.70	117.99
	2020-21	4,157.00	78.33	154.90
Chrome Ore	2021-22	-	-	-
	2020-21	12.00	7.00	13.30
Channel	2021-22	-	-	-
	2020-21	1,200.00	54.52	72.80
MS Sheet/Plate/Flat	2021-22	13,170.00	9,766.38	131.70
	2020-21	-	-	-
Electrical Equipment/Project Materials	2021-22	240.00	505.48	3.85
	2020-21	-	-	13.90
<b>Total</b>	<b>2021-22</b>	<b>51,302.00</b>	<b>20,669.67</b>	<b>292.12</b>
	<b>2020-21</b>	<b>5,481.00</b>	<b>149.85</b>	<b>300.80</b>

**32. Segmental Reporting as per IndAS 108:**

(Amount in ₹ Lakhs)

In terms of IndAS 108 the Company has identified Marketing and E-Commerce as its two Primary Reportable Business Segments.

Particulars		Marketing	E-Commerce	Others (unallocated)	Total
Total Income	2021-22	41,354.23	29,405.70	4,196.66	74,956.59
	2020-21	40,626.08	22,123.56	1,163.61	63,913.25
Total expenses	2021-22	41,674.15	368.62	10,906.01	52,948.78
	2020-21	42,516.52	1,008.07	8,920.57	52,445.16
Result (Profit/Loss(-) before Tax)	2021-22	(319.92)	29,037.08	(6,709.35)	22,007.81
	2020-21	(1,890.43)	21,115.48	(7,756.96)	11,468.09
Tax expenses	2021-22	-	-	-	1,999.20
	2020-21				1,361.02
Profit/ Loss(-) for the period	2021-22				20,008.61
	2020-21				10,107.07

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 ₹ Lakhs)

Major Customer (Customer having more than 10% revenue)	2021-22	2020-21
Total Revenue	15,542.43	18,534.44
No. of Customers	1	2
% of Total Revenue	20.74%	29.00%
Product Segment	Marketing	Marketing

**33. Contingent Liabilities and Commitments**
**(a) Contingent Liabilities**

(Amount in ₹ Lakhs)

Sl. No.	Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Sales Tax & VAT	1,908.71	1,975.20
2	Custom Act	1,189.31	1,189.31
3	Money Suits	17,871.76	17,427.00
4	Arbitration	30.16	30.16
5	Income Tax	9.85	9.85
6	Service Tax	1,490.10	1,490.10
7	Outstanding Bank Guarantees	507.38	555.90
<b>Total</b>		<b>23,007.27</b>	<b>22,677.52</b>

**(b) Commitments**

(Amount in ₹ Lakhs)

Sl. No.	Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Construction of New Office Building at New town Kolkata	-	751.40
<b>Total</b>		<b>-</b>	<b>751.40</b>

Capitalisation of New Office Building at New Town, Kolkata has been done on completion of the same during the year at cost as approved by Board of Directors, pending project closure and settlement with PMC agency.

**34. Tax Expenses****(i) Income Tax Recognised in Profit or Loss**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(1) Current tax		
- For the period	649.43	-
- For earlier years		1,039.06
	<b>649.43</b>	<b>1,039.06</b>
(2) Deferred tax	1,349.77	321.96
<b>Total income tax expense recognised in the current year</b>	<b>1,999.20</b>	<b>1,361.02</b>

**(ii) The income tax expense for the period can be reconciled to the accounting profit (loss) as follows:**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(1) Profit before tax for the period	22,007.81	11,468.09
(2) Income tax expense calculated at 34.944%	7,690.41	4,007.41
(3) Effect of expenses that are not deductible in determining taxable profit	570.60	2,273.05
(4) Effect of income that is exempt/deductible from tax	1,439.20	343.99
(5) Tax for earlier years	-	1,039.06
(6) Effect of Taxes on Bad Debt written off	(7,701.01)	(6,302.50)
<b>Total income tax expense recognised in the current year</b>	<b>1,999.20</b>	<b>1,361.02</b>

The tax rate used for the year 2021-22 and 2020-21 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 2021-22, income tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4%).

However the company has a MAT credit of ₹ 3,090.97 Lakhs (Previous Year ₹ 3,090.97 Lakhs) 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 ₹ 3,555.25 Lakhs (Previous year ₹ 6,950.48 Lakhs) as a conservative approach.

During the year, an amount of ₹ 10.47 Lakhs (Previous Year ₹ 68.52 Lakhs) has been deposited under Direct Tax Vivad Se Vishwas Act, 2020. Tax Expense of ₹ Nil (Previous Year ₹ 95.29 Lakhs) 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 ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2021	Charge/ (credit) for the Year	31 <sup>st</sup> March 2022
<b>Through Profit or Loss</b>			
<b>Deferred Tax Liabilities</b>			
Employee Family Benefit Scheme	(5.33)	56.73	(62.06)
	<b>(5.33)</b>	<b>56.73</b>	<b>(62.06)</b>
<b>Deferred Tax Assets</b>			
Property, Plant & Equipment and Intangible Assets	(6.28)	156.86	(163.14)
Provision against other expenses	1,686.62	87.86	1,598.76
Allowance for Doubtful Debts & Advances	16,992.57	1,048.32	15,944.25
MAT Credit Entitlement	3,090.97	-	3,090.97
<b>Net Deferred Tax (Liabilities)/ Assets</b>	<b>21,763.88</b>	<b>1,293.04</b>	<b>20,470.84</b>
<b>Total Deferred Tax (Liabilities)/ Assets</b>	<b>21,758.55</b>	<b>1,349.77</b>	<b>20,408.78</b>
<b>Through Other Comprehensive Income</b>			
<b>Deferred Tax Assets</b>			
Remeasurement of Defined Benefit Plan	491.59	67.13	424.46
<b>Gross Deferred Tax (Liabilities)/ Assets</b>	<b>22,250.14</b>	<b>1,416.90</b>	<b>20,833.24</b>



**35. Earnings Per Share**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Profit for the year	20,008.61	10,107.07
Profit attributable to Shareholders	20,008.61	10,107.07
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)	<b>28.42</b>	<b>14.36</b>

**36. 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 ₹ Lakhs)

Financial assets	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Measured at
Trade Receivables	40,786.20	72,376.48	Amortised cost
Other Financial Assets	7,501.88	2,545.57	Amortised cost
Cash and Cash Equivalents	70,600.51	70,787.79	Amortised cost
Other Bank Balances	2,930.45	1,198.86	Amortised cost
Investments	4,441.00	3,841.00	Amortised cost
<b>Total Financial Assets</b>	<b>1,26,260.04</b>	<b>1,50,749.71</b>	

Financial Liabilities	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Measured at
Borrowings	14,950.48	15,439.29	Amortised cost
Trade Payables	15,950.57	38,081.81	Amortised cost
Other Financial Liabilities	78,450.21	87,973.96	Amortised cost
<b>Total Financial Liabilities</b>	<b>1,09,351.26</b>	<b>1,41,495.06</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.

**(i) 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.

**(ii) 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 31<sup>st</sup> March, 2022 , as at 31<sup>st</sup> March, 2021. (Amount in ₹ Lakhs)

Financial Liabilities	31 <sup>st</sup> March 2022				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Borrowings	14,950.48	14,950.48	14,950.48	-	-
Trade payables	15,950.57	15,950.57	15,950.57	-	-
Other financial liabilities	78,450.21	78,627.82	78,083.28	190.72	353.82
	<b>1,09,351.26</b>	<b>1,09,528.87</b>	<b>1,08,984.33</b>	<b>190.72</b>	<b>353.82</b>

(Amount in ₹ Lakhs)

Financial Liabilities	31 <sup>st</sup> March 2021				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Borrowings	15,439.29	15,439.29	15,007.39	431.90	-
Trade payables	38,081.81	38,081.81	38,081.81	-	-
Other financial liabilities	87,973.96	87,989.26	87,901.16	68.30	19.80
	<b>1,41,495.06</b>	<b>1,41,510.36</b>	<b>1,40,990.36</b>	<b>500.20</b>	<b>19.80</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.

**37. 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 Subrata Sarkar	Director (Finance) & CFO
Smt. Bhanu Kumar	Director (Commercial)
Shri A.K.Rai	Company Secretary
Shri Gangaram Aloria	Independent Director (upto 05.09.2020)
Dr. Rudramauni Shivayogappa Yeli	Independent Director (upto 08.03.2021)
Smt. Aparna Chaturvedi	Independent Director (upto 13.12.2021)
Shri T V Muralivallabhan	Independent Director (upto 05.09.2020)
Shri Adya Prasad Pandey	Independent Director (from 01.11.2021)
Dr. Vasant Ashok Patil	Independent Director (from 01.11.2021)

**(ii) Transaction with Related Parties**
**(a) Compensation to Key Managerial Personnel**

Particulars	Nature of related party / relationship	Remuneration (₹ in Lakhs)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
<b>For the year ended 31<sup>st</sup> March, 2022</b>					
Shri Surinder Kumar Gupta	Chairman and Managing Director	53.50	4.81	8.00	66.31
Shri Subrata Sarkar	Director (Finance) & CFO	48.24	1.63	2.74	52.61
Smt. Bhanu Kumar	Director (Commercial)	69.33	2.80	(4.60)	67.53
Shri A.K.Rai	Company Secretary	35.97	3.04	1.54	40.55
Smt. Aparna Chaturvedi	Independent Director	3.45*	-	-	3.45
Shri Adya Prasad Pandey	Independent Director	1.05*	-	-	1.05
Shri Vasant Ashok Patil	Independent Director	1.20*	-	-	1.20

Particulars	Nature of related party / relationship	Remuneration (₹ in Lakhs)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
<b>For the year ended 31<sup>st</sup> March, 2021</b>					
Shri Surinder Kumar Gupta	Chairman and Managing Director	47.60	3.00	0.90	51.50
Shri Subrata Sarkar	Director (Finance) & CFO	38.20	2.80	0.50	41.50
Smt Bhanu Kumar	Director (Commercial)	47.80	3.50	(1.50)	49.80
Shri A.K.Rai	Company Secretary	26.50	1.80	2.90	31.20
Shri Gangaram Aloria	Independent Director	1.00*	-	-	1.00
Dr. Rudramauni Shivayogappa Yeli	Independent Director	2.00*	-	-	2.00
Smt. Aparna Chaturvedi	Independent Director	2.30*	-	-	2.30
Shri T V Muralivallabhan	Independent Director	1.20*	-	-	1.20

**Note :\*** It indicates 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 FSNL Limited (100% Subsidiary)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Amount Received for providing E-Auction Service	2.87	2.00
* A Software is being developed by MSTC for FSNL. However no transaction has taken place during the year.		

**(c) Transaction with Mahindra MSTC Recycling Private Limited (50:50 Joint Venture)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Investment in Joint Venture	600.00	400.00
Amount received towards reimbursement of expenditure	24.24	16.50
Amount paid towards reimbursement of expenditure	6.00	6.00
Amount Received for providing E-Auction Service	8.18	1.40

**38. 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 ₹ 20 Lakhs case of non executive join on or before 1<sup>st</sup> July, 2014, the gratuity is ceiling 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 Medclaim Insurance of the Insurance Company. This is available to superannuated employees at any hospital under the Medclaim 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 for this purpose. The Company provides the corpus for this. Deficit, if any, is being compensated by the company.

<b>Investment risk</b>	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.
<b>Interest risk</b>	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.
<b>Longevity risk</b>	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.
<b>Salary risk</b>	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 ₹ 760.94 Lakhs ( Previous Year ₹ 669.30 Lakhs ) in Statement of Profit and Loss for the current year as expenses under defined contribution plans.**

(Amount in ₹ Lakhs)

<b>Benefit (Contribution to)</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
Provident Fund*	463.67	383.98
Pension	297.27	285.32
<b>Total</b>	<b>760.94</b>	<b>669.30</b>

\* It includes ₹ 60.65 Lakhs (Previous Year- 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 :**

<b>Description</b>	<b>For the year ended</b>	
	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
<b>1. Assumptions</b>		
a. Discount rate (per annum)	6.20%	5.90%
b. Estimated rate of return on plan assets (per annum)	6.20%	5.90%
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 ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Current service cost	162.21	161.23
b. Service Cost	162.21	161.23
c. Net Interest on net defined benefit liability / (asset)	9.22	9.70
<b>d. Cost recognized in P&amp;L</b>	<b>171.43</b>	<b>170.93</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
a. Actuarial (gain)/loss due to DBO Experience	(8.26)	(36.14)
b. Actuarial (gain)/loss due to DBO assumption changes	(43.26)	37.27
c. Actuarial (gain)/loss arising during period	(51.52)	1.13
d. Return on plan assets (greater)/less than discount rate	(8.48)	(9.96)
e. Actuarial (gains)/losses recognised in OCI	(60.00)	(8.83)
<b>f. (Income)/Cost recognized in OCI</b>	<b>(60.00)</b>	<b>(8.83)</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 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(a). Movements in the present value of the defined benefit obligation are as follows:** (Amount in ₹ Lakhs)

Description	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Obligation as at the beginning of the year	2,061.34	2,022.16
b. Current Service Cost	162.21	161.23
c. Interest Cost on DBO	121.62	124.72
d. Past Service Cost- Plan Amendment	-	-
e. Acquisitions ( credit)/cost	-	-
f. Actuarial gains and losses arising from changes in financial assumptions	(43.26)	37.27
g. Actuarial (gains) and losses arising from experience adjustments	(8.26)	(36.14)
h. Benefits paid from plan asset	(312.43)	(247.90)
<b>i. Closing defined benefit Obligation</b>	<b>1,981.22</b>	<b>2,061.34</b>

