



एमएसटीसी लिमिटेड

(भारत सरकार का उपक्रम)

MSTC LIMITED

(A Govt of India Enterprise)

CIN : L27320WB1964GOI026211

e-assuring
iNDIA

MSTC/CS/SE/461

25.08.2023

1. The Dy. Manager (Listing)
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai 400 001.
(Scrip Code: 542597)
2. The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai 400 051
(Scrip Code: MSTCLTD)

Dear Sir/Madam,

Sub: Annual Report 2022-23 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 2022-23 along with the Notice of 58th Annual General Meeting (AGM) which has already been sent through electronic mode to the Members of the Company.

The Annual Report 2022-23 and the Notice of the 58th AGM is also uploaded on the Company's website at 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 / www.mstcecommerce.com

पंजीकृत कार्यालय : प्लॉट सं. सीएफ 18/2 मार्ग सं. 175 एक्शन एरिया 1 सी न्यूटाउन कोलकाता 700156 प.व.

Regd. Office : Plot No. CF18/2, Street No. 175, Action Area 1C, New Town, Kolkata-700156 W.B.



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 58TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the fifty eighth Annual General Meeting (“AGM”) of the Members of MSTC Limited will be held on **Wednesday, September 20, 2023, 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 Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board and the Auditors thereon and comments of the Comptroller and Auditor General of India.
2. To confirm 1st and 2nd Interim dividends paid @ ₹ 5.50 per share and ₹ 6.30 per share respectively on equity shares for the Financial Year 2022-23 and to declare final dividend @ ₹3.20 per share (32%) on equity shares for the financial year 2022-23.
3. To appoint a Director in place of Shri Surinder Kumar Gupta (DIN: 08643406), 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 2023-24.

To approve 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 2023-24”.

SPECIAL BUSINESS

5. **To appoint Shri Ashwini Kumar (DIN: 07598593), as Govt. Nominee Director**

To approve the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152, 161(1) and other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of MSTC Ltd. and in accordance with the recommendation of the Nomination and Remuneration Committee of the Company, Shri Ashwini Kumar (DIN: 07598593), Economic Adviser, who was appointed as an Additional Director, by the Board of Directors and who holds office upto the 58th Annual General Meeting, be and is hereby appointed as a Government Nominee Director liable to retire by rotation w.e.f from 28th March, 2023 or until further orders from the administrative ministry, as contained in letter No S-14011/1/2022-BLA dated 28th

March, 2023 received from the Ministry of Steel, Government of India.”

“**RESOLVED FURTHER THAT**, any director of the Company and Company Secretary be and are hereby severally authorized to do all the acts, matter, deeds and things which are necessary and to execute all

documents or writing as may be necessary, desirable or expedient to give effect to the above resolutions, including completing necessary filings with the relevant regulatory authorities regarding such appointment, as applicable.”

By Order of the Board of Directors

Sd/-

(Ajay Kumar Rai)

Company Secretary & Compliance Officer

(FCS: 5627)

Place: Kolkata

Date : May 23, 2023

NOTES:

- 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 & 10/2022 (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 & SEBI/HO/CFD/PoD-2/P/CIR/2023/4 (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.
- In compliance with the aforesaid MCA and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 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 2022-23 will also be available on the Company’s website www.mstcindia.co.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL at www.evoting.nsdl.com.
- 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.
- 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 58th AGM and hence the Proxy Form, Attendance Slip and route map for the venue of the AGM are not annexed to this Notice.
- 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 raveena@mehta-mehta.com 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 13, 2023** 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 13, 2023 to September 20, 2023 (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 Ms. Raveena Dugar Agarwal, Partner of M/s. Mehta and Mehta, 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 12, 2023 as the 'Record Date'** for determining entitlement of members to receive final dividend for the financial year ended March 31, 2023, 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 Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) collectively "Depositories" as of close of business hours on **September 12, 2023**.
 - 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 12, 2023**.
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 13, 2023**. 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 13, 2023**.

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 2014-15.

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 **November 04, 2023**.

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 **March 31, 2023** on its website at www.mstcindia.com 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 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 shares are held in electronic form.
26. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, ALANKIT ASSIGNMENTS LIMITED, at virenders@alankit.com. The forms for updating the same are available at <https://www.mstcindia.co.in/cms/Investor/Investor-Service-Related-Form.pdf>.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts.

In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive

payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

In compliance with SEBI guidelines, the Company had sent communication intimating about the submission of above details to all the Members holding shares in physical form.

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

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 Saturday, September 16, 2023 at 9:00 A.M. and ends on Tuesday, September 19, 2023 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 12, 2023, 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"> Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
<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 & 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 evoting@nsdl.co.in or call at 022-4886 7000 and 022-2499 7000
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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

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?

- Visit the e-Voting website of NSDL. Open web browser by
- typing the following URL: www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your

User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL

eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your **User ID** details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. **Password details** for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your '**Initial password**'?
 - 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'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those**

shareholders whose email ids are not registered.

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - 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.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **raveena@mehta-mehta.com** with a copy marked to **cssectt@mstcindia.in**, **virenders@alankit.com** and **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. It is strongly recommended not to share your password with any other person and take utmost care to keep your

password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022-4886 7000 and 022-2499 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **virenders@alankit.com** with a copy marked to **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** with a copy marked to **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** 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 Tuesday, September 12, 2023**.
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 Tuesday, September 12, 2023**. 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 on.: **022-4886 7000** and **022-2499 7000**.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013
To appoint Shri Ashwini Kumar (DIN: 07598593), as Govt. Nominee Director

The Administrative Ministry vide its letter no. S-14011/1/2022-BLA dated 28th March, 2023 has recommended the appointment of Shri Ashwini Kumar (DIN: 07598593), Economic Adviser, Ministry of Steel, Government of India as Govt. Nominee director with immediate effect until further orders in place of Shri Awadhesh Kumar Choudhary. The Board of directors on the recommendation of the Nomination and Remuneration Committee of the Company had appointed him as an additional director having the designation of Government Nominee Director.

The Company has received requisite details of Shri Ashwini Kumar in Form No. DIR-2, DIR-8 and other disclosures

confirming that he is eligible to be appointed as Director as prescribed under the Companies (Appointment and Qualification of Directors) Rules, 2014.

No Director, Key Managerial Personnel or their relatives, except Shri Ashwini Kumar to whom the resolution relates, is interested or concerned financially or otherwise in the resolution.

Brief resume and additional information in respect of Shri Ashwini Kumar pursuant to the Listing Regulations and the Secretarial Standard on General Meetings, is given below.

The Board recommends the Resolution at Sr. no. 5 for approval of shareholders.

Brief Profile and information in respect of Directors seeking appointment/re-appointment in the 58th AGM

Particulars	Shri Surinder Kumar Gupta (Re-appointment of Director retiring by rotation)	Shri Ashwini Kumar
DIN	08643406	07598593
Date of Birth	01-01-1964	01-03-1977
Nationality	Indian	Indian
Date of first appointment on the Board	17-12-2019	28-03-2023
Qualification	M.Tech, B.Sc. Engg.	M.A. (Eco), M. Phil
Expertise and Experience	Shri Surinder Kumar Gupta is Chairman and Managing Director of MSTC Ltd since 17-12-2019. After serving as a lecturer in NIT, Kurukshetra for 2 years, he has joined Indian Railway Stores Service. He has 31 years rich experience of materials management activities involving Procurement/Warehousing of materials required for manufacture, maintenance and operations in Indian Railways as well as global procurement for purchase of sophisticated machinery etc. He has been instrumental in design, development and implementation of Indian Railways E-Procurement and E-Auction Systems which are widely used by all Indian Railways Zones and Production Units.	Shri Ashwini Kumar is an Officer of the Indian Economic Service (IES) and has been involved in formulation of public policies, macroeconomic policies in particular. At present, he is Economic Adviser, Ministry of Steel, Government of India. He has a rich work experience of more than 19 years in various fields of administration, public policy, public finance, development economics and econometrics.
Shareholding in the Company (including shareholding as a beneficial owner)	160 Equity shares held as Nominee of the President of India	Nil
Directorships held in other companies	1. Mahindra MSTC Recycling Private Limited 2. Ferro Scrap Nigam Limited	Nil
Committee Membership/ Chairmanship in other Companies	Member in Nomination and Remuneration Committee of Mahindra MSTC Recycling Private Limited	Nil

Particulars	Shri Surinder Kumar Gupta (Re-appointment of Director retiring by rotation)	Shri Ashwini Kumar
Chairman or membership of Board committees in MSTC Ltd.	Nil	Member of Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Chairman of Risk Management Committee
No. of Board meetings attended during the FY 2022-2023	5 (five)	Nil
Relationship with Directors, Manager and other KMPs of the Company	None	None

By Order of the Board of Directors

Sd/-

(Ajay Kumar Rai)

Company Secretary & Compliance Officer

(FCS: 5627)

Place: Kolkata

Date : May 23, 2023

58th ANNUAL REPORT 2022-23



एम एस टी सी लिमिटेड
भारत सरकार का उपक्रम
MSTC Limited
A Government of India Enterprise

CIN: L27320WB1964GOI026211



Shri Jyotiraditya M. Scindia
Hon'ble Minister of Steel &
Civil Aviation



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



Shri Nagendra Nath Sinha
Secretary (Steel)
(w.e.f. 01.01.2023)



Shri Sanjay Kumar Singh
Secretary (Steel)
(Upto 31.12.2022)



TABLE OF CONTENTS

CORPORATE OVERVIEW

Board of Directors	1	1	2
Management Team	1	1	3
Corporate Information	1	1	3
Corporate Profile	1	1	4
Our Operational Footprint	1	1	5
Our Flagship Projects	1	1	6
Gallery of Events	1	1	8
Message from the CMD	1	1	14
Performance Highlights	1	1	18

STATUTORY REPORTS

Management Discussion and Analysis	1	1	21
Board's Report	1	1	30
Corporate Governance Report	1	1	40
Business Responsibility and Sustainability Report	1	1	60
Annual Report on CSR	1	1	97
Secretarial Audit Report	1	1	99
Secretarial Audit Report of Subsidiary	1	1	101
Management Replies to the Comments/ Observations of the Statutory Auditors	1	1	105
Form AOC-1	1	1	106

FINANCIAL STATEMENTS

Stand-alone Financial Statements

Independent Auditor's Report	1	1	108
Comments of the CAG	1	1	119
Balance Sheet	1	1	120
Statement of Profit and Loss	1	1	121
Statement of Changes in Equity	1	1	123
Statement of Cash Flows	1	1	123
Notes on Financial Statements	1	1	124

Consolidated Financial Statements

Independent Auditor's Report	1	1	158
Comments of the CAG	1	1	167
Balance Sheet	1	1	168
Statement of Profit and Loss	1	1	169
Statement of Changes in Equity	1	1	170
Statement of Cash Flows	1	1	171
Notes on Financial Statements	1	1	172

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 Ashwini Kumar
Govt. Nominee Director
(w.e.f. 28.03.2023)



Shri Awadhosh Kumar Choudhary
Govt. Nominee Director
(Upto 28.03.2023)



Dr. Vasant Ashok Patil
Independent Director



Shri Adya Prasad Pandey
Independent Director



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 Ajay Kumar Rai
Company Secretary &
Compliance Officer

CORPORATE INFORMATION

Corporate Identification No. - L27320WB1964G0J028211

Bankers

Axis Bank
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
HDFC Bank
ICICI Bank
Indian Bank
Industrial Bank
Punjab National Bank
State Bank of India
Union Bank of India

Auditors

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

Secretarial Auditors

CS Saumyo Jyoti Seal
Practising Company Secretary

Registrar and Transfer Agent

M/s Alankit Assignments Limited
Alankit House, 4E/2, Jhandewalan, Extension,
New Delhi - 110 059
Tel: +91-11-4254-1954/+ 91-11-4254-1234
Email: virenders@alankit.com/ saching@alankit.com
Website: www.alankit.com

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 58 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 also 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