**5(b). Movements in the fair value of the plan assets are as follows:** (Amount in ₹ Lakhs)

Description	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Fair value of the assets at end of prior period	1,905.00	1,855.10
b. Interest Income on plan assets	112.40	115.01
c. Employer Contributions	136.64	172.83
d. Return on plan assets greater/(lesser) than discount rate	8.48	9.96
e. Benefits paid	(312.43)	(247.90)
<b>f. Fair Value of assets at the end of current period</b>	<b>1,850.09</b>	<b>1,905.00</b>

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 ₹ Lakhs)

Effect of a 1% change in discount rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Increase		
(i) aggregate current service and interest cost	(131.98)	(118.24)
(ii) closing balance of obligation	1,849.24	1,943.10
Decrease		
(i) aggregate current service and interest cost	151.66	123.65
(ii) closing balance of obligation	2,132.88	2,184.99
Effect of a 1% change in salary escalation rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Increase		
(i) aggregate current service and interest cost	62.16	57.78
(ii) closing balance of obligation	2,043.38	2,119.12
Decrease		
(i) aggregate current service and interest cost	(59.72)	(55.44)
(ii) closing balance of obligation	1,921.50	2,005.90

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 :

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>1. Assumptions</b>		
a. Discount rate (per annum)	6.20%	5.90%
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 ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Current service cost	69.90	66.00
b. Service Cost	69.90	66.00
c. Net Interest on net defined benefit liability / (asset)	88.04	87.08
<b>d. Cost recognized in P&amp;L</b>	<b>157.94</b>	<b>153.08</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
e. Actuarial (gain)/loss due to DBO Experience	(10.26)	72.48
f. Actuarial (gain)/loss due to DBO assumption changes	(102.91)	359.21
g. Actuarial (gain)/loss arising during period	(113.17)	431.69
h. Return on plan assets (greater)/less than discount rate	(18.92)	(30.18)
i. Actuarial (gains)/losses recognised in OCI	(132.09)	401.51
j. Adjustments for limit on net assets	-	-
<b>k. (Income)/Cost recognized in OCI</b>	<b>(132.09)</b>	<b>401.51</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 ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Obligation as at the beginning of the year	2,625.48	2,125.39
b. Current Service Cost	69.90	66.00
c. Interest Cost	150.81	130.21
d. Actuarial gains and losses arising from changes in financial assumptions	(102.91)	359.21
e. Actuarial gains and losses arising from experience adjustments	(10.26)	72.48
f. Benefits paid directly by the Company	(138.80)	(127.81)
<b>g. Closing defined benefit Obligation</b>	<b>2,594.22</b>	<b>2,625.48</b>

6. Movements in the fair value of the plan assets are as follows: (Amount in ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Fair value of the assets at end of prior period	1,056.77	927.53
b. Interest Income on plan assets	62.77	43.13
c. Employer Contributions	153.08	183.74
d. Return on plan assets greater/(lesser) than discount rate	18.93	30.18
e. Benefits paid	(138.80)	(127.81)
<b>f. Fair Value of assets at the end of current period</b>	<b>1,152.75</b>	<b>1,056.77</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 Lakhs)

Effect of a 1% change in discount rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Increase		
(i) aggregate current service and interest cost	(297.38)	(307.51)
(ii) closing balance of obligation	2,296.84	2,317.97
Decrease		
(i) aggregate current service and interest cost	373.10	329.10
(ii) closing balance of obligation	2,967.32	2,954.58
Effect of a 1% change in medical inflation rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Increase		
(i) aggregate current service and interest cost	237.68	228.10
(ii) closing balance of obligation	2,831.90	2,853.58
Decrease		
(i) aggregate current service and interest cost	(187.77)	(210.62)
(ii) closing balance of obligation	2,406.45	2,414.86

### 39. Ratio

#### Statement Showing Liquidity/Operational/Performance Ratio :-

S. No.	Description	Ratio		Variance %	Notes
		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021		
a)	<b>Current Ratio</b> Current Assets / Current Liabilities	1.09	1.01	8.20%	
b)	<b>Debt-Equity Ratio</b> (Long term Borrowings + Short term Borrowings (including current maturities of long term borrowings) / (Total Equity)	0.32	0.43	-26.16%	1
c)	<b>Debt Service Coverage Ratio</b> (Profit before interest, tax, depreciation, amortisation, impairments and exceptional items) / (Gross interest for the year + Principal repayments within a year)	31.94	10.37	207.97%	2
d)	<b>Return on Equity Ratio</b> (Net Profit after tax for the year / Total Equity)	42.98%	28.47%	50.96%	3
e)	<b>Inventory Turnover Ratio</b> (Cost of materials consumed / Average Inventories for the year)	NA	NA		
f)	<b>Trade Receivables Turnover Ratio</b> (Revenue from sale of goods and services) / (Average Trade Receivable for the year)	0.83	0.44	90.30%	4
g)	<b>Trade payables Turnover Ratio</b> (Purchase of goods and services) / (Average Trade Payable for the year)	0.98	0.54	84.05%	5
h)	<b>Net Capital Turnover Ratio</b> (Revenue from sale of goods and services) / (Working Capital i.e. Current Assets - Current Liabilities)	4.79	52.79	-90.94%	6
i)	<b>Net Profit Ratio</b> (Net Profit after tax for the year/ Revenue from operations)	42.51%	23.63%	79.92%	7
j)	<b>Return on Capital Employed</b> (Profit before interest and tax / Average Debt and Shareholder Funds for the year)	50.25%	34.81%	44.36%	8
k)	<b>Return on Investment</b> (Profit after Tax for the year / Net Worth - Investment)	47.52%	31.93%	48.83%	9

Note-1 The Company has reduced its borrowing during the year.

Note-2 Due to growth in profits and reduction in Finance cost.

Note-3 The return on equity has improved compared to previous year mainly due to growth in business resulting in increase in profit.

Note-4 Improvement as compared to previous year mainly due to reduction in Trade Receivable.

Note-5 Trade payables turnover ratio is increased mainly due to reduction in Trade Payables.

Note-6 Decrease mainly due to increase in Working Capital.

Note-7 Net profit margin has improved compared to previous year mainly due to growth in E- Commerce business.

Note-8 Return on Capital Employed has improved compared to previous year mainly due to growth in business and operating profits.

Note-9 Increase due to Increase in Profit for the year.

**40 . Expenditure Incurred on Corporate Social Responsibility Activities**

- (a) Gross amount required to be spent by the company during the year Nil (Previous Year - Nil) .
- (b) In accordance to section 135 of Companies Act 2013, the company has incurred ₹ 17.84 Lakhs (Previous Year Nil), as CSR expenditure. (Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Construction/ Renovation of School Building	17.84	-
	<b>17.84</b>	<b>-</b>

- (c) There is no related party transaction involved in CSR expenditure.
- (d) Above figures are disclosed separately in note no. 29.
- 41.** 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.
- 42.** The current assets of the company are under charge with bank against sanction of credit facilities to the company.
- 43.** The company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961
- 44.** The company has not traded or involved in Crypto or Virtual currency during the year.
- 45.** The Board of Directors of the Company adopted the Financial Statements in 314<sup>th</sup> Board Meeting held on 25<sup>th</sup> May, 2022.
- 46.** The Board of Directors of the Company in its 314<sup>th</sup> Meeting held on 25<sup>th</sup> May, 2022 has proposed a final dividend of ₹4.40 per share in respect of year ending 31<sup>st</sup> March, 2022 , @ 44% on equity share capital which is ₹ 7,040.00 Lakhs 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 ₹ 3,097.60 Lakhs.
- 47 .** The figures for the corresponding previous years have been regrouped/reclassified wherever necessary to make them comparable.

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

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

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

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

**(Subrata Sarkar)**  
Director (Finance) & CFO  
DIN: 08290021

Place: Kolkata  
Date: May 25, 2022

**(Suchit Kumar Barnwal)**  
General Manager  
Finance & Accounts

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





# **FINANCIAL STATEMENTS**

Consolidated Financial Statements

## 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 the 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 31<sup>st</sup> March 2022, 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 31<sup>st</sup> March, 2022, 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

2. 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

3. Without qualifying our opinion, we draw attention to the following:
  - (a) With reference to Note No. 35 of the Consolidated Financial Statements there is a non- Provision of Deferred Tax Asset of ₹ 6,479.28 lakhs on Provision for Doubtful Debts of ₹ 18,541.91 lakhs since 1<sup>st</sup> April, 2018 in respect of the Holding Company.
  - (b) In the case of Holding Company, the Title Deed of a freehold flat in Mumbai having Gross Block of ₹ 7.42 lakhs as at 31<sup>st</sup> March, 2022 was not available for verification.

##### Key Audit Matters

4. 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	<p><b>Recoverability of Trade Receivables:</b></p> <p>As at 31<sup>st</sup> March 2022, Trade Receivables-Gross is ₹ 1,04,956.12 lakhs (Net ₹ 40,786.20 lakhs), with ₹ 64,169.92 lakhs being considered as Credit Impaired for which a provision for bad and doubtful debts for similar amount is held in the Books of Holding Company.</p> <p>In the event of reference of each case of debt with impaired credit to NCLT and /or other forums for adjudication, the Holding Company is exposed to potential risk of financial loss when the recoveries become subjected to long processes of litigations and eventually doubtful.</p> <p>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 of the Holding Company.</p> <p>The disclosures related to Trade Receivables of the Company are provided in Note 9.1 to 9.7 to the accompanying Consolidated Financial Statements.</p>	<p>While examining details of Receivables and transactions during the year ended 31<sup>st</sup> March 2022, we have observed the nature of the Trade Receivables including those Advance to Customers classified as such, 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 31<sup>st</sup> March, 2022.</p> <p>Since obtaining of balance confirmations from Parties is an ongoing process (as referred to in Note 41), 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 Holding Company's existing Risk Management Policy.</p>
ii.	<p><b>IT Systems &amp; Control:</b></p> <p>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.</p>	<p>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.</p>
iii.	<p><b>Assessment of allowance for Bad and Doubtful Advances and Contingent Liabilities:</b></p> <p>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 Doubtful Advances during the year and Contingent liabilities are provided in Note No 31 and 34 (a) to the accompanying Consolidated Financial Statements.</p>	<p>In the case of Holding Company we have carried out the validation of the information provided by the management by performing the following procedures:-</p> <ul style="list-style-type: none"> <li>• Evaluating reasonableness of the underlying assumptions.</li> <li>• Understanding the current status of the litigations.</li> <li>• Examining the relevant documents on available records.</li> </ul>

Sl.	Key Audit Matters	Auditor's Response
		<ul style="list-style-type: none"> <li>• Reviewing legal opinion/ industry practices wherever necessary.</li> <li>• Verification of various disclosures made by the management.</li> <li>• Obtaining Management's Representation as per guidelines of the ICAI.</li> <li>• Holding Company's Accounting Policy.</li> </ul>
iv	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 31 <sup>st</sup> March ,2022.	

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

5. 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

6. 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

7. 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.

- 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

8. (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 ₹ 42,373.29 lakhs as at 31<sup>st</sup> March, 2022, total Revenues of ₹ 41,538.93 lakhs, total Net Profit after Tax of ₹ 4036.44 lakhs, total Comprehensive Income of ₹ 2692.56 lakhs and Cash Inflow (net) of ₹ 210.00 lakhs 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 Profit of ₹ 28.29 lakhs and total Comprehensive Loss of ₹ 0.16 lakhs in respect of Joint Venture namely Mahindra MSTC Recycling Pvt Ltd for the year ended 31<sup>st</sup> March, 2022 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) In respect of the Holding Company our separate observations are as below.

With reference to Note 41 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 pandemic out of COVID-19 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

9. As required by the Companies (Auditor's Report) Order, 2020 ("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.
10. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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.
  - 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.
  - 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) The 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 31<sup>st</sup> March, 2022 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 B".
- (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 5<sup>th</sup> 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, 2021, 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 34 (a) to the Consolidated Financial Statements.
- (ii) The Holding Company, its subsidiary and Joint Venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) The Holding Company did not have any need to transfer amounts, required to be so transferred, to the Investor Education and Protection Fund during the year in view of the fact that there was no dividend declared in the 8<sup>th</sup> preceding year of 2014-15 on account of loss incurred by the Company for the year 2013-14. However, there was no requirement of fund to be transferred to the Investor Education and Protection Fund by its Subsidiary or its Joint Venture Company.
- (iv) The managements of the Holding Company, its subsidiary as well as its Joint Venture have represented that, to the best of their knowledge and belief, other than as disclosed in the respective Notes to Accounts, no funds has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its Subsidiary, or its Joint Venture respectively to or any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its Subsidiary, or its Joint Venture respectively ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The managements of the Holding Company, its subsidiary as well as its Joint Venture have represented that, to the best of their knowledge and belief, other than as disclosed in the respective Notes to Accounts, no funds has been received by the Company from any person(s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its Subsidiary, or its Joint Venture respectively shall, whether directly or indirectly lend or

invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“ Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures considered reasonable appropriate in the circumstances, nothing has come to notice that may cause us to believe that the representations as noted in Sl.(h)(iv) & (v) above contain any material misstatement.

- (vi) The Holding Company and its subsidiary have declared dividend or paid during the year in compliance with the Companies Act 2013. The Joint Venture Company has neither declared nor paid any dividend during the year.

11. 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-C” annexed herewith.

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

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

**Place: Kolkata**  
**Date: May 25, 2022**

**M.No.052183**  
**UDIN : 22052183AKDFCZ2747**

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

(Referred to in paragraph 9 under 'Report on Other Legal & Regulatory Requirement' of our report of even date)

With reference to Clause (xxi) of the Companies (Auditor's Report) Order, 2020 there are no adverse remarks or qualifications by the Auditors of the Company's Subsidiary Ferro Scrap Nigam Ltd. (FSNL) and its Joint Venture Company Mahindra MSTC Recycling Pvt. Ltd. (MMRPL) in their respective reports of Companies (Auditor's Report) Order (CARO) included in the Consolidated Financial Statements.

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

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

**Place: Kolkata**

**M.No.052183**

**Date: May 25, 2022**

**UDIN : 22052183AKDFCZ2747**

## Annexure - B 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 March 31, 2022.**

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").

### Opinion

1. We have audited the internal financial controls over Financial Reporting 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, (which is a Company incorporated in India as of that date) audited by other auditors, as at 31<sup>st</sup> March, 2022 in conjunction with our audit of the Consolidated Financial Statements of the Company as at and for the year ended on that date.

In our opinion, the Group and its Joint Venture, which are Companies incorporated in India, have maintained in all respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2022 based on the internal financial controls criteria, with reference to consolidated financial statements, established by the Group and its Joint Venture considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

### 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 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 ('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 :

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) 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

(iii) 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.

#### 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: May 25, 2022**

**M.No.052183**

**UDIN : 22052183AKDFCZ2747**



## 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		Auditor's Reply
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>In Case of Holding Company :</p> <p>The matter has been adequately dealt with in our report of even date. [Para 4 (ii) of Key Audit Matter]</p> <p>In case of the Subsidiary, the subsidiary's other auditor reported that :</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>
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>In Case of Holding Company :</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 2021-22.</p> <p>In case of the Subsidiary, the subsidiary's other auditor reported that :</p> <p>The subsidiary company has not taken any loan.</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 of the Company due to the Company's inability to repay the loan.</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>In Case of Holding Company :</p> <p>There is no case of funds received/receivable during the financial year 2021-22 for specific schemes from Central/ State Government or its Agencies.</p> <p>In case of subsidiary, the subsidiary's other auditor reported that :</p> <p>During the F.Y. 2021-22 the Subsidiary Company has not received any fund for specific schemes from Central/State Government Agencies.</p>

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

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

**M.No.052183**

**UDIN : 22052183AKDFCZ2747**

**Place: Kolkata**  
**Date: May 25, 2022**

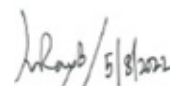
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MSTC LIMITED FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022**

The preparation of consolidated financial statements of MSTC Limited for the year ended 31<sup>st</sup> March, 2022 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<sup>th</sup> May, 2022.

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<sup>st</sup> March, 2022 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 its joint venture company 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.

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



**(Mausumi Ray Bhattacharyya)  
Director General Audit (Mines)  
Kolkata**

**Place: Kolkata  
Date: August 5, 2022**

## Consolidated Balance Sheet as on 31<sup>st</sup> March 2022

(Amount in ₹ Lakhs)

Particulars	Note	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>Property, Plant and Equipment and Intangible assets</b>			
(a) Property, Plant and Equipment	2	13,190.47	8,196.85
(b) Capital Work in Progress	2	-	5,182.46
(c) Leasehold Land	2	700.78	708.24
(d) Intangible assets	2	113.06	20.52
		<b>14,004.31</b>	<b>14,108.07</b>
(e) Financial assets			
(i) Investment In Joint Venture	3	2,063.83	1,435.70
(ii) Other financial assets	4	8,130.36	10,547.49
(f) Non-Current tax assets	5	8,482.14	6,256.99
(g) Deferred tax assets (net)	7	21,623.86	22,868.15
(h) Other non-current assets	6	50.74	34.62
<b>Total non-current assets</b>		<b>54,355.24</b>	<b>55,251.02</b>
<b>(2) Current assets</b>			
(a) Inventories	8	590.67	516.09
(b) Financial assets			
(i) Trade receivables	9	54,823.35	88,966.43
(ii) Cash and cash equivalents	10	74,591.72	74,569.00
(iii) Other Bank Balances	11	7,525.98	1,402.20
(iv) Other financial assets	12	8,091.06	2,528.08
(c) Other current assets	13	976.39	1,241.79
		<b>1,46,599.17</b>	<b>1,69,223.59</b>
Assets classified as held for sale	25	233.46	301.52
Assets Retired From Active Use	25	39.19	-
<b>Total current assets</b>		<b>1,46,871.82</b>	<b>1,69,525.11</b>
<b>TOTAL ASSETS</b>		<b>2,01,227.06</b>	<b>2,24,776.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	14	7,040.00	7,040.00
(b) Other equity	15	58,367.94	48,755.33
<b>Total equity</b>		<b>65,407.94</b>	<b>55,795.33</b>
<b>(2) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	-	431.90
(ii) Other financial liabilities	16	366.93	72.77
(b) Provisions	17	10,104.82	9,300.51
(c) Other non-current liabilities	18	799.52	612.05
<b>Total non-current liabilities</b>		<b>11,271.27</b>	<b>10,417.23</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	14,950.48	15,007.38
(ii) Trade payables			
Total Outstanding dues of			
a) Micro & Small Enterprises	21	14.68	3.50
b) Creditors other than Micro & Small Enterprises	21	20,692.17	43,077.88
(iii) Other financial liabilities	22	78,734.25	89,538.40
(b) Other current liabilities	23	3,823.50	6,208.50
(c) Provisions	24	6,246.38	4,657.33
		<b>1,24,461.46</b>	<b>1,58,492.99</b>
Liabilities classified as held for sale	25	86.39	70.58
<b>Total current liabilities</b>		<b>1,24,547.85</b>	<b>1,58,563.57</b>
<b>Total liabilities</b>		<b>1,35,819.12</b>	<b>1,68,980.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,01,227.06</b>	<b>2,24,776.13</b>

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

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

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

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

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

**(Subrata Sarkar)**  
**Director (Finance) & CFO**  
**DIN: 08290021**

**Place: Kolkata**  
**Date: May 25, 2022**

**(Suchit Kumar Barnwal)**  
**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 2022

(Amount in ₹ Lakhs)

Particulars	Note	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>I Revenue from operations</b>	26	87,614.78	78,046.61
<b>II Other Income</b>	27	24,717.87	21,361.29
<b>III Total Income (I + II)</b>		<b>1,12,332.65</b>	<b>99,407.90</b>
<b>IV EXPENSES</b>			
(a) Purchases of Stock-in-Trade/Operational Consumables & Spares	28	21,417.02	21,774.60
(b) Employee benefit expense	29	19,325.96	17,339.29
(c) Finance costs	30	261.60	714.61
(d) Depreciation and amortisation expense	2	2,078.12	1,867.79
(e) Other expenses	31	45,984.51	44,037.22
<b>V Total Expenses</b>		<b>89,067.21</b>	<b>85,733.51</b>
<b>VI Profit before share of profit/(loss) of Joint Ventures and tax (III - V)</b>		<b>23,265.44</b>	<b>13,674.39</b>
<b>VII Share of profit/(loss) of Joint Ventures</b>		<b>28.29</b>	<b>(86.00)</b>
<b>VIII Profit before tax (VI + VII)</b>		<b>23,293.73</b>	<b>13,588.39</b>
<b>IX Tax Expense</b>			
(a) Current tax	35	2,203.30	2,069.50
(b) Deferred tax		1,177.15	223.01
<b>Total tax expense</b>		<b>3,380.45</b>	<b>2,292.51</b>
<b>X Profit for the period (VIII - IX)</b>		<b>19,913.28</b>	<b>11,295.88</b>
<b>XI Other comprehensive income</b>			
(a) (i) Items that will not be reclassified to profit or loss	39	(1,603.76)	(792.93)
(ii) Income tax on above		384.85	222.33
(b) Share of Other Comprehensive Income of Joint Venture		(0.16)	1.00
		(1219.07)	(569.60)
<b>XII Total comprehensive income for the period (X + XI)</b>		<b>18,694.21</b>	<b>10,726.28</b>
<b>XIII Earnings per equity share (face value of ₹ 10 each):</b>	36		
(a) Basic (in ₹)		28.29	16.05
(b) Diluted (in ₹)		28.29	16.05

The accompanying notes forms an integral part of the financial statements.

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

Place: Kolkata  
Date: May 25, 2022

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

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

**(Suchit Kumar Barnwal)**  
General Manager  
Finance & Accounts

**(Subrata Sarkar)**  
Director (Finance) & CFO  
DIN: 08290021

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

## Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2022

(Amount in ₹ Lakhs)

<b>Particulars</b>				
<b>A. Equity Share Capital</b>				
	<b>Nos</b>	<b>Face Value (₹)</b>	<b>Amount</b>	
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>7,04,00,000</b>	<b>10</b>	<b>7,040.00</b>	
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>7,04,00,000</b>	<b>10</b>	<b>7,040.00</b>	
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>7,04,00,000</b>	<b>10</b>	<b>7,040.00</b>	
<b>B. Other Equity</b>				
	<b>Capital Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 1<sup>st</sup> April, 2021</b>	<b>3,416.00</b>	<b>64,825.00</b>	<b>(19,485.67)</b>	<b>48,755.33</b>
Profit for the year	-	-	19,913.28	<b>19,913.28</b>
Other Comprehensive Income for the year	-	-	(1,219.07)	<b>(1,219.07)</b>
Final Dividend: FY 20-21	-	-	(3,097.60)	<b>(3,097.60)</b>
Interim Dividend: FY 21-22	-	-	(5,984.00)	<b>(5,984.00)</b>
Transfer to General Reserve/(From) Retained Earning	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2022</b>	<b>3,416.00</b>	<b>64,825.00</b>	<b>(9,873.06)</b>	<b>58,367.94</b>
<b>Balance as at 1<sup>st</sup> April, 2020</b>	<b>3,416.00</b>	<b>64,825.00</b>	<b>(27,888.75)</b>	<b>40,352.25</b>
Profit for the year	-	-	11,295.88	<b>11,295.88</b>
Other Comprehensive Income for the year	-	-	(569.60)	<b>(569.60)</b>
Final Dividend: FY 19-20	-	-	(2,323.20)	<b>(2,323.20)</b>
Transfer to General Reserve/(From) Retained Earning	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>3,416.00</b>	<b>64,825.00</b>	<b>(19,485.67)</b>	<b>48,755.33</b>

The accompanying notes forms an integral part of the financial statements.

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

Place: Kolkata  
Date: May 25, 2022

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

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

(Suchit Kumar Barnwal)  
General Manager  
Finance & Accounts

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN: 08290021

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



## Consolidated Statement of Cash Flows for the year ended 31<sup>st</sup> March 2022

(Amount in ₹ Lakhs)

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax for the year	23,293.73	13,588.39
Adjustments for:		
Depreciation / Amortisation of non-current assets	2,085.58	1,875.29
Loss from Investment in JV	(28.29)	86.00
Loss/(Gain) on disposal of Property Plant and Equipment	18.27	5.77
Finance Cost	261.60	714.61
Interest Income recognised in profit & loss	(2,346.68)	(1,324.14)
Provision no Longer Required Written Back	(22,146.52)	(19,681.29)
Bad Debt Witten Off	22,038.14	18,036.07
Provision for Bad and Doubtful Advances/Debts	3,963.04	7,169.80
<b>Operating profit before Working Capital changes</b>	<b>27,138.87</b>	<b>20,470.50</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	27,755.17	43,969.02
(Increase)/decrease in Other Assets	278.14	(55.79)
(Increase)/ decrease in Inventories	(74.58)	183.85
Adjustments for increase / (decrease) in Operating Liabilities:		
Increase/ (decrease) in Trade Payables & Others Financial Liabilities	(32,884.52)	1,080.25
Increase/ (decrease) in Other Liabilities	(2,181.72)	3,956.30
Increase/ (decrease) in Provisions	789.61	854.39
<b>Cash generated from Operations</b>	<b>20,820.97</b>	<b>70,458.52</b>
<b>Direct Taxes Paid (Net of Refund)</b>	<b>(3,976.39)</b>	<b>(2,343.76)</b>
<b>Net cash from Operating Activities</b>	<b>16,844.58</b>	<b>68,114.76</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for Property, Plant & Equipment	(7,272.56)	(3,592.26)
Proceeds from disposal of Property Plant & Equipment	5,272.47	136.89
Investment In Fixed Deposits	(6,123.78)	3,122.52
Investment in Joint Venture	(600.00)	(400.00)
Interest received	1,734.02	1,856.46
Net cash (used) in Investing Activities	<b>(6,989.85)</b>	<b>1,123.61</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short term borrowings	(488.81)	(7,709.80)
Interest Paid	(261.60)	(714.61)
Dividend Paid	(9,081.60)	(2,323.20)
Tax on Dividends Paid	-	-
<b>Net cash used in Financing Activities</b>	<b>(9,832.01)</b>	<b>(10,747.61)</b>
<b>Net increase/(decrease) in Cash &amp; Cash equivalents(A+B+C)</b>	<b>22.72</b>	<b>58,490.76</b>
<b>Cash and Cash equivalents at the beginning of the Year</b>	<b>74,569.00</b>	<b>16,078.24</b>
<b>Cash and Cash equivalents at the end of the Year</b>	<b>74,591.72</b>	<b>74,569.00</b>

**Notes :**

- Figures in brackets indicate outflows
- 

**Statement Showing Cash and Cash Equivalents**

Particulars	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
Cash and Cash equivalents at the end of the Year	74,591.72	74,569.00
Less : Over Draft Balances at the end of the year	-	-
<b>Net Cash and Cash equivalents at the end of the Year</b>	<b>74,591.72</b>	<b>74,569.00</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.