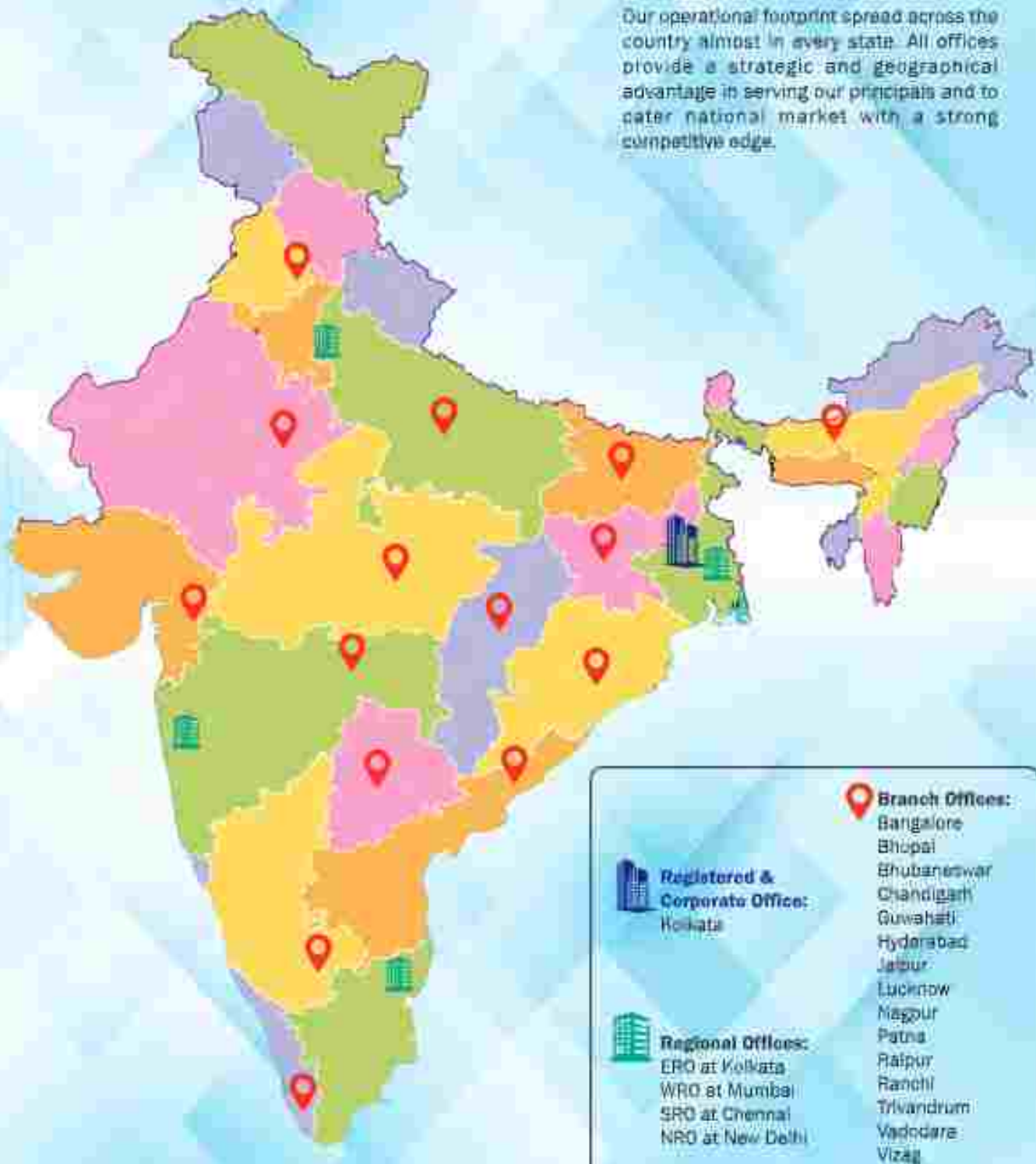
- To increase India's share in global cross border trade by facilitating reliable e-commerce enabled trading.
- To improve customer experience and make a significant positive impact on customers' satisfaction by providing prompt and efficient services to business associates, driving improved loyalty 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.



OUR FLAGSHIP PROJECTS

Spectrum

An auction platform for the distribution of 4G and 5G spectrum was developed on behalf of Department of Telecommunication.



DEEP

(Discovery of Efficient Electricity Price)

For DISCOM's power procurement on Short/Modium/Long Term an e-bidding & reverse auction portal was developed on behalf of Ministry of Power.



UDAN

A portal was developed on behalf of Ministry of Civil Aviation for Regional connectivity Scheme.



e-RaKAM

An e-platform for farmers was developed to sell agricultural produce on a pan India basis. This portal is an initiative taken jointly by MSTC and Central Railside Warehouse Company Ltd.



eBKray

For selling of mortgaged properties of various banks under SARFAESI Act. An e-auction portal was developed as an integral part of IBA's eBKray website. All PSU banks will use this portal as a single window to sell their NPAs to prospective buyers under SARFAESI Act.



COAL e-auction

On behalf of CIL/SCCL, an e-bidding platform was developed for allocation of coal linkages for non-regulated sectors.



Scrap Auction

MSTC organizes e-auction on a regular basis for the sale of various scrap items, old plant & machinery, shredded scrap of ELV etc.



SHAKTI

(Scheme for Harnessing and Allocating Koyala Transparently in India) MSTC developed a software solution for the regulated sector which will be used for execution of the online scheme for coal allocation.



Jalvik Kheti

On behalf of the Ministry of Agriculture, Government of India, developed and launched the site for organic farm products to give organic farmers direct market access across India.



ITD Portal for Petroleum Products

For the ONGC Group, MSTC created an online interface for the Integrated Trading Desk (ITD) to facilitate the export and import of petroleum products.



Auction Portal for CEPI

For the purpose of auctioning energy properties, an auction portal was developed on behalf of CEPI (Coalition of Energy Property for India).



Recycling

MSTC entered the recycling market through its joint venture Mahindra MSTC Recycling Private Limited. The main purpose of this JV is to convert white goods and ELVs into shredded scrap.



GALLERY OF EVENTS

CORPORATE SOCIAL RESPONSIBILITY



Donation of Advanced Ambulance dedicated for Tribal and remote areas of East Singhbhum, Jharkhand



Upgradation of medical infrastructure for Blood Bank and Laboratory at Institute of Child Health, Kolkata



Upgradation of Health & Wellness delivery points in Shravasti, Uttar Pradesh



Installation of USG Machine and Dental X-Ray machine at Ramakrishna Mission Medical Service Center, Agartala



Plantation of trees and construction of bore well under 'Valley Vrishamrut Jaipur 2023' project in Jaipur, Rajasthan



Installation of latest Digital X-Ray machine at Bharat Sevashram Sangha Hospital in South 24 Parganas, West Bengal



Donation of Ambulance and Blood Refrigerator for the benefit of underprivileged people of Nandurbar, Maharashtra



Installation of equipment with latest technology upgrading Eyecare facility at Sankara Nethralaya, Kolkata

TREE PLANTATION



CMD, D(C), MSTC with other employees during Tree Plantation

Shri Sanjay Kumar Singh, former Secretary (Stool) planting tree

BLOOD DONATION



MSTC Employees during Blood Donation Camp

SWACHHTA ABHIYAAN



MSTC conducted special cleanliness drive (Swachhta Pakhwada) at its Corporate Building, New Town Kolkata with all employees of HQ and ERD.

Employees of MSTC participating in Swachh Bharat Abhiyan

ANNUAL GENERAL MEETING



CMD, D(C), D(F) with Company Secretary Team at Annual General Meeting of the Company



57th Annual General Meeting of the Company

VIGILANCE AWARENESS PROGRAMME



Employee of the Company taking Integrity Pledge during Vigilance Awareness Programme.



CVD, MSTC with Shri Surya Kant, GM (CCP) during commencement of Vigilance Awareness Week.



Employees of MSTC participating in Vigilance Awareness Week Walkathon.

RAJBHASHA PROGRAMME



D(C), MSTC receiving Rajbhasha Award in presence of other officials.



Shri Fagga Singh Kulaste, Hon'ble Minister of State for Steel & Rural Development visiting MSTC for Rajbhasha Program.

INDEPENDENCE DAY & REPUBLIC DAY



Flag Hoisting and events during 15th August at MSTC.



15th August Celebration at MSTC followed by Bike Rally and Walkathon.



D(C), MSTC releasing Tri-Color Balloons during Republic Day celebration.



D(C), MSTC presenting Long Service Award to Shri D. Roy (Addl. GM) on Republic Day Ceremony.

FOUNDATION DAY CELEBRATION



CMD, MSTC honouring Ex. Employees of the Company during 59th MSTC Foundation Day

SOCIAL EVENTS



Celebration of Annual Social of MSTC Employees' Recreation Club with International Ghazal Singer Shri Sunil Mungee



Bhaya Sammián cultural event organized by MSTC Employees' Recreation Club



Ghazal Singer Shri Sunil Mungee performing during Annual Social of MSTC Employees' Recreation Club

YOGA DAY



MSTC Employees performing Yoga on the occasion of International Yoga Day

FIT INDIA FREEDOM RUN & RUN FOR UNITY



CMD, MSTC commencing the Fit India Run along with other officials of the Company



CMD during commencement of Run for Unity 2022

ANNUAL SPORTS



MSTC Employees during Annual Sports of the Company

ANNUAL PICNIC



MSTC employees with their families in Annual Picnic at Bishnupur

STEEL SECRETARY VISIT



CMD, D(C) & CVO welcoming Shri Nagendra Nath Sinha, Secretary (Steel) during his visit to MSTC office



CMD, D(C) welcoming Shri Sanjay Kumar Singh, former Secretary (Steel) during his visit to MSTC office

OTHER EVENTS



Study Tour of Standing Committee on Coal, Mines and Steel



Officials of MSTC celebrating Azadi Ka Amrit Mahotsav.



Some RMs & BMs of MSTC at Mineral e-Trading event



CMD, D(C), D(F), MSTC with Ms. N. Karthiga, Director, NLC India during Mineral e-Trading Event



CMD, D(C), D(F), MSTC with Addl. Secretary, Ministry of Steel and other dignitaries during Mineral e-Trading Event at Bangalore



e-Industriafair 2022 by the Hon'ble Minister of State for Steel and Rural Development, Govt. of India alongwith Addl. Secretary, Ministry of Steel and D(F) MSTC

MESSAGE FROM THE CMD

Shri Surinder Kumar Gupta
Chairman and Managing Director



Dear Shareholders,

It gives me immense pleasure to present you the Annual Report and financial statement of your Company for the year ended 31st March, 2023.

I am proud to state that amidst an uncertain economic and demand environment, your company continued to grow and evolve the business and has delivered yet another year of robust performance. During the year under review your company has achieved highest ever PAT and PBT.

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



Economic and Business Environment

The Indian economy has moved on after its encounter with the pandemic, staging a considerable recovery and positioning itself to ascend to the pre-pandemic growth path in 2022-23. There were some signs of moderation in the second half of FY 22-23, however, growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant consumption.

The E-Commerce sector also witnessed a renewed push and a sharp increase in penetration in the aftermath of the pandemic. The Government's push to boost the digital economy, growing internet penetration, innovation in mobile technologies, and increased adoption of digital payments further accelerated the adoption and growth of e-commerce.

Through its 'Digital India' campaign, the Government of India is aiming to create a trillion-dollar economy by 2025. The year 2022-23 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.

During the year under review

The team has worked relentlessly with the determination and desire to execute the business plan that resulted in the excellent performance. MSTC was able to achieve growth of around 4.13% in Revenue from operations net of purchases over last year. PBT rose by around 42.46%. PAT rose by 19.56% that has resulted in highest ever profit figures for the company. During the financial year your company,

- Has crossed INR 3015.90 bn in terms of value of goods transacted through its marketing and e-commerce verticals which is 120% increase over the value of goods traded in 2021-22;
- Has recorded total income of ₹498.00 crores;
- Total e-Commerce service charge has increased from ₹264.00 crores to ₹288.00 crores which is a growth of 9%;
- Profit after Tax during the financial year was ₹239.23 crores compared to ₹200.05 crores in the previous financial year and Profit Before Tax during the financial year was ₹313.48 crores compare to ₹220.04 crores in the previous financial year riding mainly on the e-commerce contribution;
- Paid Interim Dividend of ₹11.80 per share. In addition to that Board has also recommended payment of final dividend of ₹3.20 per share which will be paid to the shareholders after shareholders' approval in the ensuing AGM;
- MSTC has launched ELV portal for disposal of 'End of Life' vehicles for Central and State Govt.

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 well. The Profit after Tax of FSNL as on 31st March, 2023 was ₹38.37 crores.

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. Till 31st March, 2023 it has set up six RVSF and intends to set up more Collection & Dismantling centres across India.

When we talk about the consolidated performance, MSTC has once again created history as profit before tax has increased remarkably by 41.34% and profit after tax increased by around 21.53%.

CSR

During the financial year company has spent around ₹3.01 crores on various CSR activities related to Health, Education and Environment.

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:

- Has successfully conducted spectrum 4G/5G auction.
- 86 Coal Mine blocks and 94 Major Mineral blocks have been successfully allotted through auction conducted on MSTC portal.
- 9000 NPAs from banks sold for a sale value of ₹7000 crores.
- Has successfully conducted auction of 3 nos. of ATR aircrafts on behalf of AAI.
- Has successful auction/Transfer of Technology rights and

- Successfully integrated the billing software developed for HSIIDC with Boom Barrier and GPS system of HSIIDC for access monitoring and fraud prevention.

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.

MSTC has taken up a mission based on the central Government vision to stimulate the Start up revolution in India by providing Incubation, Nurturing and Fostering of worthy ideas. Further, to cater the need of ever-changing business environment, MSTC Limited has recently introduced a Startup policy and is in process of constituting a committee which will identify, take up, monitor and mature the projects from prospective startups. We are confident that MSTC's association with startup will be able to create opportunity and employment as well as overall growth of the company.

Our people and their passion for excellence give us an unparalleled competitive advantage. MSTC is committed to create value for the customers and ensure that MSTC stays ahead in the market.

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 an unique eXm 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.

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.

Opportunities

- i) **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, besides trying to retain the Govt. and PSU business.

- ii) **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 has launched an ELV portal for disposal of 'End of Life' Vehicles for Central and State Government ELV. The services has now been extended for Individual ELV owners also.

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

Threats

- i) **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 company's business is spent on procurement of goods and services.
- ii) **Trading Business:** As a policy matter, MSTC has decided to play safe in the traditional trading business due to the extent of risks involved.
- iii) **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.
- iv) **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. 39 Shareholders out of 63,553 (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 Obligations and Disclosure Requirements) 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

MSTC, Head office, Kolkata received the Narakas Rajbhasha Samman-2021-22 (2nd Prize) for the best performance in the field of official language implementation among Public Sector Undertakings in Kolkata.

MSTC, Hyderabad and MSTC, Vishakhapatnam received the Narakas Rajbhasha Samman-2021-22 for the best performance in the field of official language implementation among Public Sector Undertakings in Hyderabad and Vishakhapatnam.

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.