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

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

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

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

(Subrata Sarkar)  
Director (Finance) & CFO  
DIN: 08290021

Place: Kolkata  
Date: May 25, 2022

(Suchit Kumar Barnwal)  
General Manager  
Finance & Accounts

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

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2022

### 1.A GENERAL INFORMATION

MSTC Limited (the “Company”) is a Miniratna Category-I Company was incorporated under the Companies Act, 1956 on 9<sup>th</sup> September, 1964. It is domiciled in India, having registered office at Plot No.- CF-18/2, Street No.-175, Action Area 1C, New Town, Kolkata-700156 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. 29<sup>th</sup> 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 28<sup>th</sup> 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 DEVELOPEMENTS

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1<sup>st</sup> April, 2022, as below:

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognize such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognize a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

### 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 Lakh, 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 life 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 Equipments	5
Vehicles	8
Furniture and Fixtures	10
Partition and Cubicles	10
Building	60
Building (Other than RCC)	30
Air Conditioners	10
Electrical Installation & Equipments	10
Computers & EDP Equipments	3
Servers	6
Machinery	15
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 life 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 life. 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 derecognises 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 cenvat 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 including development and maintainance of e-portal.
  - 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 month 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 of Ministry of Steel directives in terms of DPE guidelines in this.

#### **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. 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 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

- i. The Company has a provisioning policy in place which provides for quarterly review and provision as per the policy, which is as following:

Sl. No.	Particulars	Amount of provisioning
1	Trade Receivables (e Commerce Business)	Outstanding more than 2 years – 50% Outstanding more than 3 years – balance amount
2	Trade Receivables (Associate supply Business)	In this model since actual funding for procurement is done by MSTC's associate supplier, there is no scope for business loss to the account of MSTC. Hence no provisioning against such trade receivables is envisaged.
3	Trade Receivables (110% BG backed Business)	Since the transaction is entirely covered by Bank Guarantee, no provisioning against such trade receivables is envisaged.
4	Trade Receivables (Cash & carry business)	The policy provides for provisioning at various stages depending upon the age and quantum of security available (pledged stock) for concerned trade receivable.

- 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.

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 and Intangible Assets

(Amount in ₹ Lakhs)

Particulars	Freehold Buildings	Freehold Buildings Other than RCC structure	Electrical Installation & Equipment	Office Equipment	Office Air Conditioner	Furniture and fixtures	Office Partition & Cubicles	Computer & EDP Equipments	Plant and Equipment	Vehicles	Total Tangible Assets
<b>Gross Block as at 31<sup>st</sup> March, 2020</b>	501.02	-	-	200.59	40.9	198.84	74.8	556.3	12,910.72	324.87	14,808.04
Additions	30.53	-	-	14.16	9.5	3.98	2.5	48.2	1,168.87	14.81	1,292.55
Disposals	-	-	-	0.71	2.2	0.3	-	18	90.53	1.13	112.87
<b>Gross Block as at 31<sup>st</sup> March, 2021</b>	531.55	-	-	214.04	48.2	202.52	77.3	586.5	13,989.06	338.55	15,987.72
Additions	5.5	3,339.06	788.43	424.64	311.61	285.66	2.85	375.19	1,539.89	75.66	7,148.49
Disposals	-	-	-	4.75	10.82	46.25	55.79	16.43	68.08	0.85	202.97
<b>Gross Block as at 31<sup>st</sup> March, 2022</b>	537.05	3,339.06	788.43	633.93	348.99	441.93	24.36	945.26	15,460.87	413.36	22,933.24
<b>Depreciation as at 31<sup>st</sup> March, 2020</b>	134.8	-	-	111.93	20.6	120.94	38.8	0.2	5,469.21	149.65	6,046.13
Charge for the year	26.83	-	-	25.01	3.5	10.28	4.2	123.5	1,533.13	37.99	1,764.44
Disposals	-	-	-	0.5	2.1	0.1	-	17	-	-	19.7
<b>Depreciation as at 31<sup>st</sup> March, 2021</b>	161.63	-	-	136.44	22	131.12	43	106.7	7,002.34	187.64	7,790.87
Charge for the year	25.61	73.87	52.33	77.86	23.97	27.38	3.93	185.39	1,534.68	41.57	2,046.59
Disposals	-	-	-	2.03	8.03	35.27	38.92	10.43	-	0.01	94.69
<b>Depreciation as at 31<sup>st</sup> March, 2022</b>	187.24	73.87	52.33	212.27	37.94	123.23	8.01	281.66	8,537.02	229.2	9,742.77
<b>Net book value as at 31<sup>st</sup> March, 2021</b>	369.92	-	-	77.6	26.2	71.4	34.3	479.8	6,986.72	150.91	8,196.85
<b>Net book value as at 31<sup>st</sup> March, 2022</b>	349.81	3,265.19	736.1	421.66	311.05	318.7	16.35	663.6	6,923.85	184.16	13,190.47

Particulars	Capital Work in Progress	Leasehold Land	Computer Software	Intangible Assets under Development	Total Intangible Assets including Intangible under Development
<b>Gross Block as at 31<sup>st</sup> March, 2020</b>	2,934.17	715.69	333.95	-	333.95
Additions	2,297.78	-	1.84	-	1.84
Disposals*	49.49	7.45	-	-	-
<b>Gross Block as at 31<sup>st</sup> March, 2021</b>	5,182.46	708.24	335.79	-	335.79
Additions	-	-	108.07	16	124.07
Disposals*	5,182.46	7.46	-	-	-
<b>Gross Block as at 31<sup>st</sup> March, 2022</b>	-	700.78	443.86	16	459.86
<b>Depreciation as at 31<sup>st</sup> March, 2020</b>	-	-	211.92	-	211.92
Charge for the year	-	-	103.35	-	103.35
Disposals	-	-	-	-	-
<b>Depreciation as at 31<sup>st</sup> March, 2021</b>	-	-	315.27	-	315.27
Charge for the year	-	-	31.53	-	31.53
Disposals	-	-	-	-	-
<b>Depreciation as at 31<sup>st</sup> March, 2022</b>	-	-	346.8	-	346.8
<b>Net book value as at 31<sup>st</sup> March, 2021</b>	5,182.46	708.24	20.52	-	20.52
<b>Net book value as at 31<sup>st</sup> March, 2022</b>	-	700.78	97.06	16	113.06

**Notes**

- a) Disposal of Leasehold land represents amortisation of Prepaid Lease Payment in holding company.
- b) Holding Companies Residential building & Office Flats at Mumbai and Residential flats at Kolkata are under attachment by the order of DRT , Mumbai.
- c) Freehold Building other than RCC structure of Holding Company is mortgaged to SBI against a loan taken for the construction of the same.
- d) The cost of capitalisation of Corporate Office Building of Holding Company on the date of completion is as approved by Board of Directors, pending project closure and settlement with the PMC cost has been taken on cost.
- e) The Title Deed of the immovable property are held in the name of the company.
- f) All assets, wherever applicable have been duly registered with the Registrar of Company for the charges.
- g) At the time of implementation and adoption of IndAS w.e.f 1<sup>st</sup> 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 1<sup>st</sup> 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.**

(Amount in ₹ Lakhs)

Particulars	No. of Shares		Amount	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Investment in 50:50 Joint Venture Company</b>				
Mahindra MSTC Recycling Private Limited (Face Value ₹10/- each)	2,86,00,000	2,26,00,000	2,860.00	2,260.00

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Opening Value of Investment	1,435.70	1,120.70
Investment During the Year	600.00	400.00
Increase(+)/Decrease(-) in Value due to Current Period Profit/Loss in JV shown in P/L	28.29	(86.00)
Increase(+)/Decrease(-) in Value due to Current Period Loss in JV shown in OCI	(0.16)	1.00
<b>Closing Balance of Investment</b>	<b>2,063.83</b>	<b>1,435.70</b>

**4. Other Financial Assets (Non Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Security deposits	161.42	105.68
(b) Other loans and advances		
Loans to employees	321.99	373.64
(c) Interest accrued on loans to employees	1.65	2.17
(d) Balance with scheduled banks in deposit accounts	7,645.30	10,066.00
<b>Net Other Financial Assets</b>	<b>8,130.36</b>	<b>10,547.49</b>

- 4.1 In case of subsidiary, deposit at 4(d) includes ₹ 4140.00 lakhs (Previous year ₹ 6237.00 lakhs) pledged with Andhra Bank, IDBI, BOB, SBI & Indian Bank against B.G. & overdraft facility.

**5 . Non-Current Tax Assets**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Advance payment of Taxes	56,195.99	52,230.27
Less: Provision for Taxation	47,713.85	45,973.28
<b>Non Current Tax Assets</b>	<b>8,482.14</b>	<b>6,256.99</b>

**6 . Other assets (Non Current)**

(Amount in ₹ Lakhs)

Particulars (Unsecured, considered good)	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Advance with public bodies Customs, Excise, Sales Tax ,Port Trusts etc.	6.92	6.92
(b) Advance for Building Construction	-	-
(c) Prepaid Lease Payment Cost *	-	-
(d) Other loans and advances	-	-
(i) Prepaid expenses	18.38	17.24
(ii) Others	25.44	10.46
<b>Total Other assets</b>	<b>50.74</b>	<b>34.62</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 29<sup>th</sup> December 1988 on which the Registered Office Building of the subsidiary company has been constructed. The lease rent after 29<sup>th</sup> December 2021 has not yet been finalised.

**7 . Deferred Tax Assets (Net)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<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	(103.60)	(25.62)
EFBS Scheme	(62.06)	(5.30)
<b>Tax effect of items constituting deferred tax liabilities</b>	<b>(165.66)</b>	<b>(30.92)</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for compensated absences, gratuity and other employee benefits	487.82	523.65
Allowance for doubtful debts / advances	16,187.51	17,096.75
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,598.76	1,686.60
MAT credit Entitlement	3,090.97	3,090.90
Provision for Interest on Service tax	-	9.57
Through Other Comprehensive Income	424.46	491.60
<b>Tax effect of items constituting deferred tax assets</b>	<b>21,789.52</b>	<b>22,899.07</b>
<b>Deferred tax (liabilities) / assets (net)</b>	<b>21,623.86</b>	<b>22,868.15</b>

**8 . Inventories**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Stores and Spares parts including loose tools	511.81	458.89
(b) Stock of Non-Moving inventory	155.79	135.99
(c) Stores and Spares - Awaiting Disposal	14.38	14.33
(d) Inventory Shortage-Pending Adjustment	0.14	0.14
(e) Goods in Transit	0.69	0.20
(f) Stock of Printing & Stationary	8.93	9.69
(g) Less: Provision		
(i) for stock of non-moving	92.82	94.90
(ii) for stores & spares - awaiting disposal	8.11	8.11
(iii) for inventory shortage	0.14	0.14
<b>Total Inventories</b>	<b>590.67</b>	<b>516.09</b>

**9 . Trade receivables (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Trade receivables</b>		
(a) Considered Good - Secured	34,727.85	88,168.21
(b) Considered Good - Unsecured	20,095.50	2,655.34
(c) Credit Impaired	64,937.82	-
Less: Allowance for Doubtful trade receivables	64,937.82	83,025.42
<b>Total Trade Receivables- Current</b>	<b>54,823.35</b>	<b>88,966.43</b>

**Notes****9.1 Trade Receivables**

Particulars	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
<b>As at 31<sup>st</sup> March 2022</b>							
Undisputed Trade Receivables - Considered Good	7,139.66	29,826.70	1,636.04	8,638.02	223.66	4,753.35	<b>52,217.43</b>
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	2,788.94	1,712.57	<b>4,501.51</b>
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	4,323.72	58,718.51	<b>63,042.23</b>
Less: Allowance for Doubtful trade receivables	-	-	-	-	5,061.40	59,876.42	<b>64,937.82</b>
<b>Total</b>	<b>7,139.66</b>	<b>29,826.70</b>	<b>1,636.04</b>	<b>8,638.02</b>	<b>2,274.92</b>	<b>5,308.01</b>	<b>54,823.35</b>
<b>As at 31<sup>st</sup> March 2021</b>							
Undisputed Trade Receivables - Considered Good	9,344.18	65,903.56	949.23	1,625.91	168.13	10,177.20	<b>88,168.21</b>
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	757.76	1,897.58	<b>2,655.34</b>
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	11,881.36	17,270.85	52,016.09	<b>81,168.31</b>
Less: Allowance for Doubtful trade receivables	-	-	-	11,881.36	17,580.99	53,563.07	<b>83,025.42</b>
<b>Total</b>	<b>9,344.18</b>	<b>65,903.56</b>	<b>949.23</b>	<b>1,625.91</b>	<b>615.75</b>	<b>10,527.80</b>	<b>88,966.43</b>

Due date of Trade Receivables is considered from the date of Bill.