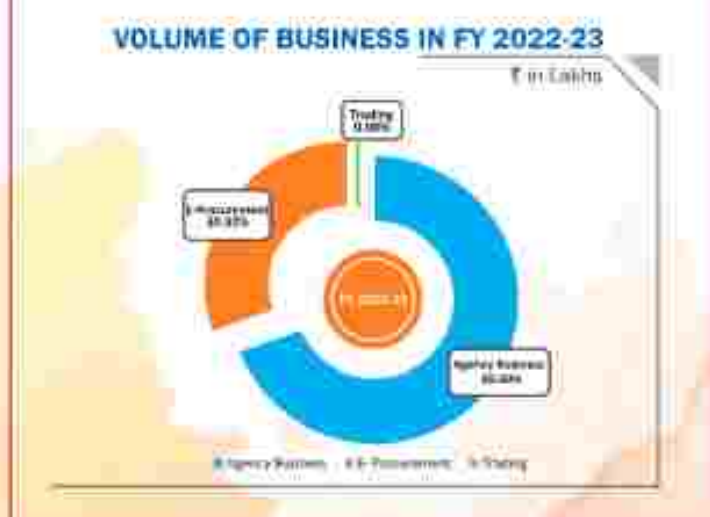
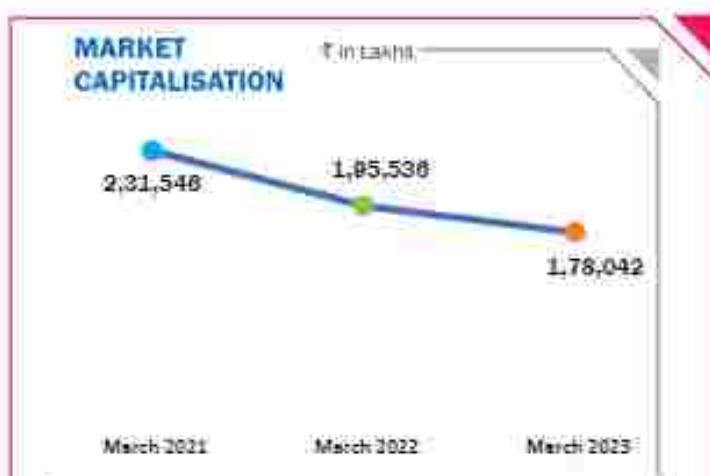
Acknowledgement

I would like to place on record my gratitude to the Hon'ble Union Minister for Steel, Hon'ble State Minister 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 !

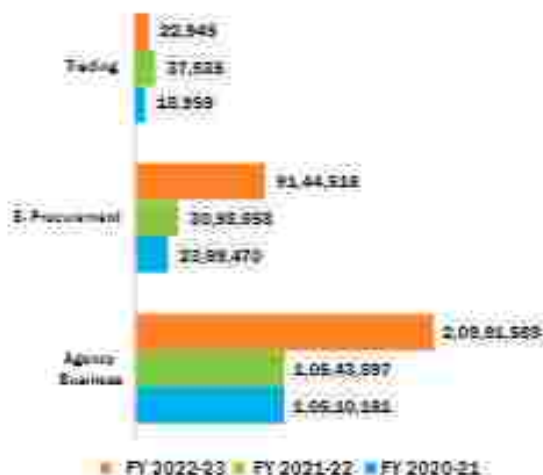
Surinder Kumar Gupta
Chairman and Managing Director

PERFORMANCE HIGHLIGHTS



SEGMENT WISE VOLUME OF BUSINESS

₹ in Lakhs


SEGMENT WISE REVENUE

₹ in Lakhs


SUBSIDIARY PERFORMANCE

₹ in Lakhs

Ferro Scrap Nigam Limited

JV PERFORMANCE

₹ in Lakhs

Mahindra MSTC Recycling Pvt. Ltd.

CONSOLIDATED PROFIT AFTER TAX

₹ in Lakhs


CONSOLIDATED REVENUE FROM OPERATIONS

₹ in Lakhs


DIVIDEND RATE

(Rate in %)





STATUTORY REPORTS

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF INDIAN ECONOMY

The Indian economy has moved on after its encounter with the pandemic, staging a full recovery and positioning itself to ascend to the pre-pandemic growth path in 2022-23. There were some signs of moderation in the second half of FY 2022-23, however, growth was underpinned by strong investment activity bolstered by the government's capex push and buoyant private consumption, particularly among higher income earners. Inflation remained high during the financial year, averaging around 6.7 percent in FY 2022-23 and India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increase in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong.

The E-Commerce sector also witnessed a renewed push and a sharp increase in penetration in the aftermath of the pandemic. The Government's push to boost the digital economy, growing internet penetration, innovation in mobile technologies, and increased adoption of digital payments further accelerated the adoption and growth of e-commerce. E-commerce platforms has not only empowered small businesses by removing geographical barriers and providing a large customer base but also allowed them to deal directly with manufacturers and suppliers, thus reducing the cost of procurement.

A landmark achievement in telecommunications in India was the launch of 5G services. 5G could impact consumers directly through higher data transfer speeds and lower latency and are being increasingly used in education, health, worker safety, smart agriculture etc.

The Indian E-commerce market is expected to grow to approx. US\$ 100 billion by 2025. Through its 'Digital India' campaign, the Government of India is aiming to create a trillion-dollar online economy by 2025. The year 2022-23 has shown 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 business increasingly relying on B2B firms/enablers to avail their products pan-India. Growth in B2B e-commerce has an impact on the overall economy as it reduces inefficiencies and ensure better quality and pricing for everyone present in the value chain.

Initiatives taken by the Government for the promotion of e-Commerce, including the Digital India program, Unified Payment Interface (UPI), Make in India, Start-up India etc., have been major contributory factors to the growth of E-commerce in recent years. Various initiatives have also been taken to provide an opportunity to small retailers, manufacturers, and Self-Help Groups for greater outreach. One District - One Product (ODOP) initiative has been facilitating the onboarding of sellers of identified products on e-Commerce platforms to provide greater visibility for small businesses from the rural sector. Some of the recently introduced digital initiatives, such as the Open Network for Digital Commerce (ONDC) and Account Aggregator framework, will open up further avenues for e-commerce market access and strengthen the expected economic growth in the medium term.

India's GDP growth is expected to remain robust in FY 2023-24. GDP forecast for FY 2023-24 to be in the range of 6-6.8% and India has emerged as the fastest-growing major economy in the world.

GLOBAL SCENARIO

The global economy has been hit by at least three shocks since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronised policy rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies.

Rising inflation and monetary tightening led to a slowdown in global output beginning in the second half of 2022. The consequent dampening of the global economic outlook, also compounded by expectations of a further increase in borrowing costs.

However, strong employment data and sharply lower headline inflation for December have raised hopes of the US economy achieving a softer landing. Similarly, in Europe, warmer winter weather has neutralised the risk of a near-term energy crisis. Lately, however, banks have reported much weaker earnings growth, and technology companies have begun to announce layoffs in America. Therefore, on balance, downside risk to the global economic outlook dominates.

The likely slowdown in growth in advanced economies may be partially offset by signs of revival in China's growth. Further, the commodity prices have moderated recently, resulting in declining food and energy prices in several East Asia and Pacific countries.

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 the major standalone e-Commerce service provider in the country focussing on Price Discovery, e-Bidding and Transparent Public Sale & Procurement Processes. MSTC had introduced e-Commerce in various commodities such as Sale of Scrap & Surplus Stores, Plants and Machinery, Coal, Iron ore & other Minerals, Agro/Forest produce, Properties, Fly-Ash, etc. in India. In addition to this, MSTC has also commenced e-Auction of Land, Buildings, Apartments, Bank NPAs, assets under DRT, etc.

In recent years, UDAN (Regional Connectivity Scheme), Spectrum e-Auctions, Coal and Coal Mine auctions, e-Auction of Sand Mining blocks in UP, e-Auction of RCC/ERCC contracts in Rajasthan for minor Mineral blocks, e-Auction of Long-term property Leases, Export-Import (EXIM Management) portals of IOCL and ONGC Group (through MRPL), Liquor shop license in Rajasthan, NRA's of Banks and e-Procurement of Power (DEEP) have been the signature events.

Development of dedicated portal(s) for e-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 for a large number of Government departments / Ministries / State Governments / PSUs for disposal of Scrap, Surplus Stores, obsolete Plant & Machinery, e-Waste and other hazardous items, etc.

MSTC's streamlined, automated, transparent and fair processes enable the sellers to achieve highest revenue generation from such disposal activities. MSTC offers end to end services from preparation of the auction catalogue, management of e-Bid events, e-Payment Management, to the issuance of delivery order with minimum human interactions.

Noting MSTC's prowess in the Govt Sector, several major industries in private sector (such as Bharti Group, GMR Group, L&T Group, Tata Group, Indus Towers, JSW Group, etc) have started using MSTC's e-auction system for disposal of their scrap and surplus stores, thereby increasing revenue generation and improving transparency and corporate governance in their respective activities.

MoRTH has recently appointed MSTC as the nodal agency for channelising and selling of all ELVs of the Central and State Government to Registered Vehicle Scrapping Facility (RVSF).

E-Sales

Starting with sale of coal through e-Auction way back in 2004, MSTC has been continuously expanding its services to various Seller(s) developing different e-Bidding modules to cater to the changing business requirements and needs. 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, forest produce, timber, etc. MSTC is a nominated agency for coal blocks, all major mineral blocks and minor mineral blocks in various states/UTs.

Apart from this, MSTC also has developed customised and unique solutions for sale of fly ash. Properties of the Government sector and NPA's of Banks are some of the other products for which dedicated portals have been developed.

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. MSTC's current V3 solution offers industry best, global standard e-Procurement solution with unparalleled ease of use and impressive array of features (including but not limited to Multi currency and Multi header e-Bid events, Linked Events, QCBS events, customizable e-Tender and e-Reverse Auction components with various modular features)

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, Spectrum Auction, etc.

MSTC has been nominated by MoRTH for developing a portal for sale of ELVs of Central/ State Govt./PSUs etc. to RVSF. The portal has already been launched.

MSTC's integration with e-Bkray Portal for Indian Banks' Association (IBA) for sale of mortgaged properties of different banks under SARFAESI Act is currently in the final stages of integration with DigiLocker. Once implemented this will be the first of its kind Portal for sale of NPAs where the entire user journey will be automated and real time based.

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 2022-23 during which more than 150 coal mines were offered out of which 46 were successfully allotted during 2022-23.

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.

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 Liberalising 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 PGL (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.

DEEP portals for procurement of electricity by Distribution Companies including Standard DEEP portal (for Short/Medium/Long term procurement of Power), Aggregated Thermal Power, Long Term Solar power, Flexible Coal Scheme, Power Procurement from ICB Plants during Crunch Period(s).

Transmission Service Provider (Interstate/Intrastate TBCB): Ministry of Power, Govt. of India notified "Tariff Based Competitive Bidding Guidelines for Transmission Service" and "Guidelines for Encouraging Competition in Development of Transmission Projects" (Guidelines). In line with provisions of the guidelines, Bid Process Coordinator like RECTPCL and PFCL are conducting events, using the services of MSTC for Interstate Transmission System (ISTS) projects. This also includes solar power and wind power projects.

MSTC has its dedicated 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 through tender followed by Reverse Auction and the bidding shall be in multicurrency.

Lot of automation and improvements have been carried out in e-commerce portal.

e-Commerce business constitutes about 99.92% (99.72% in 2021-22) of the total volume of business of the Company during FY 2022-23. It contributed 93.40% (58.96% in 2021-22) of the total revenue from operations.

B. Trading Business

In trading business, which constituted 0.08% of the total volume of business during FY 2022-23 (0.28% in 2021-22), 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 6.60% of the total revenue from operations of the Company during FY 2022-23 (41.04% in 2021-22).

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 trading business achieved a volume of ₹ 22,945 Lakhs out of the total volume of business of ₹ 3,01,59,050 lakhs during FY 2022-23 (as against ₹ 37,935 lakhs out of total business of ₹ 1,36,80,490 lakhs in 2021-22).

This business contributed ₹ 243 Lakhs of the total operational income of the Company during FY 2022-23 (₹ 397 Lakhs in 2021-22).

C. Recycling

MSTC has set up India's first authorised Collection and Dismantling centre at Greater Noida, for 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 environmentally friendly manner. MMRPL has further operationalized Collection & Dismantling centres at Chennai, Pune, Indore, Ahmedabad, Hyderabad and Guwahati. One more dismantling centres at Bangalore is likely to be operationalised shortly. Total 25 Collection centres all are operational currently including above mentioned collection & Dismantling Centres.

MMRPL intends to set up more Collection & Dismantling centres in the current financial year. The introduction of Vehicle Scrapping Policy in 2021 has paved way for expansion of MMRPL's business which 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 has onboarded startups and smaller software companies to provide specialised solution to MSTC's new and existing clients. The huge potential in this area argues well for further growth. MSTC envisages to create R&D funds to onboard startup for furthering MSTC's e-commerce business interests.

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.

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 and paves way for further expansion in sale of properties.

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 sale of license for liquor shops in the state. MSTC is exploring the possibility of liquor license auctioning in other states based upon the success of such an event in Rajasthan.

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 OMCs both public and private.

Circular Economy: MSTC is exploring new areas of business in recycling sector like ferrous material/ Aircraft / e-Waste / Textile Recycling/ Other Hazardous Waste, etc.

Re-engineering of Auction Portal: The existing auction platform developed around a decade ago has extensive patch works to accommodate new requirements. Steps are being taken for complete re-engineering of the auction portal with latest technology.

Efforts towards R&D: We are in the process of framing Start-up policy for onboarding start-up companies for R&D as well as utilising emerging technologies / opportunities.

MoRTH, in September 2021, notified the Motor Vehicles (Registration and Functions of Vehicles Scrapping Facility) Rules, 2021 for setting up of authorized vehicle scrapping centers across India with the objective to reduce pollution by scrapping End-of-Life vehicles to improve road safety, improve fuel efficiency, reduce maintenance cost for vehicle owners, promote circular economy, formalize the currently informal vehicle scrapping industry and boost availability of low-cost raw materials, boost auto sector sales and generate employment.

MSTC had been entrusted with the responsibility of conducting auctions for sale of Central and State Government owned vehicles. MSTC has launched an ELV portal to sell the government ELV and in the ELV auctions only operational RVSF are allowed to participate.

MSTC has also introduced a model in the ELV Portal to bring the ELV owned by individuals and the RVSFs in a single platform and use the existing ecosystem and sell their ELVs and reap the benefit of the vehicle scrapping policy of GOI.

DISCUSSION ON FINANCIAL PARAMETERS WITH RESPECT TO OPERATIONS AND PERFORMANCE

PERFORMANCE

A) Agency Business

This year the total volume of Agency Business stands at

₹ 2,09,91,589 Lakhs, against ₹ 1,05,43,597 Lakhs in 2021-22. Break-up for the year 2022-23 vis-à-vis 2021-22 is as follows:

Business Segment	Volume of Business (₹ in Lakhs)	
	2022-23	2021-22
Scrap Disposal	7,77,811	6,13,546
e-Sale	1,75,46,903	74,72,976
Coal e-Auction	12,13,258	11,22,960
Iron ore e-Auction	13,53,617	13,34,116
Total (A) :	2,09,91,589	1,05,43,597

B) E- Procurement

Business Segment	Volume of Business (₹ in Lakhs)	
	2022-23	2021-22
e-Procurement	91,44,516	30,98,958
Total (B) :	91,44,516	30,98,958
Total (A+B) :	3,01,36,105	1,36,42,555

C) Trading

The performance of the Trading Division shows a total volume of business of ₹ 22,945 Lakhs, against ₹ 37,935 Lakhs in 2021-22. Break-up for the year 2022-23 vis-à-vis 2021-22 is as follows:

Business Segment	Volume of Business (₹ in Lakhs)	
	2022-23	2021-22
Indigenous materials	22,945	37,935
Total (C) :	22,945	37,935
Grand Total (A+B+C)	3,01,59,050	1,36,80,490

RISKS AND CONCERNS



Business Risk

Sr. No	Risk Category	Risk Description	Severity
1	Policy Related Risk	(a) External policies affecting e-commerce business mainly due to government policies. (b) Internal policies made by the company.	High
2	Competition from Other Service providers	Risk of Govt Service Providers providing e-Commerce Services under the ambit of Govt Notifications; or Pvt Service providers working outside the ambit of regulatory framework.	High
3	Risk related to employee Workforce	Employees are primary resource in MSTC. Therefore attrition, inadequate succession/redundancy planning, insufficient training and low employee motivation remain as significant business risk.	High
4	Reputational Risk	As MSTC's Service Provider business is largely based on work on Nomination Basis, the risk to Reputation by breach of trust through incidences of breach of data integrity, confidentiality, inadequate support/response to client calls etc.	Medium
5	Time and Accuracy of Business Decisions taken by the Company	Decision to enter into a new business or exiting from a business, decision regarding valuation of service to be provided for different projects involving customized services can make a lot of difference to the revenue and well being of the organization.	Medium
6	Risk Associated with Business Model	MSTC has established itself in B2B business segment and has been continuing with the same model for the last 20 years. With changing time, business environment and technology, need for remodelling of business process is necessary. Besides, MSTC needs to expand in other business verticals like recycling sector.	Medium
7	External Market forces and conditions	Govt policy (both statutory and financial) and Global market scenario (through commodity and index markets) have huge impact on MSTC's Business. Additionally, constant innovation in e-Commerce landscape (Blockchain, AI and ML) adds risk of being redundant.	Medium
8	Abuse/Misuse of Operational Privileges given to Employees	Role based access has been provided to employees to carry out day to day work. Some employees have additional privileges to access data which, if misused, can pose threat to business process transparency and have negative impact on the company.	Low

System Risk

Sr. No	Risk Category	Risk Description	Severity
1	Cyber Security Risk	<ol style="list-style-type: none"> Loss of sensitive data due to unauthorized access/attacks from DDoS/IPS/Firewall/other restricted access control mechanisms. End points in use are vulnerable to malware/viruses/zero-day vulnerabilities in absence of Antivirus/EDR solution not being installed or inadequate coverage. No automated detection and response tool available for log correlation for identifying incidents and threats. 	High
2	Breach of data protection law	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.	High
3	Business Risk	Non-replacement of EOL/EOS switches/routers/firewall/other network related devices can create potential business impact.	High
4	Technology Risk	Non evaluation of existing e-Commerce platform (Java based) & set of internal applications (.NET based) for technological and infrastructure future readiness.	Medium
5	Quality & Process Risk	Non-renewal of Quality certification can lead to vulnerability in processes and systems related to Information Security Management System.	Medium
6	Operational Risk	In absence of Redundancy at different levels could lead to business continuity increasing downtime of e-commerce system.	Medium
7	Resourcing Risk	Inadequate human manpower due to resignation from existing team and delays in getting replacement.	Medium
8	Infrastructure Risk	Gap of warranty/AMC for data centre equipment could create business continuity incidents in case of equipment failure or lack of technical support as per SLA.	Medium
9	Compliance Risk	Non-renewal of software/tools for commercial/business use could lead to litigations.	Medium

Financial Risk

Sr. No	Risk Category	Risk Description	Severity
1	Commodity Prices	Our profitability depends on commodity price as in some case we get service charge on the material value we auctioned, if commodity price falls it may impact our profitability	High
2	Cash flows	Cashflow may get affected in case default of debtors / or any adverse legal decision on ongoing litigations.	High

Legal & Compliance Risk

Legal Risk

1. Profitability may severely impact if we get adverse decision in case of pending litigation in various forum.
2. 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.

Regulatory compliance Risk

1. New and changing regulatory compliance, corporate governance and public disclosure requirements add uncertainty to our compliance policies and increase our costs of compliance.
2. In the event that the Government of India changes its tax policies in a manner that is adverse to us, our tax expense may materially increase, reducing our profitability.

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 5th 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 contributes towards recycling by facilitating easy scrap availability through common portal.

KEY FINANCIAL RATIOS

Key Ratios	FY 2022-23	FY 2021-22	Change in %	Reason for Difference / Remarks
Debtor Turnover Ratio	0.88	0.83	6.02%	Debtor Turnover Ratio increased due to reduction in Trade Receivable.
Inventory Turnover	-	-	-	Not applicable
Interest Coverage Ratio	-	-	-	Company does not have any long-term debt, hence, Not applicable
Current Ratio	1.15	1.09	5.50%	Current Ratio has improved due to better liquidity on account of higher profit and cash realisation.
Debt Equity Ratio	-	-	-	Company does not have any long-term debt, hence, Not applicable
Operating Profit Margin (%)	96.57	47.31	104.12%	The ratio has increased due to increase in profit.
Net profit Margin (%)	73.67	42.51	73.30%	Net Profit Ratio has increased on account of higher profit.
Return on net Worth (%)	40.27	42.98	- 6.31%	Although the Profit (PAT) has increased but the ratio has decreased on account of increase in Total Equity.

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 23, 2023

BOARD'S REPORT

Dear Shareholders,

The Directors of your Company are pleased to present the 58th Annual Report on the business and operations of the Company together with the Audited Financial Statements, Auditor's Report and comments of the Comptroller & Auditor General of India for the year ended 31st March, 2023.

Financial Highlights of the Company

During the financial year 2022-23 the Profit After Tax stands at ₹ 23,923 lakhs as against ₹ 20,005 lakhs in the previous year. Profit Before Tax was ₹ 31,348 lakhs compare to ₹ 22,004 lakhs in the previous year. Company has recorded total revenue of ₹ 49,801 lakhs. Total E-commerce income has increased from ₹ 29,406 lakhs to ₹ 34,893 lakhs.

The Standalone Financial results of the Company for the financial year 2022-23 and 2021-22 are given below:

	₹ in Lakhs)	
Particulars	2022-23	2021-22
Total Income	49,801	74,957
Profit (Loss) before tax	31,348	22,004
Tax	7,425	1,999
Profit after tax	23,923	20,005
Paid up capital (Equity)	7,040	7,040
Reserves	52,363	39,504
Dividend (%)	150%*	129%**
PBT Per Employee	104.49	69.85
Earnings per share (₹) (Face value ₹10/-)	33.98	28.42

* (Dividend (%) for FY 2022-23 includes 1st interim dividend @ 55%, 2nd interim dividend @ 63% and final dividend proposed @ 32%.)

** (Dividend (%) for FY 2021-22 includes 1st interim dividend @ 20%, 2nd interim dividend @ 65% and final dividend @ 44%.)

Operational Highlights:

During the financial year 2022-23, the Company has crossed ₹ 3,01,591 Crore in terms of value of goods transacted through its trading and e-commerce verticals which is 120% increase over the value of goods traded in 2021-22. Other operational highlights are as follows:

1. Circular Economy: MSTC has set up six RVSFs (Registered Vehicle Scrapping Facility) at Noida, Chennai, Pune, Indore, Ahmedabad & Hyderabad, through its JV company MMRPL (Mahindra MSTC Recycling Pvt. Ltd),

which are operational. Three more plants at Guwahati, Bengaluru & Fatehgarh Sahib are in advance stage of statutory approval.

2. ELV Auction Portal: MSTC launched ELV auction portal for disposal of 'End-Of-Life' Vehicles for Central and State Govt. in compliance with the MoRTH's notified Motor Vehicles: (Registration and Functions of Vehicle Scrapping Facility) Rules, 2021. The service was offered free of cost till March, 2023. The services have now been extended for individual ELV owners also.
3. Spectrum Auction: On behalf of Department of Telecom (DoT), MSTC Limited has successfully conducted auction for allocation of 4G/5G Spectrum. DoT has earned record revenue of ₹ 1,50,173.29 crore for Govt. of India from this auction.
4. Coal Mine Auction for Commercial Mining: Around 60 Coal Mine blocks have been successfully allotted through auction for commercial mining in FY 2022-23.
5. Mineral Block Auction: 94 Major Mineral blocks have been successfully allotted through auctions for various States and in FY 2022-23.
6. Auction of NPAs: Total 9000 Nos. (approx.) of NPAs from various banks have been sold through auctions for a sale value of ₹ 7000 crore (approx.).

Dividend

During the year, the Company paid a first interim dividend of ₹ 5.50 per share and a second interim dividend of ₹ 6.30 per share. In addition, the Board of Directors of your Company has recommended a final dividend of ₹ 3.20 per share for the year, thereby taking the total dividend for the year to ₹ 15 per share with a total pay-out of ₹ 10,559.80 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.

Reserves

The Reserves stand at ₹ 52,363 Lakhs as on 31st March 2023.

Changes in Share Capital

The authorized share capital of your Company as on 31st March, 2023 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.

Directors Responsibility Statement

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

- In preparation of the Annual Accounts, applicable Indian Accounting Standards (IND-AS) have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profit of the Company for the financial year 2022-23.
- 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.
- The Directors have prepared the Annual Accounts for the year ended 31st March, 2023 on a going concern basis.
- The Directors had laid down internal financial controls of the Company and that such systems were adequate and operating effectively.
- 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 Shri Awadhesh Kumar Choudhary (DIN: 06942194), Govt. Nominee Director ceased to be the member of the Board with effect from 28th March, 2023. The Board places on its record sincere gratitude for the valuable guidance and support rendered by Shri Awadhesh Kumar Choudhary during his association with the company. Consequent to his retirement from the Board he also ceased to be the Chairman of Risk Management Committee and Member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of the Board.

Administrative Ministry has vide its order no. S-14011/1/2022-BLA dated 28th March, 2023 appointed Shri Ashwini Kumar (DIN: 07598593), Economic Adviser, Ministry of Steel as Govt. Nominee Director on the Board of Directors of the Company in place of Shri Awadhesh Kumar Choudhary with immediate effect and until further order from the administrative Ministry.

Shri Surinder Kumar Gupta, (DIN 08643406) Chairman and Managing Director 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 Requirements) 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 Section 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.

The details of the related party transactions during the financial year are provided in note no. 37 of the Standalone 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 and Sustainability Report

Business Responsibility and Sustainability 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 2022-23 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.

The Company has undertaken various activities as per the CSR policy of the Company. The Projects/ programmes/ activities are taken up in line with Schedule VII of the Companies Act, 2013.

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** and form part of Board Report.

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), Practising Company Secretary has been appointed as the Secretarial Auditor for the year 2022-23. The Report of the Secretarial Auditor as prescribed is enclosed as **Annexure V** to this Report.

The Secretarial Auditor has made following observations:

1. Composition of Board with regard to minimum number of Independent Directors are not complied as per the provisions of Regulation 17(1)(b) of SEBI (LODR) Regulation, 2015. There exists shortage in the number of Independent Director including Independent Woman Director during the financial year under review. It has been brought to my knowledge that NSE and BSE had issued notice for the aforesaid non-compliance and charged penalty. Further, the Company has applied for waiver of the penalty, charged, on the ground that appointment of the Directors on the Board is made by the Government of India and not within the powers of the MSTC Board.

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**.