9.2: In case of Holding Company, the Current borrowings includes ₹ 14,361.97 lakh (Previous period ₹ 14,361.97 lakh) towards payment made by Standard Chartered Bank (SCB), after purchase of export bills of MSTC raised on foreign buyers against export of Gold Jewelleries to the buyers during 2008-09, under a Receivable Purchase Agreement. 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 (DRT), Mumbai 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 (DRAT), Mumbai, which are currently pending. Further to above, MSTC had approached Hon'ble High Court of Mumbai against auction program by DRT to sell attached immovable properties of MSTC Limited (viz. Residential and office flats at Mumbai & residential flats at Kolkata). Hon'ble Bombay High Court had stayed the auction program as well as the recovery proceedings upon deposit of ₹ 5562.75 lakhs with the Court, due to vacancy in DRAT. On the assumption of chairperson at DRAT the stay now stands vacated and the amount has been transferred to DRAT. In case the appeal is heard by DRAT then MSTC may have to make a pre-deposit with DRAT (after adjustment of amount of Rs.5562.75 lakhs already deposited), 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 Borrowings (vide Note No - 20) and as Trade Receivables. Since the matter is subjudice and is contingent in nature, no further materiality is envisaged at this juncture.

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'.

9.4: Trade Receivable Credit Impaired Includes the following :

(Amount in ₹ Lakhs)

<b>Name of the Party</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
Gyscoal Alloys Ltd.	605.95	605.95
Meherkiran Enterprises Ltd.	4300.45	4300.45
Tirupati Fuels P. Ltd./BALAJI COKE	5548.71	5548.71
Sesa International Ltd.	5871.22	5871.22
Balasore Alloys Ltd.	1315.90	1315.90
Krishna Coke (India) Pvt Ltd	1965.07	1965.07
Siddartha Tubes Ltd	555.63	555.63
Topworth Pipes and Tubes Ltd.	362.71	362.71
Topworth Urja & Metals Ltd	594.30	594.30
Crest Steel & power Ltd	3766.74	3766.74
Topworth Steels & Power Private Ltd	10357.76	10357.76
Rohit Ferro Tech Ltd.	4323.72	4323.72
Concast Steel and Power Ltd	45.99	22084.14
Maa Mahamaya Industries Ltd.	-	0.04
Jai Balaji Industries Ltd	8182.39	4734.02
<b>Total</b>	<b>47,796.54</b>	<b>66,386.35</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.

9.5: Trade Receivables include ₹ 24,826.59 Lakhs ( Previous Year ₹ 32,668.70 lakhs) ,against business done in facilitator mode (net of provision).

9.6: Trade Receivables include ₹ 6,058.35 Lakhs (Previous Year ₹ 6,781.30 Lakhs ), against E-Commerce business (net of provision) .

9.7: In case of Subsidiary (FSNL) ₹ 9,267.26 Lakhs is due from Bhilai Unit for unbilled amount ₹1,195 lakhs is due from Nilanchal Ispat Nigam limited, Duburi which has stopped all major operation from July 2019 and is facing huge financial crisis leading to disinvestment.

**10 . Cash and Cash Equivalents**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Cash in hand	-	0.21
(b) Balances with banks		
(i) In Current Account	30,565.63	23,141.36
(ii) In Deposit Account Maturity less than 3 months	44,026.09	51,427.43
<b>Total</b>	<b>74,591.72</b>	<b>74,569.00</b>

**11 . Bank balances other than Cash & cash equivalents**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Earmarked Balances with banks		
(i) In Unclaimed dividend account	130.53	85.46
(ii) Deposits with maturity of more than 3 months but less than 12 months	7,395.45	1,316.74
<b>Total</b>	<b>7,525.98</b>	<b>1,402.20</b>

11.1 The deposit at (ii) includes Margin against guarantee ₹ 2,673.48 Lakhs ( Previous Year ₹ 1,113.39 Lakhs ).

11.2 In case of subsidiary, deposits at a(ii) includes ₹ 2,301.53 Lakhs (Previous Year ₹ 203.34 Lakhs) pledged with Bank of Baroda, IDBI, Indian Bank and Andhra Bank against Bank Guarantee and Overdraft facility.

**12 . Other financial assets (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Security deposits	1,136.55	1,139.18
(b) Deposit with Court #	5,566.53	-
(c) Other loans and advances		
(i) Loans to employees	40.98	48.51
(ii) Recoverable Advances to employees	42.45	73.71
(iii) Receivable from vendors / contractors / third party	239.95	812.80
(iv) Other Advances	14.40	15.85
(d) Interest accrued on		
(i) Term deposits	1,049.88	437.22
(ii) Loans to employees	0.32	0.81
		-
<b>Total</b>	<b>8,091.06</b>	<b>2,528.08</b>

# The amount includes ₹ 5,562.75 lakhs deposited by Holding Company pursuant to Honble High court of Mumbai's order in the DRAT appeal . Later it has been transferred to DRAT Mumbai by the Honble High Court of Mumbai. Refer Note No. 9.2.

12.1 No loan was given to Directors/KMP/Related Party as defined under Companies Act, 2013.

**13. Other assets (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Advance with public bodies GST, Customs, Excise, Sales Tax, Port Trusts etc.	502.87	714.39
(b) Prepaid Lease Payments Cost	-	0.09
(c) Other loans and advances		-
(i) Advances to employees	225.19	227.47
(ii) Advances to suppliers and service providers	38.95	64.13
(iii) Prepaid expenses	206.95	233.06
(iv) Others	2.43	2.65
<b>Total Other assets</b>	<b>976.39</b>	<b>1,241.79</b>

**14. Share Capital**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Authorised:</b>		
15,00,00,000 Ordinary Shares of ₹10 each	15,000.00	15,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>Issued, Subscribed and fully paid up :</b>		
704,00,000 Ordinary Shares of ₹10 each	7,040.00	7,040.00
	<b>7,040.00</b>	<b>7,040.00</b>

**14(a)(i) Statement of Reconciliation of Shares Outstanding**

Particulars	31 <sup>st</sup> March 2022			31 <sup>st</sup> March 2021		
	Number	Face Value (₹)	Amount (₹ Lakhs)	Number	Face Value (₹)	Amount (₹ Lakhs)
Opening Shares Outstanding	7,04,00,000	10	7,040.00	7,04,00,000	10	7,040.00
Closing Shares Outstanding	7,04,00,000	10	7,040.00	7,04,00,000	10	7,040.00

**14(a)(ii) Rights, preferences and restrictions attached to equity shares.**

The Company has only one class of ordinary shares ('Equity Shares') having a face 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	31 <sup>st</sup> March 2022		31 <sup>st</sup> March 2021		% change
	No. of shares held	% of holding	No. of shares held	% of holding	
President of India (Promoter)	45580800	64.75%	45580800	64.75%	Nil

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. 29<sup>th</sup> March, 2019. Change in shareholding pattern post IPO is as following:

Shareholders	Pre IPO%	Post IPO%
Government of India through President of India (Promoter)	89.85%	64.75%
Other	10.15%	35.25%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**15. Other Equity**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Capital Reserve</b>		
Opening balance	3,416.00	3,416.00
<b>Closing Balance</b>	<b>3,416.00</b>	<b>3,416.00</b>
<b>General Reserve</b>		
Opening balance	64,825.00	64,825.00
<b>Closing Balance</b>	<b>64,825.00</b>	<b>64,825.00</b>
<b>Retained Earnings</b>		
Opening balance	(19,485.67)	(27,888.75)
Add: Profit for the year	19,913.28	11,295.88
Other Comprehensive income for the year	(1,219.07)	(569.60)
Less : Final Dividend: FY 19-20	-	2,323.20
Less : Final Dividend: FY 20-21	3,097.60	-
Less: Interim Dividend: FY 21-22	5,984.00	-
<b>Closing Balance</b>	<b>(9,873.06)</b>	<b>(19,485.67)</b>
<b>Total Other Equity</b>	<b>58,367.94</b>	<b>48,755.33</b>

**16. Other Financial Liabilities (Non Current)**

Amount (₹ in Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Liability under EFBS Scheme	366.93	72.77
<b>Total other financial liabilities</b>	<b>366.93</b>	<b>72.77</b>

**17. Provisions (Non Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Provision for employee benefits		
(1) Defined benefit Obligations		
(i) Employees Family Benefit Scheme	693.63	765.33
(ii) Gratuity	635.08	610.12
(2) Retirement Benefit Obligations		
(i) Post Retirement Medical Benefit	5,869.14	4,622.72
(ii) Contributory Post Retirement Medical Benefit	257.07	228.50
(iii) Employees Settlement Benefit Scheme	55.35	64.71
(3) Other employee benefits		
(i) Leave Encashment Benefit	2,589.11	3,002.75
(ii) Long Service Awards	5.44	6.38
<b>Total Provisions</b>	<b>10,104.82</b>	<b>9,300.51</b>

### 18. Other liabilities (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Advance from customers	799.52	612.05
<b>Total Other liabilities</b>	<b>799.52</b>	<b>612.05</b>

### 19. Borrowings (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>Secured Borrowings</b>		
House Building Loan from SBI	-	431.90
<b>Total</b>	<b>-</b>	<b>431.90</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 ₹ 3,000 Lakhs, ₹ 1,950.70 Lakhs has been disbursed which is repayable in Quarterly Installments of ₹ 125.00 Lakhs commencing from 30<sup>th</sup> 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. The Loan had been exclusively utilised for the purpose for which it was obtained.

### 20. Borrowings (Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>A. Secured Borrowings</b>		
(a) Repayable on Demand		
(1) From Banks:		
Working Capital Demand Loans#	138.23	138.23
<b>Current Maturity of Long Term Debt</b>		
(b) House Building Loan from Bank (Refer Note No.19)	450.28	507.18
<b>Total Secured Borrowings</b>	<b>588.51</b>	<b>645.41</b>
<b>B. Unsecured Borrowings</b>		
(a) Repayable on Demand From Banks	14,361.97	14,361.97
<b>Total Unsecured Borrowings</b>	<b>14,361.97</b>	<b>14,361.97</b>
<b>Total Borrowings</b>	<b>14,950.48</b>	<b>15,007.38</b>

- a) Loan from Indian Overseas Bank (IOB) amounting to ₹138.23 Lakhs : (lying since 19<sup>th</sup> September, 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 ₹ 3,656.00 Lakhs (which includes ₹ 2,798.00 Lakhs towards debit of LC value & ₹ 858.00 Lakhs as debit towards legal expenses).
- b) The above amount represents ₹ 14,361.97 lakhs (Previous year ₹ 14,361.97 Lakhs) towards payment made by Standard Chartered Bank (SCB), after purchase of export bills of MSTC raised on foreign buyers against export of Gold Jewelleries 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 16<sup>th</sup> September, 2017



have been challenged by MSTC by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal, Mumbai, which are currently pending. Further to above, MSTC had approached Hon'ble High Court of Mumbai against auction program by DRT to sell attached immovable properties of MSTC Limited (viz. Residential and office flats at Mumbai & residential flats at Kolkata). Hon'ble Bombay High Court had stayed the auction program as well as the recovery proceedings upon deposit of ₹ 5,562.75 lakhs with the Court, due to vacancy in DRAT. On the assumption of chairperson at DRAT the stay now stands vacated and the amount has been transferred to DRAT. In case the appeal is heard by DRAT then MSTC may have to make a pre-deposit with DRAT (after adjustment of amount of ₹ 5,562.75 lakhs already deposited), 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).

# In case of subsidiary, the above loans are secured by pledge on fixed deposits of the company held with bankers.

## 21 . Trade payables (Current)

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	14.68	3.50
- Others #	16,494.71	39,992.55
- Accrued wages and salaries*	4,197.46	3,085.33
<b>Total trade payables</b>	<b>20,706.85</b>	<b>43,081.38</b>

Particulars	Not Due	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
<b>As at 31<sup>st</sup> March 2022</b>						
MSME	222.66	1,696.82	-	-	-	<b>1,919.48</b>
Others	2,492.47	2,936.50	6,678.08	98.07	6,582.25	<b>18,787.37</b>
<b>Total</b>	<b>2,715.13</b>	<b>4,633.32</b>	<b>6,678.08</b>	<b>98.07</b>	<b>6,582.25</b>	<b>20,706.85</b>

Particulars	Not Due	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
<b>As at 31<sup>st</sup> March 2021</b>						
MSME	168.23	1,431.99	-	-	-	<b>1,600.22</b>
Others	2,854.89	30,385.05	456.06	525.75	7,259.31	<b>41,481.05</b>
<b>Total</b>	<b>3,023.12</b>	<b>31,817.04</b>	<b>456.06</b>	<b>525.75</b>	<b>7,259.31</b>	<b>43,081.27</b>

Due date is from the date of billing and/or from the date of accounting , as the case may be. There is no disputed dues.

\* Includes ₹ 297.27 Lakhs in FY 2021-22 (Previous Year ₹285.32 Lakhs) towards provision for pension benefit of employees, and ₹ 1,436.00 Lakhs in FY 2021-22 ( Previous Year ₹ 676.45 Lakhs ) towards wage revision of the employees due from 1<sup>st</sup> January, 2017.