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 2022-23. 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 five times during the financial year 2022-23. The details of number of meetings of the Board of Directors held during the year 2022-23 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 Obligations & 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 Asthwin Kumar, Govt. Nominee Director and Shri Subrata Sarker, 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:

Particulars	₹ in Lakhs)	
	2022-23	2021-22
Total Income	41,416	41,539
Profit/(Loss) before Tax	5,136	5,418
Profit/(Loss) after Tax	3,838	4,036

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 27th October, 2016, accorded its 'in-principle' approval to disinvest entire equity shareholding held through MSTC in FSNL through strategic divestment 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 a JV Agreement 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 in 2018. Two more RVSF units were opened at Chennai and Pune during 2020.

During the FY 2022-23, 4 dismantling centres at Indore, Hyderabad, Ahmedabad and Guwahati has become operational and two RVSF units at Bangalore and Fateh Garh Sahib, Punjab are expected to be in operation shortly. At present MMRPL has presence at 41 locations throughout India through its 32 collection centres and 9 dismantling centres. The Company's output from the recycling operations was well received by the market. During the year ended 31st March 2023, the Company earned an income of ₹ 3,158 Lakhs as against a figure of ₹ 1,748 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:

Particulars	(₹ in Lakhs)	
	2022-23	2021-22
Total Income	87,917	1,12,333
Profit/ (Loss) before tax	32,916	23,290
Tax	8,722	3,380
Profit after tax	24,196	19,910
Paid up capital (Equity)	7,040	7,040
Reserves	71,610	58,364
PST Per Employee	109.73	73.94
Earnings per share (₹) (Face value ₹ 10/-)	34.37	28.28

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

There are no material changes and commitments affecting the financial position of the Company that have occurred between the close of the financial year ended 31st March, 2023 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 Tribunals impacting the going concern status and the Company's operation in future.

Particulars of Loans, Guarantees or Investments

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

Public Deposits

Your company has not accepted any deposits under the Companies Act, 2013 during the financial year ended 31st March, 2023.

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 2,10,000 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 another ILL connectivity taken from a different provider and with a Point-to-Point (P2P) connectivity between DC & DR for data synchronization with redundancy. Two ILLs are in operation with load balancing with the implementation of Radware Link Load Balancer.

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 certified by STQC and is valid till 6th November, 2025.

MSTC server in Kolkata is manned round-the-clock throughout the year. The Systems Department 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.

Developments of Information Technology during 2022-23

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

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

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

Imperva Write-once management device is in place for better management & monitoring of activities related to data.

MSTC in-house Java Team has developed and implemented many customized e-commerce solutions like Spectrum 5G auction, ELV portal, Red Sander auctions with dollar wallet facility for Odisha Forest Development Corporation, OCPL Coal auction portal, Shakti B2 Round V auctions, Bank API Integration with different Banks, Portal for MMB Odisha, Single Window Coal Agnostic auction for CIL DEEP PRIPCP portal (Power Procurement from ICB Plants during Crunch Period), Post auction data integration through web service for UR MMB etc.

MSTC in-house dot Net Team developed and implemented many customized solutions like Online Systems for Recruitment of OSD (Officers on Special Duty), implementation of full-fledged multilingual functionality with dynamic contents for Jaivikkheti portal, New Bill Track System with Contract management with automatic PO number generation, Payroll application for FSNL, Rajbhasha, Procurement, Harghar Tiranga module in MSTC Knowledge management portal, Development of Portal/dashboard for Retired employees, Development of Bank Reconciliation module for Accounting software etc.

Additional Server, RAM were installed in the existing VM infrastructure in Data Centre to increase the capacity for creating new VMs as per requirement time to time and also to increase the capacity of existing VMs for better performance

due to increase in load.

MSTC increased its focus on dedicated Dashboards and Apps. For the General Auctions App for Bidders a new version with various innovative features was launched and various internal Dashboard(s) upgraded. In the MSTC General Auction Portal, Automatic Bid Validity Management Module has been implemented system wide.

MSTC In-house Team, updated DEEP (Ministry of Power) module with Aggregated Thermal Power B(v) Scheme bidding module, under which e-Bid event for procurement of 4178 MW Power from 01.04.2023 to 31.03.2028 was successfully conducted. Additionally in DEEP, a dedicated portal for "Power Procurement from ICB Plants during Crunch Period(s)" was developed and launched.

Based on the Notifications from Ministry of Finance and Ministry of Road, Transport and Highways, MSTC Launched End of Life Vehicle Scrapping Portal (ELV), where RVSFs (Registered Vehicle Scrapping Facilities) can purchase End of Life Vehicles (ELVs) of various Govt. entities through e-Auction and Individual Seller(s) through Direct Purchase.

First event e-Auction of 5G Spectrum was successfully conducted in India by MSTC Limited at the behest of Department of Telecommunications, where GOI has cumulatively generated ₹ 1,49,984.68 Crore revenue.

In Coal Linkage Schemes, new events in Shakti B(III), NRS Linkage and Shakti B(III) Long and Medium Term were successfully conducted.

In FY 2022-23, MSTC has generated revenue from operations from service charges on e-Commerce to the tune of ₹ 29,232 Lakhs (previous year ₹ 26,913 Lakhs).

In the upcoming year, MSTC plans to increase automation to a significant degree and to improve the user experience with dedicated dashboards. A key focus area for this will include upgradation of e-Payment facilities, dedicated Seller and Buyer Dashboard(s), Subscription Service with access to key market intelligence etc.

In 2022-23, MSTC had executed 67,432 no. of Auctions/events through its portal for general e-Auction, Coal e-Auction and e-Procurements.

In FY 2022-23, MSTC has procured goods and services through GeM portal and such procurement percentage comes to 76.65 % of total procurement made during the FY 2022-23.

MoU Performance

The Memorandum of Understanding (MoU) with the Government of India setting performance parameters and targets for the year 2022-23 was signed by Chairman and Managing Director of the Company and Secretary (Ministry of Steel), Govt. of India, on 9th November, 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 2022-23 is under evaluation.

In terms of DPE guidelines, 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

MSTC Limited has always considered its human resource as the most important resource. With the increase in the volume of business and employees retiring from the Company, an assessment of manpower requirement was undertaken by the Company to identify the optimum requirement for the Company so that process can be initiated for filling up the same. No recruitments were made in 2022-23.

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 95 executives and 3 non-executives in various training programs held by Centres 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 employees trained, 185 executives and 52 non-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 constituted during the year had representatives of SC/ST community.

During the year, 15 ST, 38 SC, 74 OBC and 8 PWD employees 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. Workshops are held with an objective to create awareness among the employees.

- Number of Complaints filed during the financial year 2022-23: Nil
- Number of complaints disposed off during the financial year 2022-23: NA
- Number of Complaints pending as on end of the financial year 2022-23: Nil

Manpower Statistics of MSTC as on 31st March 2023

HO	E	P	R	G	N	R	J	C	W	N	S	B	T	V	B	V	H	B	L	T	
	R	A	A	A	U	R	A	A	R	A	R	A	A	I	H	A	Y	H	L	O	
	O	T	N	W	O	I	I	A	O	G	O	N	I	Z	O	D	D	U	C	T	
		N	C	A		P	P	N		P		G	V	A	P	O	E	B	K	A	
		A	H	H		U	U	D		U		A	A	G	A	D	R	A	N	A	
				I		R	R	I		R		L	N		L	A	A	N	O		
				T				G				O	D		R	B	E	W			
								A				R	R		A	A	S				
								R				E	U			D	W				
								H					M				A				
																	R				
EXECUTIVE	83*	8	4	5	5	17	7	8	9	13	2	10	9	6	5	5	7	8	7	9	227
NON-EXECUTIVE	21	6	0	1	0	4	1	1	0	3	0	5	4	3	9	1	5	2	0	2	73

*Including one official posted in MMRPL.

SC/ST/OBC/Physically Handicapped status as on 31st March 2023

GROUP	TOTAL	SC(%)	ST(%)	OBC(%)	PHYSICALLY HANDICAPPED (%)
A	227	34 (14.97)	13 (5.72)	61 (26.87)	7(3.08)
B	2	1 (50.00)	NIL	NIL	NIL
C	67	9 (13.43)	3 (4.47)	20 (29.85)	2 (2.98)
D	4	2 (50.00)	NIL	NIL	NIL
TOTAL	300	46 (15.33)	16 (5.33)	81 (27.00)	9 (3.00)

Male/Female as on 31st March 2023

	MALE	FEMALE	TOTAL
EXECUTIVE	186	41	227
NON - EXECUTIVE	64	9	73
TOTAL	250	50	300

Covid-19

The Financial year 2022-23 was the third year where the Covid-19 pandemic continued to affect the daily lives of all the citizens of the Country. However, the impact of Covid was much milder as compared to the previous years and MSTC employees also took the issue of covid infections and it was also a very tiring and testing time for all MSTC employees also adapted to the ongoing covid pandemic and started to lead a normal existence as far as possible under the given circumstances. The effects of the pandemic started to taper off by end of July and a semblance of normalcy returned for all concerned. Though the pandemic was not over but news reports suggested that covid was shifting from being an pandemic to an endemic.

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. In addition the Company organised vaccination camps for inoculating all its employees and family members, contractual staff and other stake holders with precautionary booster dose to protect them from covid-19.

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.

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. 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 1st April, 2022 to 31st March, 2023 is as under:

Types of Grievances	Grievances outstanding as on 1 st April, 2022	Grievances received in 2022-23	Grievances disposed off in 2022-23	Grievances outstanding as on 31 st March, 2023
Public Grievances:	03	61	64	00

Right to Information Act 2005

Your Company has aligned with the online RTI portal launched by DoPT and all the applications / appeals received through the portal have been disposed off through the portal, namely <https://rtionline.gov.in>. Provisions of RTI Act 2005 were complied with for processing the RTI applications and appeals received in all offices of MSTC. There is one Transparency Officer, one First Appellate Authority, one CPIO, one Nodal Officer in MSTC, Head office and every region/branch has one PIO for effectively processing the RTI applications received at various locations of the Company.

All quarterly reports have been uploaded online on CIC site. During 1st April, 2022 to 31st March, 2023, a total of 111 RTI applications have been received through online and by post. A total of 10 First Appeals have been received. Out of the above, 97 RTI Applications and 9 First Appeals have been disposed off. The remaining RTI applications and appeals are under process.

Official Language

Continuous efforts are being made for publicity and effective implementation of official language in all the units of the company and the progress made in this regard is being continuously reviewed and monitored.

Efforts to Promote Use of Official Language:

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

- Earlier 2(Two) offices were notified in the Gazette of Government of India. In 2022-23, 1 Regional office and 8 Branch offices were notified in the Gazette of Government of India after more than 80% of the staff acquired working knowledge in Hindi.
- Workshops on Hindi Typing, Office 385 and Kanthaatha 2.0 were organized.
- Sansadiya Rajbhasha Samity has inspected Jaipur, Mumbai, Bengluru, Bhopal Offices of MSTC.
- Organised Street Play and Hasya Kavi Sammelan under Rajbhasha Samroh-2022.
- Published 2nd edition of Multimedia Web Magazine "Rajbhasha Sangati". Rajbhasha Sangati - 2023 issue will be published as book magazine, video DVD magazine and multimedia web magazine. It includes all three types of compositions audio, video and text.
- Update the Rajbhasha incentive schemes.

Chairman and Managing Director participated in the Hindi Salahkar Samiti meeting organized by Ministry of Steel on 13th May 2022 at Gangtok, Sikkim and 31st August, 2022 at Varanasi, Uttar Pradesh.

GM(CP/CC/OL), DM(OL) and AM(OL) participated in Hindi Divas Samaroh - 2022 and 2nd Akhil Bhartiya Rajbhasha Sammelan at Surat, Gujarat on 14th September, 2022.

"Rajbhasha Trimas - 2022" was organized among all India MSTC offices. During this period Hindi competitions and workshops were organized in Head Office, Regional and Branch Offices.

Rajbhasha Award:

MSTC, Head office, Kolkata received the Narakas Rajbhasha Samman-2021-22 (2nd Prize) for the best performance in the field of official language implementation among Public Sector Undertakings in Kolkata.

MSTC, Hyderabad and MSTC, Vishakhapatnam received the Narakas Rajbhasha Samman-2021-22 for the best performance in the field of official language implementation among Public Sector Undertakings in Hyderabad and Vishakhapatnam.

Vigilance Setup

The vigilance department plays a crucial role in ensuring transparency, accountability, and integrity within an organization. Vigilance is essential to prevent the corruption, to promote transparency & integrity, to improve the efficiency in the organisation. 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 Central Vigilance Commission (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.

The vigilance department takes preventive, punitive and detective measures, with emphasis on the preventive aspects and helps in establishing effective internal control systems and procedures for minimising systemic failures. A practice of preventive vigilance is generated to sensitize officials at all levels about the ill effects of corruption and malpractices. Complaints received were taken up for investigation wherever required and necessary suggestions for systemic improvements / disciplinary action were recommended, as deemed fit.

Some of the important activities undertaken by the Vigilance Department during FY 2022-23 are as follows:

- Received 70 Complaints and disposed 70 Complaints.
- 17 Surprise Checks and Inspections were conducted by Vigilance Department.

- c) Scrutinized about 39% of the property returns of employees.
- d) 5 Audit Reports were examined.
- e) 6 System studies were taken up and Vigilance observations/recommendations are suggested to the management. Vigilance department studies various procedures / policies / rules and on the basis of examination, system improvements are suggested to the management. Management takes considered view on recommendations for implementation.
- f) Training Programs: One Vendor Meet was organized by Vigilance Department on Vigilance Awareness Week-2022. 04 Preventive Vigilance Training Sessions were organized through online mode where 51 employees were covered. 06 Sensitization programs conducted including MSTC offices at Kolkata, Delhi, Hyderabad, Bhubaneswar, Raipur & Ranchi.