Both as at 31<sup>st</sup> March, 2022 and as at 31<sup>st</sup> March, 2021 , 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 ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Interest payable		
(i) Interest accrued but not due on borrowings	7,889.03	7,889.03
(b) Unclaimed dividends	130.53	84.95
(c) Creditors for other liabilities		
(i) Security deposits/EMD	56,527.20	64,893.12
(ii) Deposits received from customers	13,797.10	16,466.22
(iii) Deposit under EFBS	228.17	97.47
(iv) Payable under EFBS Deposit schemes	58.23	24.36
(v) Others	103.99	83.25
<b>Total other financial liabilities</b>	<b>78,734.25</b>	<b>89,538.40</b>

**23. Other liabilities (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(i) Statutory Dues		
(a) Sales tax and VAT payable	1,581.81	1,719.82
(b) Tax deducted and collected at source	1,442.19	3,737.55
(c) Provident Fund and Pension	165.04	169.32
(d) Pension for Executive	158.44	149.45
(e) Others	-	0.58
(ii) Advance from customers	476.02	431.78
<b>Total Other liabilities</b>	<b>3,823.50</b>	<b>6,208.50</b>

**24. Provisions (Current)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Provision for employee benefits		
(1) Defined benefit Obligations		
Employee Family Benefit Scheme	246.62	253.47
(2) Retirement Benefit Obligations		
(i) Post Retirement Medical Benefit	211.59	85.92
(ii) Contributory Post Retirement Medical Benefit	9.77	9.02
(iii) Employees Settlement Benefit Scheme	7.14	5.52
(iv) Gratuity	131.13	-
(3) Other employee benefits		
(i) Leave Encashment Benefit	305.68	173.50
(ii) Long Service Awards	0.71	0.52
(iii) Wage Revision	4,607.78	3,486.89
(iv) Additional Resource Generation Scheme payable to Non-executives	58.65	51.01
(v) Performance Related Pay		
For 2019-20	0.88	195.35
For 2020-21	81.47	84.21
For 2021-22	246.09	-
(4) Provident Fund #	60.65	-
(b) Other Provisions*	278.22	311.92
<b>Total Provisions</b>	<b>6,246.38</b>	<b>4,657.33</b>

\* Other Provisions includes demand raised by MVI, etc. in case of subsidiary company.

# This represents the provision for ₹ 60.65 Lakhs (Previous Year - Nil) towards the contribution for deficit in income of PF Trust. (Refer Note No. - 39)

**25. Assets classified as held for sale**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Property, Plant and Equipment	233.46	301.52
(b) Assets Retired From Active Use *	39.19	-
(c) Liabilities associated with asset held for sale	86.39	70.58

**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) When an Asset is retired from active use, but not yet Surveyed off, will be transferred to “Asset Retired from Active use” with residual value of 5% of the Cost of Asset and same will be classified as “Current Assets”
- (3) Amount deposited by H1 bidder but asset / sub-assemblies not lifted on reporting date is considered under “Liabilities directly associated with asset / sub-assemblies classified as held for sale”.

**26 . Revenue from operations**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Sale of Goods	15,983.55	17,576.92
(b) Service Charges	26,691.74	20,576.56
(c) Other Operating Revenues	4,385.75	4,619.02
(d) Processing of scrap & other items	40,553.74	35,274.11
<b>Total Revenue from Operations</b>	<b>87,614.78</b>	<b>78,046.61</b>

- (a) During the year, an amount of ₹ 995.25 Lakhs (Previous Year ₹ 514.10 Lakhs) was collected towards E-auction Registration of Holding Company. Out of total collection of current year, an amount of ₹ 829.38 Lakhs ( Previous Year ₹ 411.28 Lakhs ) 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 31<sup>st</sup> March, 2022 is ₹ 1,275.55 Lakhs ( Previous Year ₹ 1,043.83 Lakhs ). 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 ₹ 3,040.38 Lakhs in current year ( Previous Year ₹ 3,450.37 Lakhs ) .
- (c) Tax deducted at source on Service Charge of Holding Company amounts to ₹ 1,726.91 Lakhs in current year (Previous Year ₹ 922.73 Lakhs ) .

**27. Other income**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Interest income		
(i) Interest on FDR	2,346.68	1,324.14
(ii) Interest on Employee Advances	24.99	28.96
(b) Liability written back	-	127.61
(c) Provision no longer required written back	22,146.52	19,681.29
(d) Sale of Sub-assemblies	14.98	16.78
(e) Profit on Sale of Assets	15.33	20.99
(f) Liquidated damages and other recoveries	22.78	14.91
(g) Miscellaneous income	146.59	146.61
<b>Total Other Income</b>	<b>24,717.87</b>	<b>21,361.29</b>

Tax deducted at source from interest on bank deposits of Holding Company amounted to ₹ 164.01 Lakhs ( Previous Year ₹ 49.93 Lakhs).

## 28. Purchases of Stock-in-Trade

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Purchases of Stock-in-Trade	15,878.48	17,460.69
(b) Lancing Tubes	54.47	43.46
(c) Oxygen & Acetylene	228.26	233.64
(d) Lubricants	134.52	108.45
(e) Diesel & Gasolene	3,928.51	2,780.18
(f) Stores & Spare Parts	1,089.53	1,045.34
(g) Water, Power	103.25	102.84
<b>Total</b>	<b>21,417.02</b>	<b>21,774.60</b>

## 29. Employee Benefit Expense

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Salaries and wages, including bonus	15,928.66	14,106.96
(b) Contribution to provident and other funds	1,500.71	1,476.41
(c) Staff welfare expenses	1,896.59	1,755.92
<b>Total Employee Benefit Expense</b>	<b>19,325.96</b>	<b>17,339.29</b>

## 30. Finance costs

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Interest expense		
(i) Interest on Short term borrowings	-	109.22
(ii) Interest on House Building Loan from Banks	38.44	-
(iii) Interest Paid to Customers	223.16	602.33
(iv) Interest on account of EFBS Deposits	-	3.06
<b>Total finance costs</b>	<b>261.60</b>	<b>714.61</b>

## 31 . Other expenses

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(a) Repairs and Maintenance for		
(i) Machinery	840.70	652.70
(ii) Building	6.44	12.40
(iii) Others	610.71	482.03
(b) EDP Expenses	158.05	89.54
(c) Insurance charges	149.20	155.15
(d) Rent	343.04	348.03
(e) Rates and taxes	55.54	64.30
(f) Bank Charges	21.23	79.15
(g) Travelling Expenses	80.51	73.90
(h) Foreign Travelling Expenses	-	-
(i) Car Hire Charges	131.25	108.76
(j) Meeting and Conference	63.20	15.67
(k) Training	9.78	10.44

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(l) Directors' Sitting Fees	5.70	6.45
(m) Statutory Auditors' Remuneration		-
(i) Audit Fees	13.23	12.36
(ii) Tax Audit Fees	1.90	1.40
(iii) Out-of-Pocket Expenses	3.27	3.90
(n) Telex, Postage and Telegram	9.95	16.87
(o) Electricity	128.58	95.71
(p) Printing and Stationery	57.42	52.09
(q) Entertainment	19.67	14.20
(r) Telephone Charges	72.79	63.25
(s) Advertisement	92.47	46.14
(t) Legal Expenses	206.50	82.87
(u) Consultancy Charges	54.87	64.11
(v) Internal Audit fees	1.44	1.56
(w) Out-of-Pocket Expenses (Internal Auditor)	1.95	2.74
(x) Miscellaneous Expenses	456.19	357.19
(y) Staff Recruitment Expenses	0.28	4.55
(z) Newspaper, Books and Periodicals	1.76	1.96
(aa) Corporate Social Responsibility (Refer Note No - 40)	17.84	500.00
(ab) Auction Tender Expenses	103.69	84.84
(ac) Cost of services through outside agency/Equipment rent	14,726.19	13,266.61
(ad) Hiring of manpower for operational activities	948.84	722.79
(ae) Security Services	444.68	466.45
(af) Bad Debts Written off	22,038.14	18,036.07
(ag) Allowance for Bad and Doubtful Advances/Debts *	3,963.04	7,169.80
(ah) Stock Yard Expenses	65.92	139.03
(ai) Freight	16.64	61.90
(aj) Loss of written off / Sale of Fixed Assets	32.04	25.59
(ak) Provision for Assets Awaiting for Disposal	22.41	88.87
(al) Donation *	-	500.00
(am) Discount on Credit Notes	-	48.39
(an) Plot Rent	7.46	7.46
<b>Total Other Expenses</b>	<b>45,984.51</b>	<b>44,037.22</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 & Carry model of business with equivalent amount held in Provision for Doubtful Debts & Advances which has been written back and is part of Note 27(c). The above write off is as per approval of Board of Directors in Meeting no 313 held on 11<sup>th</sup> February, 2022.
- 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 31<sup>st</sup> December, 2019.



**32(a): Statement of Opening Stock, Purchases, Sales and Closing Stock for the year ended 31st March 2022**

(Qty '000 MT) (Amount in ₹ Lakhs)

Description of material		Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Pipes & Tubes	2021-22	-	-	170.00	15,878.48	170.00	15,983.55	-	-
	2020-21	-	-	190.03	18,417.03	190.03	18,534.44	-	-
	2021-22				15,878.48		15,983.55		
	2020-21				18,417.03		18,534.44		
Add :	2021-22		Final Bill Adjustment		-		-		
	2020-21				(956.34)		(957.52)		
Closing	2021-22				15,878.48		15,983.55		
	2020-21				17,460.69		17,576.92		

**32(b): In addition to above the Holding Company have also purchased material as facilitator as per details below:**

(Qty '000 MT) (Amount in ₹ Lakhs)

Description of material		Qty	Purchase Value	Service Charges Earned
Cement	2021-22	850.00	51.00	0.64
	2020-21	-	-	-
Pipe	2021-22	-	-	11.20
	2020-21	-	-	-
TRA Mix	2021-22	4.00	144.89	0.87
	2020-21	-	-	-
HSD	2021-22	1,733.00	1,296.62	7.78
	2020-21	-	-	-
Electrical Items	2021-22	1,945.00	1,219.24	12.74
	2020-21	-	-	-
Tower	2021-22	-	-	-
	2020-21	-	-	5.80
Misc Items	2021-22	19,492.00	71.36	5.35
	2020-21	112.00	10.00	40.10
TMT Bar	2021-22	13,868.00	7,614.70	117.99
	2020-21	4,157.00	78.33	154.90
Chrome Ore	2021-22	-	-	-
	2020-21	12.00	7.00	13.30
Channel	2021-22	-	-	-
	2020-21	1,200.00	54.52	72.80
MS Sheet/Plate/Flat	2021-22	13,170.00	9,766.38	131.70
	2020-21	-	-	-
Electrical Equipment/Project Materials	2021-22	240.00	505.48	3.85
	2020-21	-	-	13.90
<b>Total</b>	<b>2021-22</b>	<b>51,302.00</b>	<b>20,669.67</b>	<b>292.12</b>
	<b>2020-21</b>	<b>5,481.00</b>	<b>149.85</b>	<b>300.80</b>

**33: Segmental Reporting as per IndAS 108:**

(Amount in ₹ Lakhs)

In terms of IndAS 108 the Group has identified Marketing, E-Commerce and scrap recovery and allied jobs as its three Primary Reportable Business Segments. There is no secondary segment.

Particulars		Marketing	E-Commerce	Others (unallocated)	Scrap Recovery & Allied Jobs	Total
Total Income	2021-22	41,354.23	29,402.83	36.66	41,538.93	1,12,332.65
	2020-21	40,626.09	22,121.58	163.38	36,496.85	99,407.90
Total Expenses	2021-22	41,674.15	368.62	10,906.08	36,118.36	89,067.21
	2020-21	42,516.51	1,008.07	9,006.57	33,288.36	85,819.51
Profit/(Loss) before Tax	2021-22	(319.92)	29,034.21	(10,841.13)	5,420.57	23,293.73
	2020-21	(1,890.41)	21,113.50	(8,843.19)	3,208.49	13,588.39
Tax expenses	2021-22					3,380.45
	2020-21					2,292.51
Profit/(Loss) for the year	2021-22					19,913.28
	2020-21					11,295.88

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 ₹ Lakhs)

Major Customer (Customer having more than 10% revenue)	2021-22	2020-21
Total Revenue	15,542.43	18,534.44
No. of Customers	1	2
% of Total Revenue	13.84%	18.64%
Product Segment	Marketing and Scrap Recovery & Allied Jobs	Marketing and Scrap Recovery & Allied Jobs

**34. Contingent Liabilities & Commitments****(a) Contingent Liabilities**

(Amount in ₹ Lakhs)

Sl. No.	Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Sales Tax , VAT & Customs	3,185.83	3,290.85
2	Money Suits	17,871.76	17,427.00
3	Arbitration	30.16	30.16
4	Income Tax	9.85	9.85
5	Service Tax	4,861.31	5,156.74
6	Claims against the company not acknowledged as debt	789.47	369.75
7	Outstanding Bank Guarantees	521.38	569.90
	<b>Total</b>	<b>27,269.76</b>	<b>26,854.25</b>

**(b) Commitments**

(Amount in ₹ Lakhs)

S. No.	Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
1	Construction of New Office Building at New town Kolkata	-	751.40
2	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	110.99	291.22
	<b>Total</b>	<b>110.99</b>	<b>1,042.62</b>

In case of Holding Company, Capitalisation of New Office Building at New Town, Kolkata has been done on completion of the same during the year at cost as approved by Board of Directors, pending project closure and settlement with PMC agency.

**35. Tax Expenses**

(Amount in ₹ Lakhs)

**(i) Income Tax Recognised in the Statement of Profit and Loss**

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(1) Current Tax		
- For the period	2,203.30	1,030.44
- For earlier years	-	1,039.06
(2) Deferred Tax	1,177.15	223.01
<b>Total income tax expense recognised in the current year</b>	<b>3,380.45</b>	<b>2,292.51</b>

**(ii) The income tax expense for the period can be reconciled to the accounting profit (loss) as follows:**

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(1) Profit before tax for the year	23,293.73	13,588.39
(2) Income tax expense calculated at 34.944 % in Holding Company and 25.168% in Subsidiary Company (FSNL)	9,053.94	4,814.42
(3) Effect of expenses that are not deductible in determining taxable profit	578.51	2,405.36
(4) Effect of income that is exempt/deductible from tax	1,449.01	336.16
(5) Tax for earlier years	-	1,039.06
(6) Effect of Taxes on Bad Debt written off	(7,701.01)	(6,302.50)
	<b>3,380.45</b>	<b>2,292.51</b>

In case of Holding Company tax rate used for the year 2021-22 and 2020-21 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 2021-22, income tax rate of 34.944% (30% plus surcharge @ 12% and education cess @ 4%).

However the Holding company has a MAT credit of ₹ 3,090.97 Lakhs (Previous Year - ₹ 3,090.97 Lakhs) 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 Deffered tax asset has been recognised on the provision for Doubtfull Debts of ₹ 3,555.25 Lakhs ( Prev year ₹ 6,950.48 Lakhs) as a conservative approach.

During the year Holding Company, an amount of ₹ 10.47 Lakhs (Previous Year ₹ 68.52 Lakhs) has been deposited under Direct Tax Vivad Se Vishwas Act, 2020. Tax Expense of ₹ Nil (Previous Year ₹ 95.29 Lakhs) 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.

**(iii) Movement in Deferred Tax**

Particulars	31 <sup>st</sup> March 2021	Charge/ (credit) for the Year	31 <sup>st</sup> March 2022
<b>Through Profit or Loss</b>			
<b>Deferred Tax Liabilities</b>			
"Employee Family Benefit Scheme	30.92	134.74	165.66
Property Plant & Equipment and Intangible Assets and Others"	30.92	134.74	165.66
<b>Deferred Tax Assets</b>			
Property Plant & Equipment Others	-	-	-
Provision against other expenses	2,210.25	(123.67)	2,086.58
Allowances for Doubtful Debts & Advances	17,096.75	(909.24)	16,187.51
Others	9.57	(9.57)	-
MAT credit entitlement	3,090.90	0.07	3,090.97
<b>Net Deferred Tax (Liabilities)/ Assets</b>	<b>22,407.47</b>	<b>(1,042.41)</b>	<b>21,365.06</b>
<b>Total Deferred Tax (Liabilities)/ Assets</b>	<b>22,376.55</b>	<b>(1,177.15)</b>	<b>21,199.40</b>
<b>Through Other Comprehensive Income</b>			
<b>Deferred Tax Assets</b>			
Remeasurement of Defined Benefit Plan	491.60	(67.14)	424.46
<b>Gross Deferred Tax (Liabilities)/ Assets</b>	<b>22,868.15</b>	<b>(1,244.29)</b>	<b>21,623.86</b>

**36. Earnings per Share**

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Profit for the period	19,913.28	11,295.88
Profit attributable to Shareholders	19,913.28	11,295.88
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)	28.29	16.05

**37. 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 ₹ Lakhs)

Financial assets	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Measured at
Trade Receivables	54,823.35	88,966.43	Amortised cost
Other Financial Assets	16,221.42	13,075.57	Amortised cost
Cash and Cash Equivalents	74,591.72	74,569.00	Amortised cost
Other Bank Balances	7,525.98	1,402.20	Amortised cost
Investments	2,063.83	1,435.70	Amortised cost
<b>Total Financial Assets</b>	<b>1,55,226.30</b>	<b>1,79,448.91</b>	

Financial Liabilities	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021	Measured at
Borrowings	14,950.48	15,439.28	Amortised cost
Trade Payables	20,706.85	43,077.88	Amortised cost
Other Financial Liabilities	79,101.18	89,611.17	Amortised cost
<b>Total Financial Liabilities</b>	<b>1,14,758.51</b>	<b>1,48,128.33</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.

#### (a) 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.

#### (b) 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 31<sup>st</sup> March, 2022, as at 31<sup>st</sup> March, 2021.



(Amount in ₹ Lakhs)

Financial Liabilities	31 <sup>st</sup> March 2022				
	Carrying amount	Contractual cash flows	less than 1 year	between 1 - 5 years	More than 5 years
Borrowings	14,950.48	14,950.48	14,950.48	-	-
Trade payables	20,706.85	20,706.85	20,706.85	-	-
Other financial liabilities	79,101.18	79,278.79	78,734.25	190.72	353.82
	<b>1,14,758.51</b>	<b>1,14,936.12</b>	<b>1,14,391.58</b>	<b>190.72</b>	<b>353.82</b>

(Amount in ₹ Lakhs)

Financial Liabilities	31 <sup>st</sup> March 2021				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Borrowings	15,439.28	15,439.28	15,007.38	431.90	-
Trade payables	43,077.88	43,077.88	43,077.88	-	-
Other financial liabilities	89,611.17	89,626.47	89,538.37	68.30	19.80
	<b>1,48,128.33</b>	<b>1,48,143.63</b>	<b>1,47,623.63</b>	<b>500.20</b>	<b>19.80</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.

**38. 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	Chairman cum Managing Director
Shri Subrata Sarkar	Director (Finance) & CFO
Smt. Bhanu Kumar	Director (Commercial)
Shri A.K.Rai	Company Secretary
Shri Gangaram Aloria (upto 05.09.2020)	Independent Director
Dr. Rudramauni Shivayogappa Yeli (upto 08.03.2021)	Independent Director
Shri T V Muralivallabhan (upto 05.09.2020)	Independent Director
Smt. Aparna Chaturvedi(upto 13.12.2021)	Independent Director
Shri Adya Prasad Pandey (from 01.11.2021)	Independent Director
Dr. Vasant Ashok Patil (from 01.11.2021)	Independent Director
Shri Rajib Bhattacharya	Managing Director
Shri Satadal Mitra	Chief Financial Officer
Shri Ashok Mishra	Company Secretary
Smt. Laxmi Verma	Independent Director

**(ii) Transaction with Related Parties**
**(a) Compensation to Key Managerial Personnel**

Particulars	Nature of related party / relationship	Remuneration (₹ in Lakhs)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
<b>For the year ended 31<sup>st</sup> March, 2022</b>					
Shri Surinder Kumar Gupta	Chairman cum Managing Director	53.50	4.81	8.00	66.31
Shri Subrata Sarkar	Director (Finance) & CFO	48.24	1.63	2.74	52.61
Smt. Bhanu Kumar	Director (Commercial)	69.33	2.80	(4.60)	67.53
Shri A.K.Rai	Company Secretary	35.97	3.04	1.54	40.55
Smt. Aparna Chaturvedi	Independent Director	5.85*	-	-	5.85
Shri Adya Prasad Pandey	Independent Director	1.05*	-	-	1.05
Shri Vasant Ashok Patil	Independent Director	1.20*	-	-	1.20
Shri Rajib Bhattacharya	Managing Director	26.71	-	-	26.71
Shri Satadal Mitra	Chief Financial Officer	47.02	1.72	0.34	49.08
Shri Ashok Mishra	Company Secretary	22.10	1.45	0.14	23.69
Smt. Laxmi Verma	Independent Director	2.40*	-	-	2.40
<b>For the year ended 31<sup>st</sup> March, 2021</b>					
Shri Surinder Kumar Gupta	Chairman cum Managing Director	47.60	3.00	0.90	51.50
Shri Subrata Sarkar	Director (Finance)	38.20	2.80	0.50	41.50
Smt. Bhanu Kumar	Director (Commercial)	47.80	3.50	(1.50)	49.80
Shri A.K.Rai	Company Secretary	26.50	1.80	2.90	31.20
Shri Gangaram Aloria	Independent Director	1.00*	-	-	1.00
Dr. Rudramauni Shivayogeppa Yeli	Independent Director	2.00*	-	-	2.00
Shri T V Muralivallabhan	Independent Director	1.20*	-	-	1.20
Smt. Aparna Chaturvedi	Independent Director	4.70*	-	-	4.70
Shri Rajib Bhattacharya	Managing Director	53.91	1.75	(1.05)	54.61
Shri Satadal Mitra	Chief Financial Officer	36.99	1.60	2.15	40.74
Shri Ashok Mishra	Company Secretary	17.83	0.86	1.75	20.44
Smt. Laxmi Verma	Independent Director	2.40*	-	-	2.40

**Note : \* It indicate Directors Sitting Fees.**

- (i) 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.
- (ii) The above includes Performance related pay on actual payment basis.

**(b) Transaction with Mahindra MSTC Recycling Private Limited (50:50 Joint Venture)**

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Investment in Joint Venture	600.00	400.00
Amount received towards reimbursement of expenditure	24.24	16.50
Amount paid towards reimbursement of expenditure	6.00	6.00
Amount Received for providing E-Auction Service	8.18	1.40

## 39 . 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 ₹ 20 Lakhs. 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.

<b>Investment risk</b>	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.
<b>Interest risk</b>	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.
<b>Longevity risk</b>	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.
<b>Salary risk</b>	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 ₹ 1,374.08 Lakhs (Previous Year ₹ 1,510.38 Lakhs ) in Statement of Profit and Loss for the current year as expenses under defined contribution plans.**

(Amount in ₹ Lakhs)

<b>Benefit (Contribution to)</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
Provident Fund & others*	1,076.81	1,225.08
Pension	297.27	285.30
<b>Total</b>	<b>1,374.08</b>	<b>1,510.38</b>

\* This represents the provision for ₹60.65 Lakhs (Previous Year - Nil ) towards the contribution for deficit in income of PF Trust for the FY 2021-22 (Refer Note No. - 23)

- (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 :**

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>1. Assumptions</b>		
a. Discount rate (per annum)	6.20%	5.90%
b. Estimated rate of return on plan assets (per annum)	6.20%	5.90%
c. Rate of escalation in salary (per annum)	8.00%	8.00%
In case of subsidiary, rate of escalation in salary (per annum)	Executive and Non-Executive-First Year 10% Thereafter 6%	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 ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Current service cost	364.14	368.61
b. Service Cost	364.14	368.61
c. Net Interest on net defined benefit liability / (asset)	22.60	32.15
<b>d. Cost recognized in P&amp;L</b>	<b>386.74</b>	<b>400.76</b>
<b>Remeasurement on the net defined benefit liability/ asset:</b>		
a. Actuarial (gain)/loss due to DBO Experience	431.63	176.83
b. Actuarial (gain)/loss due to DBO assumption changes	(5.09)	126.39
c. Actuarial (gain)/loss arising during period	426.54	303.22
d. Return on plan assets (greater)/less than discount rate	(66.77)	(47.56)
e. Actuarial (gains)/losses recognised in OCI	359.77	255.66
<b>f. (Income)/Cost recognized in OCI</b>	<b>359.77</b>	<b>255.66</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 on the basis of actuarial valuation under Ind AS 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 ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Obligation as at the beginning of the year	9,118.43	8,998.19
b. Current Service Cost	364.14	368.61
c. Interest Cost on DBO	502.59	531.32
d. Past Service Cost- Plan Ammendment	-	-
e.Acquisitions ( credit)/cost	-	-
f. Actuarial gains and losses arising from changes in financial assumptions	(5.09)	89.19
g. Actuarial gains and losses arising from experience adjustments	431.63	212.93
h.Actuarial gains and loss arising demographic assumption	-	1.10
I. Benefits paid from plan asset	(1,512.28)	(1,082.91)
<b>J. Closing defined benefit Obligation</b>	<b>8,899.42</b>	<b>9,118.43</b>

**5(b). Movements in the fair value of the plan assets are as follows:**

(Amount in ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Fair value of the assets at the end of prior period	8,508.27	8,066.16
b. Interest Income on plan assets	479.99	499.16
c. Employer Contributions	590.46	978.20
d. Return on plan assets greater/(lesser) than discount rate	66.77	47.66
e. Benefits paid	(1,512.28)	(1,082.91)
<b>f. Fair Value of assets at the end of current period</b>	<b>8,133.21</b>	<b>8,508.27</b>

**6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. 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 ₹ Lakhs)

Effect of a 1% change in discount rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Increase		
(i) aggregate current service and interest cost	(398.48)	(406.90)
(ii) closing balance of obligation	8,500.94	8,711.53
Decrease		
(i) aggregate current service and interest cost	442.82	438.38
(ii) closing balance of obligation	9,342.24	9,556.81
Effect of a 1% change in salary esclation rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Increase		
(i) aggregate current service and interest cost	95.84	237.85
(ii) closing balance of obligation	8,995.26	9,356.28
Decrease		
(i) aggregate current service and interest cost	(102.46)	(255.05)
(ii) closing balance of obligation	8,796.96	8,863.38

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.

d. Details of the Post Retirement Medical Benefit Scheme are as follows :

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
<b>1. Assumptions</b>		
a. Discount rate (per annum)	6.20%	5.90%
b. Medical Inflation (per annum)	5.00%	5.00%