Vigilance Awareness Week: Vigilance Awareness Week - 2022 was observed with the theme "Corruption Free India for a Developed Nation" in all offices of MSTC. Organization website was being extensively used for the wider dissemination of the observance of Vigilance Awareness Week on the theme for the employees as well as public. Radio jingles was played on FM Stations in Delhi & Kolkata to inspire public for taking Integrity Pledge on the occasion of Vigilance Awareness Week. 4th edition of MSTC's in house Vigilance Magazine "Jaagrat" was published on this occasion containing various articles/poems written by MSTC's employees based on Vigilance Awareness Week theme. The messages received from the Hon'ble President, Vice-President, Prime Minister and CVC were also published in the Vigilance Corner of the organizations website. Skit Play and Walkathon 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 and Quiz competitions involving MSTC employees and their wards and School & College students of Kolkata were also organized.

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

Details of cases initiated / disposed-off during the financial year 2022-23:

- No. of cases pending as on 31st March, 2022 : 2
- No. of cases initiated during 2022-23 : 7
- No. of cases pending as on 31st March, 2023 : 7

Nature of Pending case: Irregularities observed towards conducting e-Auctions/Tender, CAG audit paras and Confirmation to the post.

- 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, 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.

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 23, 2023

Annexure: I

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

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.

Foreign Exchange Earnings & Outgo

The Company has no foreign exchange earnings and foreign exchange outgo during the year 2022-23 as well as in the previous year i.e. 2021-22.

For and on behalf of the Board of Directors



(Surinder Kumar Gupta)

Chairman and Managing Director
[DIN : 08643406]

Place : Kolkata
Date : May 23, 2023

Annexure: II

CORPORATE GOVERNANCE REPORT

Corporate Governance implies the way in which a company is managed to ensure that all of its stakeholders get their fair share in its earnings and assets. Good corporate governance involves the commitment of a company to run its businesses in a legal, ethical and transparent manner - a dedication that must come from the very top and permeate throughout the organization. Good corporate governance is necessary, not only in order to gain credibility and trust, but also as a part of strategic management for growth, sustenance and consolidation. Corporate governance helps to enforce confidence in the stock market and thereby in the economic environment as a whole, creating an attractive environment for investment/investor.

Corporate Governance Philosophy of MSTC

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

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

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

BOARD OF DIRECTORS

Composition & Category of Board of Directors

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

As on 31st March, 2023, 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 Sushil Kumar Gupta	Smt. Dhama Kumar	Shri Sakarata Sankar	Smt. Kuchika Chaudhary Govil	Shri Ashwini Kumar	Shri Aarya Prasad Pandey	Shri Vinant 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 st March, 2023			No. of Shares Held in the Company
		Directorship	Membership of committees**	Chairmanship 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 (Upto 28.03.2023)	Government Nominee Director (Non Executive)	-	-	-	160*
Shri Ashwini Kumar (w.e.f. 28.03.2023)	Government Nominee Director (Non Executive)	2	-	-	NIL
Shri Adya Prasad Pandey	Non Executive & Independent Director	1	-	-	NIL
Dr. Vasant Ashok Patil	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, 5 (five) Meetings of the Board were held on 25th May, 2022, 14th July, 2022, 10th August, 2022, 8th November 2022 and 11th February, 2023. 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 2022-23 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 27 th September, 2022
Shri Surinder Kumar Gupta	Chairman Cum Managing Director	5	5	Yes
Smt. Bhanu Kumar	Whole Time Director (Commercial)	5	4	Yes
Shri Subrata Sarkar	Whole Time Director (Finance)	5	5	Yes
Smt. Ruchika Chaudhry Govil	Government Nominee Director (Non Executive)	5	5	No
Shri Awadhesh Kumar Choudhary (Upto 28.03.2023)	Government Nominee Director (Non Executive)	5	3	Yes
Shri Adya Prasad Pandey	Non Executive & Independent Director	5	5	Yes
Dr. Vasant Ashok Patil	Non Executive & Independent Director	5	5	Yes
Shri Ashwini Kumar (w.e.f. 28.03.2023)	Government Nominee Director (Non Executive)	-	-	NA

Notes:

1. Shri Awadhesh Kumar Choudhary ceased to be government nominee director (non-executive) w.e.f. 28th March, 2023.
2. Shri Ashwini Kumar was appointed as government nominee director (non-executive) w.e.f. 28th March, 2023.
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 are 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, Sant. Bharu 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 programmes are disclosed in the website of the company at <https://www.mstcindia.co.in/content/FPIID.aspx>.

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

Shri Surinder Kumar Gupta

Shri Surinder Kumar Gupta (DIN: 08643406) has assumed charge as Chairman and Managing Director of MSTC Ltd on 17th December, 2019. Shri S.K. Gupta is a Bachelor of Engineering from NIT, Kurukshetra and M. Tech. from PEC, Chandigarh. After serving as a lecturer in NIT, Kurukshetra for 2 years, he has joined Indian Railway Stores Service. He has 31 years rich experience of materials management activities involving Procurement/Warehousing of materials required for manufacture, maintenance and operations in Indian

Railways as well as global procurement for purchase of sophisticated machinery etc.

He has shouldered important assignments spread over various states like Gujarat, Maharashtra, Punjab, Haryana, Delhi and Uttar Pradesh. While working in Centre for Railway Information Systems (CRIS), New Delhi, he has been instrumental in design, development and implementation of Indian Railways E-Procurement and E-Auction Systems which are widely used by all Indian Railways Zones and Production Units.

Shri Ashwini Kumar

Shri Ashwini Kumar, (DIN: 07598593) aged about forty-six (46 years) holds a degree in MA Economic, from Jawahar Lal Nehru University and also holds M. Phil degree from the same University. He is an Officer of the Indian Economic Service (IES) and has been involved in formulation of public policies; macroeconomic policies in particular. At present, he is Economic Adviser, Ministry of Steel, Government of India. He has a rich work experience of more than 19 years in various fields of administration, public policy, public finance, development economics and econometrics.

COMMITTEES OF THE BOARD

The Board Committees play 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.

1) Audit Committee

Terms of Reference

The Terms of Reference of the Audit Committee covers the matters specified for Audit Committee under Section 177 of the Companies Act, 2013, Regulation 18 and part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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 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 4 (four) times during the financial year ended 31st March, 2023, on 25th May, 2022, 10th August, 2022, 8th November, 2022 and 11th February, 2023.

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	Non Executive & Independent Director	Chairman	4	4
Shri Adya Prasad Pandey	Non Executive & Independent Director	Member	4	4
Smt. Ruchika Chaudhry Govil	Government Nominee Director	Member	4	4

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 1st April, 2019 or such other date as may be prescribed by SEBI, as the case may be.

Composition and Details of Meetings of Nomination & Remuneration Committee

The Committee consists of three members out of which 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 3 (three) times during the financial year 2022-23 on 10th August, 2022, 8th November, 2022 and 10th February, 2023.

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	Non Executive & Independent Director	Chairman	3	3
Dr. Vasant Ashok Patil	Non Executive & Independent Director	Member	3	3
Shri Awadhesh Kumar Choudhary (upto 28.03.2023)	Government Nominee Director	Member	3	1
Shri Ashwini Kumar (w.e.f. 29.03.2023)	Government Nominee Director	Member	-	-

*Notes:

1. Shri Ashwini Kumar was appointed as member of Nomination and Remuneration Committee w.e.f. 29th March, 2023.
2. Shri Awadhesh Kumar Choudhary ceased to be member of Nomination and Remuneration Committee w.e.f. 28th March, 2023.

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 2022-23 are as under:

						(₹ in Lakhs)
Sl. No.	Name	Designation	Salary and Perquisites as per Section 17(1) & (2) of the Income Tax Act, 1961	Post Employment Benefit	Other Long Term Benefit	Total
1.	Shri Surinder Kumar Gupta	Chairman & Managing Director	79.18	4.61	4.93	88.72
2.	Smt. Bhanu Kumar	Director (Commercial)	72.21	2.72	(0.22)	74.71
3.	Shri Subrata Sarkar	Director (Finance)	61.86	1.71	(0.11)	63.46

Details of sitting fees paid to Independent Directors during the financial year 2022-23 are as follows:

Sl. No.	Name	Total Remuneration (₹ in Lakhs)
1.	Shri Adya Prasad Pandey	2.85
2.	Dr. Vasant Ashok Patil	3.15

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 31st March, 2023 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 2 (two) times during the financial year 2022-23 on 7th September, 2022 and 24th March, 2023.

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	Non Executive & Independent Director	Chairman	2	2
Shri Adya Prasad Pandey	Non Executive & Independent Director	Member	2	2
Smt. Bhanu Kumar	Director (Commercial)	Member	2	2
Shri Subrata Sarkar	Director (Finance)	Member	2	2

During the financial year 7 (seven) shareholders' complaints have been received by the Company and were disposed off satisfactorily during the year.

iv) Corporate Social Responsibility (CSR) Committee

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

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

Terms of Reference

The Terms of Reference of Corporate Social Responsibility Committee are 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.
- Recommend amount of Expenditure to be incurred on CSR Activities.
- Monitor the Corporate Social Responsibility and Sustainability Policy of the Company and its effective implementation from time to time.
- 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 2022-23 5 (five) meetings of Corporate Social Responsibility Committee were held on 25th May, 2022, 2nd July, 2022, 10th August, 2022, 8th November, 2022 and 10th February, 2023.

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	Non Executive & Independent Director	Chairman	5	5
Dr. Vasant Ashok Patil	Non Executive & Independent Director	Member	5	5
Shri Subrata Sarkar	Director (Finance)	Member	5	5
Shri Awadhesh Kumar Choudhary (upto 28.03.2023)	Government Nominee Director	Member	5	3
Shri Ashwini Kumar (w.e.f. 29.03.2023)	Government Nominee Director	Member	-	-

*Notes:

- Shri Ashwini Kumar was appointed as member of Corporate Social Responsibility Committee w.e.f. 29th March, 2023.
- Shri Awadhesh Kumar Choudhary ceased to be member of Corporate Social Responsibility Committee w.e.f. 28th March, 2023.

v) Risk Management Committee:

In compliance of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 2022-23, 2 (two) meetings of Risk Management Committee were held on 20th September, 2022 and 10th March, 2023.

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 (upto 28.03.2023)	Government Nominee Director	Chairman*	2	1
Shri Ashwini Kumar (w.e.f. 29.03.2023)	Government Nominee Director	Chairman*	-	-
Smt. Ruchika Chaudhry Govil	Government Nominee Director	Member	2	1
Smt. Bhanu Kumar	Director (Commercial)	Member	2	2
Dr. Vasant Ashok Patil	Non Executive & Independent Director	Member	2	2
Shri Sanjib Kumar Poddar	Additional General Manager (E - Commerce)	Member	2	2

***Notes:**

1. Shri Ashwini Kumar was appointed as Chairman of Risk Management Committee w.e.f. 29th March, 2023.
2. Shri Awadhesh Kumar Choudhary ceased to be member and Chairman of Risk Management Committee w.e.f. 28th March, 2023.

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. FSNL was incorporated on 28th March, 1979 in Jamshedpur, Jharkhand. M/s: SMR & Co., Chartered Accountants (FRN: 0060980) is appointed as Statutory Auditors of the Company by CAG vide its letter dated 30th August, 2022. The detailed information relating to the subsidiary company in form AOC-1 forming part of Annual Report.

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
55 th	Through Video conferencing at Registered office of MSTC Limited Located at 225C, A/C Bose Road, Kolkata - 700020.	25 th September, 2020 at 11:00 Hours	No
56 th	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 - 700150	28 th 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 - 700150	22 nd December, 2021 at 11:00 Hours	Yes
57 th	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 - 700150	27 th September, 2022 at 11:00 Hours	No

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.msfindia.co.in.

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

For the financial year ended 31st March, 2023 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 Regulation 17(1) of the SEBI (LODR) for the quarter ended June, 2022, September, 2022, and December, 2022, March, 2023 and imposition of monetary penalty for not having requisite number of the Independent Directors in the Board, 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 31st December, 2020 Further, NSE has waived penalty under Regulation 18 and 19(1)/(2) on the Company for quarter ended 30th June, 2021, 30th September, 2021 and 31st December, 2021.

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 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, Designated persons 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 Designated persons 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.

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.

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(6) of the SEBI Listing Regulations for the financial year ended 31st March, 2023 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. 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) and Part C(2)(i) of Schedule V of the SEBI Listing Regulations

During the financial year ended 31st March, 2023, 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. Further, as per Part C(2)(i) of Schedule V of the SEBI Listing Regulations, the Board of Directors has confirmed that in their opinion, the independent directors fulfil the conditions specified in the Regulations and are independent of the management.

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 28 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.

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 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 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 10th February, 2023. 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 2022-23 will be held on 20th September, 2023 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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

The financial calendar to approve quarterly / annual financial result for the year 2023-24 is given below:

Quarter ending 30th June, 2023 on or before 14th August, 2023.

Quarter ending 30th September, 2023 on or before 14th November, 2023.

Quarter ending 31st December, 2023 on or before 14th February, 2024.

Quarter and year ending 31st March, 2024 on or before 30th May, 2024.