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: (Amount in ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Current service cost	140.11	143.64
b. Service Cost	140.11	143.64
c. Net Interest on net defined benefit liability / (asset)	270.18	260.59
<b>d. Cost recognized in P&amp;L</b>	<b>410.29</b>	<b>404.23</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
e. Actuarial (gain)/loss due to DBO Experience	1,165.91	78.99
f. Actuarial (gain)/loss due to DBO assumption changes	73.49	491.73
g. Actuarial (gain)/loss arising during period	1,239.40	570.72
h. Return on plan assets (greater)/less than discount rate	(18.92)	(30.20)
i. Actuarial (gains)/losses recognised in OCI	1,220.48	540.52
j. Adjustments for limit on net assets		-
<b>k. (Income)/Cost recognized in OCI</b>	<b>1,220.48</b>	<b>540.52</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 ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Obligation as at the beginning of the year	5,765.41	4,972.05
b. Current Service Cost	140.11	143.64
c. Interest Cost	332.95	303.69
d. Actuarial gains and losses arising from changes in financial assumptions	(269.85)	564.23
e. Actuarial gains and losses arising from experience adjustments	1,165.91	6.49
f. Actuarial gains and loss arising from demographic assumption	343.34	-
g. Benefits paid directly by the Company	(244.40)	(224.69)
<b>h. Closing defined benefit Obligation</b>	<b>7,233.47</b>	<b>5,765.41</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 ₹ Lakhs)

<b>Effect of a 1% change in discount rate</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
Increase		
(i) aggregate current service and interest cost	(883.02)	(718.33)
(ii) closing balance of obligation	6,350.45	5,047.08
Decrease		
(i) aggregate current service and interest cost	1,097.85	839.77
(ii) closing balance of obligation	8,331.32	6,605.18

<b>Effect of a 1% change in medical inflation rate</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
Increase		
(i) aggregate current service and interest cost	955.76	729.78
(ii) closing balance of obligation	8,189.23	6,495.19
Decrease		
(i) aggregate current service and interest cost	(778.71)	(622.08)
(ii) closing balance of obligation	6,454.76	5,143.33

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 :

<b>Description</b>	<b>For the year ended</b>	
	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
<b>1. Assumptions</b>		
a. Discount rate (per annum)	6.20%	5.90%
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 ₹ Lakhs)

<b>Particulars</b>	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
a. Current service cost	5.38	6.60
b. Service Cost	5.38	6.60
c. Net Interest on net defined benefit liability / (asset)	13.62	13.97
d. Immediate recognition of (gains)/losses-other long term employee benefit plans		
<b>e. Cost recognized in P&amp;L</b>	<b>19.00</b>	<b>20.57</b>
<b>Remeasurement on the net defined benefit liability/asset:</b>		
a. Actuarial (gain)/loss due to DBO Experience	16.15	(11.44)
b. Actuarial (gain)/loss due to DBO assumption changes	7.37	8.19
c. Actuarial (gain)/loss arising during period	23.52	(3.25)
d. Actuarial (gains)/losses recognised in OCI	23.52	(3.25)
<b>e. (Income)/Cost recognized in OCI</b>	<b>23.52</b>	<b>(3.25)</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 ₹ Lakhs)

Description	For the year ended	
	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
a. Obligation as at the beginning of the year	(237.52)	(230.40)
b. Current Service Cost	(5.38)	(6.60)
c. Interest Cost	(13.62)	(13.97)
d. Actuarial gains and losses arising from experience adjustments		
e. Benefits paid directly by the Company	13.20	10.20
f. Amounts recognized in OCI	(23.52)	3.25
<b>g. Closing defined benefit Obligation</b>	<b>(266.84)</b>	<b>(237.52)</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 ₹ Lakhs)

Effect of a 1% change in discount rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
Increase		
(i) aggregate current service and interest cost	(29.13)	(25.62)
(ii) closing balance of obligation	(295.97)	(263.14)
Decrease		
(i) aggregate current service and interest cost	35.28	30.97
(ii) closing balance of obligation	(231.56)	(206.55)

Effect of a 1% change in medical inflation rate	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
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.

#### 40. Expenditure incurred on Corporate Social Responsibility Activities

a. In accordance to Section 135 of the Companies Act 2013, gross amount required to be spent by the group during the year - ₹ 80.00 Lakhs (Previous Year ₹ 67.00 Lakhs).

- b. In accordance to Section 135 of the Companies Act 2013 the group has incurred ₹ 17.84 Lakhs in current year (Previous Year ₹ 500 Lakhs) as CSR expenditure.

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2022	31 <sup>st</sup> March 2021
(1) Construction/Renovation of any asset	17.84	-
(2) Contribution to PM Cares Fund	-	500.00
	<b>17.84</b>	<b>500.00</b>

- c. There is no related party transaction involved in CSR expenditure.
- d. Above figures are disclosed separately in note no 31(aa).
- e. In case of Subsidiary (FSNL) as per Section 135 of the Companies Act, 2013 and rules made thereunder from time to time the CSR expenditure obligation of ₹ 80.00 Lakhs for the financial year 2021-22 has been set off from the excess contribution of ₹ 433.00 Lakhs made by the company by way of contribution of ₹ 500.00 Lakhs to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund "PM CARES Fund" in the financial year 2020-21".
- 41.** 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.
- 42.** The current assets of the holding company are under charge with consortium bank against sanction of credit facilities to the company.
- 43.** The shareholders of MSTC Limited in Extra-Ordinary General Meeting dated 22<sup>nd</sup> December, 2021 have decided to sold the entire stake in Ferro Scrap Nigam Limited (FSNL). Accordingly the process for sale has already started.
- 44.** The company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961
- 45.** The company has not traded or involved in Crypto or Virtual currency during the year.
- 46.** The 50:50 JV company ( MSTC Mahindra Recycling Private Limited) has made capital expenditure of ₹ 365.67 Lakhs (Previous Year ₹ 31.40 Lakhs)
- 47.** The Board of Directors of the Company adopted the Financial Statements in 314<sup>th</sup> Board Meeting held on 25<sup>th</sup> May, 2022.
- 48.** The Board of Directors of the Holding Company in its 314<sup>th</sup> Meeting held on 25<sup>th</sup> May, 2022 has proposed a final dividend of ₹ 4.40 per share in respect of year ending 31<sup>st</sup> March 2022, @ 44% on equity share capital which is ₹ 7040.00 Lakhs 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 ₹ 3,097.60 Lakhs.
- 49.** 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

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

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

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

**(Subrata Sarkar)**  
Director (Finance) & CFO  
DIN: 08290021

Place: Kolkata  
Date: May 25, 2022

**(Suchit Kumar Barnwal)**  
General Manager  
Finance & Accounts

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



**Additional Information, as applicable to the Companies as per Schedule - III**

(Amount in ₹ Lakhs)

Name of the entity in the Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
MSTC Limited	64.38	42,106.49	79.59	15,848.55	(10.25)	124.97	85.45	15,973.52
<b>Subsidiary</b>								
Ferro Scrap Nigam Limited	32.47	21,237.62	20.27	4,036.44	110.24	(1,343.88)	14.40	2,692.56
<b>Joint Venture</b>								
Mahindra MSTC Recycling Pvt Ltd	3.15	2,063.83	0.14	28.29	0.01	(0.16)	0.15	28.13
<b>Total</b>	<b>100%</b>	<b>65,408</b>	<b>100%</b>	<b>19,913</b>	<b>100%</b>	<b>(1,219)</b>	<b>100%</b>	<b>18,694</b>





सीआईएन/ CIN : L27320WB1964GOI026211

**HO, KOLKATA**, Plot No. CF-18/2, Street No.175, Action Area 1C, New Town, Kolkata – 700156

Tel : (033) 23400000/23400011/23400012/23400013

E-mail : mstcindia@mstcindia.in

GSTIN : 19AACCM0021E1Z4

**NRO, NEW DELHI**, 30/31A Jeevan Vikas Building, 1st Floor, Asaf Ali Road (opp. Hamdard), New Delhi - 110 002

Tel : (011) 2321 4201, (011) 2321 3945

E-mail : mstcnro@mstcindia.in

GSTIN : 07AACCM0021E1Z9

**WRO, MUMBAI**, 607-608 Raheja Centre, Nariman Point, Mumbai - 400 021

Tel : (022) 2288 6261 / 2288 5924

E-mail : mstcwro@mstcindia.in

GSTIN : 27AACCM0021E1Z7

**SRO, CHENNAI**, ISPAT Bhavan, 3rd Floor, No.5, Kodambakkam High Road, Chennai - 600 034

Tel : 044 28285000

E-mail : mstcsro@mstcindia.in

GSTIN : 33AACCM0021E1ZE

**ERO, KOLKATA**, Plot no.CF-18/2, Street No.175, Action Area 1C, New Town, Kolkata – 700156

Tel : 033-23400000/23400008

E-mail : mstcero@mstcindia.in

GSTIN : 19AACCM0021E2Z3

**BANGALORE**, 19/5 & 19/6, 3rd Floor, Kareem Tower, Cunningham Road, Bangalore- 560052

Tel : (080) 2225 6367, 2226 0054, 22266417

E-mail : mstcblr@mstcindia.in

GSTIN : 29AACCM0021E1Z3

**VIZAG**, 4<sup>th</sup> Floor “Jeevan Samridhi”, D No 42-1-45/1/1, New Investment Building, Thikkana Road, Vishakapatnam, Andhra Pradesh - 530004

Tel : (0891) 274 6948, 270 1066

E-mail : mstcvzg@mstcindia.in

GSTIN : 37AACCM0021E1Z6

**VADODARA**, 21,Kamalanjali Apartment, 2nd Floor, Opp.Tube Company, Old Padra Road,Akota, Vadodara-390 020

Tel : (0265) 2960354 / 2960379 / 2960385

E-mail : mstcvda@mstcindia.in

GSTIN : 24AACCM0021E1ZD

**BHOPAL**, 1st Floor, Tilhan Sangh Bhawan,1 Arera Hills MPOILFED Building Bhopal-462011 (Madhya Pradesh)

Tel : (0755) 2552241 / (0755) 2570664

E-mail : mstcbpl@mstcindia.in

GSTIN : 23AACCM0021E1ZF

**HYDERABAD**, MSTC Ltd., No 5-9-13, 7th Floor, Taramandal Complex, Saifabad, Between Sahara Manzil And Samrat Complex, Hyderabad, Telangana 500004.

Tel : (040) 23301039

E-mail : mstchyd@mstcindia.in

GSTIN : 36AACCM0021E1Z8

**LUCKNOW**, Ground Floor, CWC Regional Office Complex, Vibhuti Khand, Gomti Nagar, Lucknow - 226010, Uttar Pradesh

Tel : 0522- 2236396, 4244702, 4240445

E-mail : mstclko@mstcindia.in

GSTIN : 09AACCM0021E1Z5

**BHUBANESWAR**, 2<sup>nd</sup> Floor, IPICOL House-Annexe Building, Bhubaneswar - 751022, Odisha

Tel : (0674)- 2544199/2950091

E-mail : mstcbbr@mstcindia.in

GSTIN : 21AACCM0021E1ZJ

**TRIVANDRUM**, 1st Floor, BSNL CTO Building, Opp Kerala State Secretariat, Mahathma Gandhi Rd, Statue, Thiruvananthapuram-695001

Tel : 0471-2326686

E-mail : mstctvc@mstcindia.in

GSTIN : 32AACCM0021E1ZG

**RAIPUR**, MSTC LIMITED, Hall No 6 & 7, 3rd floor, Udyog Bhawan, Telibandha, Ring Road 1 , Raipur, 492006

Tel : 0771-2432481

E-mail : mstcrpr@mstcindia.in

GSTIN : 22AACCM0021E1ZH

**JAIPUR**, Room No. 114, First Floor, BSNL Building, Lal Kothi, Behind Nagar Nigam, Jaipur, 302015

Tel : 0141-2742208

E-mail : mstcjr@mstcindia.in

GSTIN : 08AACCM0021E1Z7

**RANCHI**, MSTC LIMITED, Exploration Building, 4th floor, CMPDI Campus, Gondwana Place, Kanke Road, Ranchi-834 031, Jharkhand

Tel : 0651-2443396

E-mail : mstcrnc@mstcindia.in

GSTIN : 20AACCM0021E1ZL

**GUWAHATI**, MSTC LIMITED BSNL Exchange Building, Beltola Basistha Road, Wireless Guwahati, ASSAM-781038

Tel : 0361-2221199

E-mail : mstcghy@mstcindia.in

GSTIN : 18AACCM0021E1Z6

**CHANDIGARH**, MSTC Limited Telephone Exchange Building, 2nd Floor, Sector-5, Panchkula-134109

Tel : 0172-2584921

E-mail : mstccdg@mstcindia.in

GSTIN : 06AACCM0021E1ZB

**PATNA**, MSTC LTD, 3rd Floor, DCM cum MRT Building SBPDCL, Road No-01,D P Rai Path, Near R Block, Patna, Bihar, PIN-800001

Tel : 0612-2506169

E-mail : bmpatna@mstcindia.in

**NAGPUR**, MSTC limited, 1<sup>st</sup> floor, East Wing, New Secretariat Building, Opp. V.C.A Ground, Civil Line, Nagpur, Maharashtra – 440 001

Tel : 07122550075

E-mail : bspradhan@mstcindia.co.in



सीआईएन / CIN : L27320WB1964GOI026211

Plot No. CF-18/2, Street No. 175, Action Area 1C,  
New Town, Kolkata – 700156, West Bengal.

✉ [mstcindia@mstcindia.in](mailto:mstcindia@mstcindia.in) ☎ (033) 2340 0000

🌐 [www.mstcindia.co.in](http://www.mstcindia.co.in) [f](#) @mstcltd [t](#) @mstcindia [i](#) @mstc\_india