(C) Book Closure Date: 13th September, 2023 to 20th September, 2023

(D) Record Date for payment of Dividend: 12th September, 2023

(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 st March 2023 (₹ in Lakhs)	Total amount of Dividend (₹ in Lakhs)	Date of Declaration of Dividend	Due date of transfer to IEPF
2022-23	2 nd Interim	63.00	29.00	4435	11.02.2023	19.03.2030
2022-23	1 st Interim	55.00	20.40	3872	08.11.2022	14.12.2029
2021-22	Final	44.00	16.09	3098	27.09.2022	02.11.2029
2021-22	2 nd Interim	65.00	24.54	4576	11.02.2022	19.03.2029
2021-22	1 st Interim	20.00	8.58	1408	12.11.2021	18.12.2028
2020-21	Final	44.00	11.41	3098	28.09.2021	03.11.2028
2019-20	Final	33.00	10.53	2323	26.09.2020	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	22.92	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

Transfer to Investor Education and Protection Fund:

Section 124 of the Companies Act, 2013 provides that any dividend that has remained unpaid / unclaimed for a period of seven years from the date of transfer to unpaid dividend account shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Unclaimed dividend for the FY 2014-15 was transferred to the IEPF within the due date. The unclaimed dividends pertaining to the financial year 2015-16 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 2015-16 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) and Company's website 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 31 st April, 2022	52	2,89,349
b)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year.	1	30,400
c)	Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year.	1	30400
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 th October, 2017.	-	-
e)	Aggregate number of shareholders and the outstanding Shares lying in the Unclaimed Suspense Account as on 31 st March, 2023. 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.	51	2,58,949
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/sachin@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 31st March 2023, 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	1,09,92,405	15.61
Held in Dematerialized form In NSDL	5,91,73,695	84.05
Held in Physical Form	2,33,900	0.34

(K) Listing Fees

Annual Listing fees for the year 2022-23, 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 29th March, 2019.

(M) Stock Market Price Data

The monthly high and low (traded price) and number of shares traded (Volume) at BSE and NSE for the financial year 2022-23 are as under:

Months	BSE LIMITED*			NSE LIMITED*		
	High (Per Share)	Low (per Share)	Volume	High (Per Share)	Low (Per Share)	Volume
April 2022	385.80	304.60	15,73,075	386.40	304.10	1,33,46,679
May 2022	346.75	274.70	5,45,245	347.00	274.40	55,09,927
June 2022	304.30	240.10	3,47,414	304.30	240.30	40,79,710
July 2022	258.75	224.55	6,24,356	259.00	224.30	65,47,091
Aug 2022	285.00	246.35	8,89,307	285.20	246.45	76,85,164
Sep 2022	310.00	249.50	8,21,129	310.00	249.20	79,86,254
Oct 2022	283.65	249.05	2,24,633	284.20	252.00	28,52,324
Nov 2022	362.60	263.05	21,57,889	362.85	254.60	2,08,49,545
Dec 2022	348.65	265.55	8,55,248	348.90	268.05	89,50,840
Jan 2023	322.10	280.15	5,44,583	322.15	280.10	43,87,713
Feb 2023	319.70	269.45	4,93,885	319.60	269.15	38,37,698
Mar 2023	286.00	239.65	4,15,822	287.00	239.00	39,27,317

* 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 : L27320WB1964GOI026211

(R) Demat ISIN No : INE255X01014

(S) Address for Communication :

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

The Company Secretary & Compliance Officer
MSTC Limited

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

Tel: +91-33-2340-0000, Email: cseectt@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.

(U) Top ten shareholders as on 31st March, 2023.

S. No.	Name of Shareholders	No. of Shares held	% of Total Shareholding
1.	President of India	4,55,80,000	64.75
2.	The New India Assurance Company Limited	7,80,735	1.109
3.	J K Traders Limited	3,84,000	0.5455
4.	Texmaco Infrastructure & Holdings Limited	3,75,000	0.5327
5.	Neena Sharma	3,40,000	0.483
6.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	3,14,240	0.4464
7.	Vijit Global Securities Private Limited	2,79,000	0.3963
8.	MSTC Limited Unclaimed Suspense Account	2,58,949	0.3678
9.	LICI ASM Non Par	2,15,194	0.3057
10.	Nirmal Bang Financial Services Pvt Ltd	1,73,000	0.2457

V) Distribution of Shareholding by Size as on 31st March, 2023.

Category (Shares)		Shareholders		Number of Shares	
From	To	Number	%	Number	%
1	500	56869	91.23	5163986	7.34
501	1000	2698	4.33	2139507	3.04
1001	2000	1333	2.14	2020545	2.87
2001	3000	529	0.85	1357466	1.93
3001	4000	225	0.36	804852	1.14
4001	5000	151	0.24	713479	1.01
5001	10000	262	0.42	1875180	2.66
10001	ABOVE	270	0.43	56325005	80.01

(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 bank facilities	1000	CARE Ratings Limited	CARE BBB+ ; Stable (triple B Plus; Outlook : Stable)
2.	Short Term bank facilities	10,000	CARE Ratings Limited	CARE A2 (A Two)
Total		11,000		

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

Sr. No.	Particulars	Amount (₹ in Lakhs)	Rating Agency	Rating
1.	Long Term facilities	1000	Acuite Ratings & Research Limited	ACUITE A+ (Outlook : Stable)
2.	Short Term facilities	10,000	Acuite Ratings & Research Limited	ACUITE A1+
Total		11,000		

(X) Loans and Advances to the firms / companies in which directors are interested:

There are no Loans and advances given by the Company and the subsidiary in the nature of loans to firms/ companies in which directors are interested.

For & on behalf of the Board of Directors



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

Place: Kolkata
Date: May 23, 2023

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

To,
The Board of Directors
MSTC Limited

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

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2023 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)
Director (Finance) & CFO
[DIN : 08290021]

Place : Kolkata
Date : May 23, 2023



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

CMD'S CERTIFICATION

I declare that the Model Code of Business Conduct and Ethics for Board Members and Senior Management issued by the Government of India, Ministry of Heavy Industries and Public Enterprises, SEBI and other authorities was adopted by the Board of Directors of the company and all the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2023.

For & on behalf of Board of Directors



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

Place : Kolkata
Date : May 23, 2023

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: L27520WB1964G01026211 and having registered office at Plot No - CF-18/2, Street No - 175, Action Area - 1C, Newtown, North 24 Parganas, Kolkata - 700 156, West Bengal (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) 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 31st March, 2023, 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	07982380	10/10/2017
3.	Mr. Subrata Sarkar	08290021	01/12/2018
4.	Mrs. Ruchika Chaudhry Gavi	07601895	11/10/2017
5.	Mr. Ashwini Kumar	07598593	28/03/2023
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 16, 2023

C.P.No.: 7270, ACS:14611
 UDIN NO : A014611E000316264

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 31st March, 2023 as stipulated provisions of SEBI (Listing Obligations and Disclosure) Requirements) Regulations, 2015 ("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 provisions with regard to minimum number of Independent Directors in the composition of the Board of Directors pursuant to Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015 and also the Board does not have an independent woman director as required under Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015 during the Financial year under review.

We state that in respect of Investors' grievances received during the financial year ended on 31st March, 2023, 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 Baja) Todi & Associates



(Priti Todi)

Partner

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

UDIN NO : A014611E000316341

Place : Kolkata

Date : May 16, 2023

Annexure-III

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT**SECTION A: GENERAL DISCLOSURES****I. Details of the listed entity**

1. Corporate Identity Number (CIN) of the Listed Entity	L27320WB1964G01026211
2. Name of the Listed Entity	MSTC LIMITED
3. Year of Incorporation	1964
4. Registered office address:	Plot No. CF-18/2, Street no 175, Action Area 1C, New Town, Kolkata – 700156, W.B.
5. Corporate address:	Plot No. CF-18/2, Street no 175, Action Area 1C, New Town, Kolkata – 700156, W.B.
6. E-mail	cssectt@mstcindia.in
7. Telephone	033 23400000
8. Website	www.mstcindia.co.in
9. Financial Year for which reporting is being done:	FY 2022-23
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited (formerly Bombay Stock Exchange) and National Stock Exchange of India
11. Paid-up Capital	₹ 70,40,00,000
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report.	Name: Ajay Kumar Rai Designation : Company Secretary & Compliance Officer Telephone number: 033- 2340 0006 e-mail id: cssectt@mstcindia.in
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Products/services:**14. Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Professional, Scientific and Technical	Other professional, scientific and technical activities; E-Auction, E-Procurement and Software Solutions	93.40
2.	Support service to Organizations	Other support services to organizations; Procurement against 110% Bank Guarantee	6.60

**15. Products/Services sold by the entity (accounting for 90% of the entity's turnover) :**

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Services provided for a fee (Service charge)	4610	95.15
2.	Other online contents nec (Registration fees)	6209	4.64
3.	E-bidding software solution	6201	0.01

III. Operations:**16. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	Nil	20	20
International	Nil	Nil	Nil

17. Markets served by the entity:**a. Number of locations**

Locations	Number
National (No. of States)	18
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c. A brief on types of customers

Basically, customers of various auctions are categorized in Traders, Consumer Core group and Consumer non-core group.

Core group:

- Central Government departments
- State Government departments
- Central PSUs
- State PSUs
- Banks
- Other Statutory bodies
- Leading Private sector companies in Telecom, Oil & Gas, Construction, Power, Steel sectors etc.

Non-core group:

Small organisations, MSMEs, Private and Proprietorship firms, individuals, furnaces etc.

Customers associated with the procurement model against 110% BG mostly belong to the Construction and Infrastructure development space. Customers avail non-fund-based credit limit for better liquidity management.

IV. Employees**18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	300	250	83.33	50	16.67
2.	Other than Permanent (E)	3	3	100	-	-
3.	Total employees (D + E)	303	253	83.5	50	16.5
WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total workers (F + G)	-	-	-	-	-

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	9	8	88.8	1	11.12
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D+E)	9	8	88.8	1	11.12
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F+G)	-	-	-	-	-

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	7	2	28
Key Management Personnel	4	1	25



20. Turnover rate for permanent employees and workers

Particulars	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.5	0	1.5	2.4	0	2.4	1.8	1.7	3.5
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

Attrition rate for permanent employees and workers

Particulars	FY 2022-23 (Attrition rate in current FY)			FY 2021-22 (Attrition rate in previous FY)			FY 2020-21 (Attrition rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	5.2	4	9.2	7.6	7.5	15.1	4.3	3.4	7.7
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Ferro Scrap Nigam Limited	Subsidiary	100	No
2.	Mahindra MSTC Recycling Private Limited	Joint Venture	50	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) - ₹ 4,70,63,90,859

(iii) Net worth (in ₹) - ₹ 4,65,47,96,288

Note : To determine the applicability of CSR provisions for the reporting FY 2022-23, Turnover and Networth figures are stated for the previous financial year i.e. FY 2021-22.

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide weblink for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	7	0	-	0	0	-
Employees and workers	Yes	3	0	-	1	0	-
Customers	Yes	46	0	-	35	3	-
Value Chain Partners	Yes	-	-	-	-	-	-
Other (please specify)	Yes	12	0	-	5	0	-

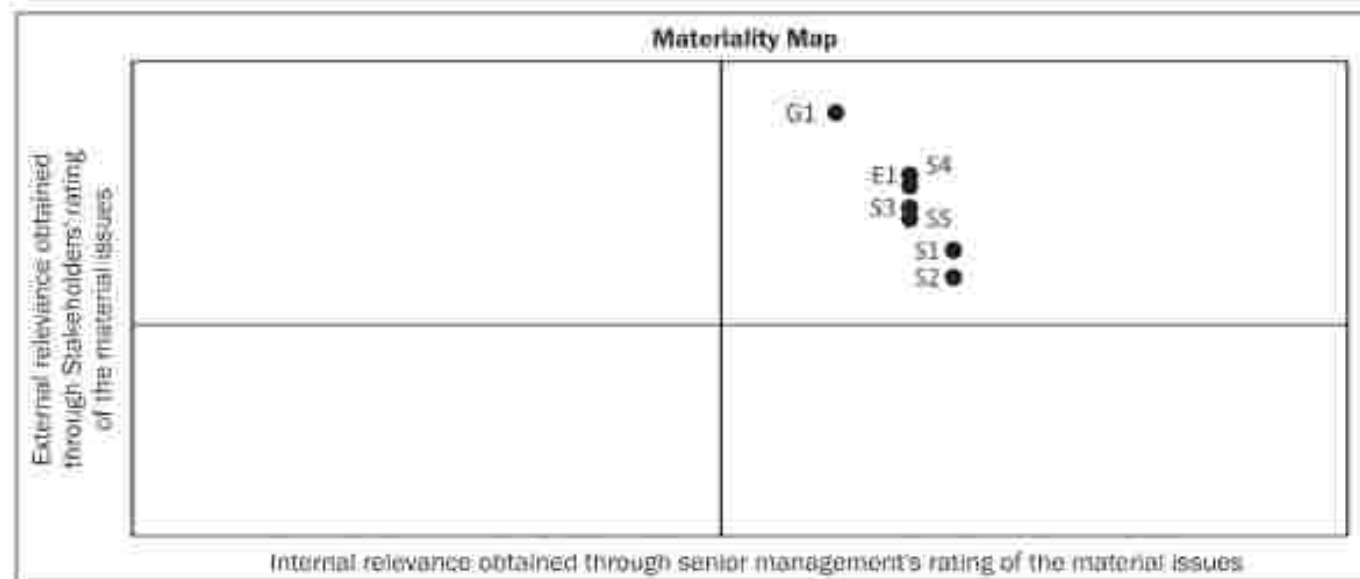
During the Financial Year 2022-23, 68 grievances in total received from both internal and external stakeholders. Out of this, 68 grievances (100%) were disposed of and Nil were under process.

24. Overview of the entity's material responsible business conduct issues

(Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format)

The material issues for MSTC were arrived at by conducting stakeholder engagement. Probable set of issues for the company was arrived at by identifying the set of issues common for the sector and geography, and the issues were prioritized by stakeholders and by MSTC's senior management. The issues that were deemed to be critically important for both stakeholders and senior management were identified as material issues for the company.

The material issues for MSTC with their relative position in the materiality map is given below.





The material issues identified for MSTC are :

1. Diversity in the organisation (S1)
2. Work life balance of employees (S2)
3. Training, education, and career progression (S3)
4. Resource Efficiency (E1)
5. Customer privacy and Data protection (S4)
6. Customer complaints and feedback (S5)
7. Anti-corruption practices of the company (G1)

Among the identified material issues, one is environmental, one is governance related, and five are social.

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Diversity in the organisation	Opportunity	Diverse and inclusive workplace can result in a variety of perspectives, ideas, and innovations, leading to improved decision making, employee engagement, and customer satisfaction.	NA	P
2.	Work life balance of employees	Opportunity	A better work life balance can lead to improved employee satisfaction, engagement, and retention, which can result in a more motivated and productive workforce.	NA	P
3.	Training, education, & career progression	Opportunity	Providing training and development opportunities can help to build a skilled and competent workforce, leading to improved employee satisfaction, engagement, and retention. This, in turn, can result in a more productive workforce and better business performance.	NA	P
4.	Resource Efficiency	Opportunity	Improving resource efficiency can lead to cost savings and reduced environmental impact, as well as improved reputation with stakeholders.	NA	P
5.	Customer privacy and Data Protection	Risk	Failure to adequately protect customer privacy can lead to reputational damage, legal and regulatory sanctions and loss of customer trust, resulting in financial losses and decreased customer loyalty.	MSTC strictly maintain confidentiality and cyber security. MSTC has implemented next generation firewall along with Intrusion Prevention System (IPS) at different levels along with SSL. MSTC's e-commerce system is ISO 27001:2013 certified	N
6.	Customer complaints and feedback	Risk and Opportunity	Customer complaints can be an opportunity to improve customer service and satisfaction, but if not addressed appropriately, can lead to negative consequences such as decreased customer loyalty and reputational damage.	Improve customer service and address issues promptly.	N
7.	Anti-corruption practices of the company	Risk	Failure to implement effective anti-corruption practices can lead to legal and regulatory sanctions, fines, reputational damage, and loss of customer trust, resulting in financial losses and decreased customer loyalty.	Company has already implemented strict anti corruption policies and training programs. MSTC adopts zero tolerance policy towards corruption.	N

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P	P	P	P	P	P	P	P	P
	1	2	3	4	5	6	7	8	9
Policy and management processes:									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Visit www.mstcindia.co.in and navigate to 'Policies' under 'Menu' option for more details								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001: 2015	No	No	IPR (for the e-commerce site)	No	No	No	No	ISO 27001: 2013, IPR
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	No. Company will be limiting the material issues to its strategy and arriving at targets for the same wherever applicable.								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	-								

Governance, Leadership and Oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Our commitment is to promote good corporate governance, conducting business with utmost transparency, and adhering to the highest ethical standards. At MSTC Integrity Pact, mandatory in all contracts, is a testament to this commitment, reflecting our dedication to ethical practices as suggested by Transparency International India to the Ministry of Steel.

Our e-commerce and e-auction platform, a cornerstone of our operations, not only enhances transparency but also contributes to reducing our carbon footprint. By ensuring competitive bidding and eliminating the possibility of cartelization and collusion, we prioritize public interest and profit maximization.

With over 58 years of experience, MSTC has evolved from a small, canalized agency to a large, multi-product diversified company, pioneering the e-auction segment and partnering with various government agencies and ministries. Our e-



commerce system, compliant with CVC guidelines and the IT Act, ensures transparent and fair services to our customers, and has earned us ISO/IEC 27001:2013 and ISO 9001:2015 certifications.

We are spearheading initiatives in the End-of-Life Vehicles (ELV) sector through a Public-Private Partnership model, setting up recycling plants for automobile scrap, e-waste, and solid waste management. This is a testament to our commitment to promoting a circular economy, conserving energy, and protecting the environment. We have established India's first authorized Collection & Dismantling centers at multiple locations, with more expected to become operational shortly.

Our future plans include offering more value-added services, such as logistics, valuation consultancy, and technology driven assistance for decision making. We are committed to bringing historically unorganized products and sectors on board to make transactions easier for our customers. We believe that our solution-centric approach makes us the preferred transformation partner for our customers, and we see immense opportunities for growth in the new technology cycle.

MSTC upholds ethical business principles, e-governance, transparency, and fairness in all its business activities. As we navigate the challenges and opportunities of the ESG landscape, we remain committed to our mission of creating sustainable value for all our stakeholders.

<p>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</p>	<p>DIN Number : 08643406 Name : Surinder Kumar Gupta Designation : Chairman and Managing Director</p>
<p>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</p>	<p>DIN Number : 08643406 Name : Surinder Kumar Gupta Designation : Chairman and Managing Director</p>

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Performance against Above policies and follow up action	Director									HY	HY	HY	HY	HY	HY	HY	HY	HY	HY
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Director									HY	HY	HY	HY	HY	HY	HY	HY	HY	HY

<p>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</p>	<p>P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 Yes, Pozhat Sustainable Solutions Private Limited</p>
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12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	All Principles are covered by the Policies.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year :

Segment	Total number of training and Awareness programmes held	Topics / principles Covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors		Capacity Building programmes and Orientation programmes for Directors of CPSEs	
• Independent Directors	3		100%
• Non-Independent Directors	4	As per Annexure - A	100%
Key Managerial Personnel	7	As per Annexure - A	100%
Employees other than BoD and KMPs	65	As per Annexure - A	84%
Workers	NA	NA	NA

MSTC has done a principle-based mapping of their training programmes, the details of which are mentioned in Annexure B.



2. Details of fines / penalties / punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format :

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website) :

Monetary

	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding Fee	-	-	-	-	-

Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	-	-	-
Punishment	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Nil

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

MSTC adheres to the 'Guidelines on Corporate Governance for Central Public Sector Enterprises' and has established robust mechanisms for complaint handling and conduct management. The entity's comprehensive guidelines and the 'Conduct, Discipline, and Appeal (CDA) Rules' govern these processes, ensuring effective resolution of complaints and upholding ethical standards.

For more details, the policy can be accessed at the following link:

https://www.mstcindia.co.in/mstc_static_pages/RIA/RTI/PORTAL01/CDA_rules.pdf

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

There were no such disciplinary actions taken by law enforcement agencies for FY 2022-23 or FY 2021-22.

6. Details of complaints with regard to conflict of interest:

There were no complaints regarding conflict of interest for FY 2022-23 or FY 2021-22.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

Not applicable.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
19	<ul style="list-style-type: none"> • International Mining Equipment • Minerals & Metal Exhibition • Mineral & Mining Conclave • Ease of Doing Business in Mining • Indian International Trade Fair • Vigilance Awareness Week • Swachhata Abhiyan • Fit India Run • International Sign Language Day • Yoga Day • Unity Run • Ajadi ka Amrit Mahotsav • Hindi Day 	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes the same is addressed through:

- CDA Policy - https://www.mstcindia.co.in/mstc_static_pages/RIA/RTI/PORTAL01/CDA_rules.pdf
- Related Party Transactions Policy - https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/newpolicy/RELATEDPARTYTRANSACTIONS.pdf
- Model Code of Business Conduct - https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/BGD/Model_code_of_business_conduct.pdf
- Code for Independent Directors - https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Code%20of%20Independent%20Directors.pdf

PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	29%	9%	MSTC has set up India's first authorized 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.



In the current financial year, MSTC has allocated ₹ 1.4 crores towards capital expenditure (capex) investments, while the previous year's investment amounted to ₹ 6 crores. These investments have been primarily focused on enhancing the environmental and social impacts of the entity's products and processes.

Notably, MSTC has achieved a significant milestone by establishing India's first authorized Collection and Dismantling centre at Greater Noida. This centre, operated through its Joint Venture, Mahindra MSTC Recycling Private Limited (MMRPL), in collaboration with Mahindra Intertrade Ltd, enables the scientific recycling of End-of-Life Vehicles (ELVs) and white goods. The ELVs are carefully purchased and subjected to de-polluting, dismantling, and conversion of metallic parts into bales, ensuring environmentally friendly practices.

Furthermore, MSTC has also dedicated substantial investments of ₹ 5.73 crores in 2021-22 and ₹ 3.05 crores in 2022-23 towards the construction of a new green corporate office building. The new corporate office located at Smart City of New Town, Kolkata is an IGBC certified Green Building, Steel Intensive Structure with Intelligent Building Management System and the State-Of-The-Art Data-Centre.

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. The Building has an Intelligent Building Management System (iBMS) wherein all the services like security surveillance, air-conditioning, internal lighting, elevators, firefighting, fire detection system are integrated to the Building Management System. Solar panels of 20 KW capacity are installed on the roof top and the electricity generated is consumed in-house and total consumption from grid is net of power generated from the solar panels. LED lights have been used extensively to minimize energy consumption. Keeping in view the importance of water conservation, the Building consists of Rain Water Harvesting System.

This signifies the entity's commitment to sustainable infrastructure, aiming to minimize environmental impact while providing a conducive workspace for its stakeholders.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, as a Public Sector Undertaking, we adhere to the mandates on sourcing from MSMEs. We give preference to co-located vendors through the promotion of Make-in-India policy and gives preference to MSMEs for procurement.

b. If yes, what percentage of inputs were sourced sustainably?

Minimum of 25% of total annual procurement is done through MSMEs.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Not applicable as the Company is into e-commerce services.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not applicable as the Company is into e-commerce services.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, please provide the web-link.
Not applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Not Applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NA	NA	NA	NA	NA	NA
E-waste	NA	NA	Old PCs disposed in buyback through GeM	NA	NA	Old PCs disposed to e-waste Recyclers through e-Auction
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable as the Company is into e-commerce services.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	250	250	100%	250	100%	250	100%	-	-	-	-
Female	50	50	100%	50	100%	50	100%	-	-	-	-
Total	300	300	100%	300	100%	300	100%	-	-	-	-
Other than Permanent employees											
Male	3	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	3	-	-	-	-	-	-	-	-	-	-



b. Details of measures for the well-being of workers: Not Applicable

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted & deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	NA	Y	100%	NA	Y
Gratuity	100%	NA	Y	100%	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others – (please specify Post-Retirement Medical benefit and Pension)	100%	NA	Y	100%	NA	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard :

Yes, our offices are enabled for wheelchair access including walkways, common areas, and washrooms.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No, but the company has accessibility policy which is available at following web-link:

https://www.mstcindia.co.in/MSTC_Static_Pages/Frontpage/AccessibilityPolicy_CorporateWebsite.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to workrate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	The employee is still on child care leave		NA	NA
Total	NA	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	There is a Public Grievance Redressal Cell for both employees and public grievances
Other than Permanent Employees	Centralised Public Grievance Redress and Monitoring System (CPGRAMS) is an online platform available to the citizens 24x7 to lodge their grievances to the public authorities on any subject related to service delivery. It is a single portal connected to all the Ministries/Departments of Government of India and States. Every Ministry and States have role-based access to this system. CPGRAMS is also accessible to the citizens through standalone mobile application downloadable through Google Play store and mobile application integrated with UMANG.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	73	63	86.30%	90	70	77.77%
• Male	64	54	84.37%	77	60	77.92%
• Female	9	9*	100%	13	10	76.92%
Total Permanent Workers	NA	NA	NA	NA	NA	NA
• Male	NA	NA	NA	NA	NA	NA
• Female	NA	NA	NA	NA	NA	NA

*The figures are as per return filed with Registrar of Trade Union as at the end of calendar year.



8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	250	5	2	205	82%	262	0	0	104	39.6%
Female	50	0	0	45	90%	53	0	0	21	40.3%
Total	300	5	1.67	250	83.33%	315	0	0	125	39%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

9. Details of performance and career development reviews of employees and worker:

Category	FY 22-23 Current Financial Year			FY 21-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees*						
Male	250	250	100%	262	262	100%
Female	50	50	100%	53	53	100%
Total	300	300	100%	315	315	100%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

* includes Executives and Non-executive employees

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?
- Yes, 100% employees of the company are covered
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?
- Not Applicable
- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)
- Not Applicable
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)
- Yes, MSTC recognizes the significance of employees' health and well-being and goes above and beyond to provide

access to non-occupational medical and healthcare services.

As a prominent E-commerce major, MSTC places utmost importance on the welfare of its employees. The entity takes proactive measures to safeguard their physical and mental health, ensuring a safe and supportive work environment. Moreover, MSTC demonstrates its commitment to the employees' long-term well-being by providing post-retirement medical benefits, assuring them of continued healthcare support beyond their active employment.

In addition to prioritizing employee health, MSTC fosters a culture of fairness and equality. The entity ensures that all employees are treated equitably, promoting an inclusive workplace where everyone feels valued and respected. Ethical conduct is strongly emphasized throughout the organization's policies, with a clear message regarding the importance of ethical behavior from every employee.

Furthermore, MSTC extends its dedication to human rights and health and safety beyond its immediate workforce. The entity communicates its commitment to these principles with its supplier firms, encouraging them to uphold the same standards. By doing so, MSTC actively promotes responsible business practices throughout its supply chain, ensuring the well-being and rights of all individuals involved.

By providing access to non-occupational medical and healthcare services, MSTC demonstrates its unwavering commitment to the overall welfare of its employees. This commitment extends to creating a supportive and inclusive workplace environment while upholding ethical values and promoting human rights and safety across its operations.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY2021-22
		Current Financial Year	Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work -related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

There were zero incidents reported at all the locations of the company.

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

MSTC is deeply committed to ensuring a safe and healthy workplace for all its employees, taking comprehensive measures to mitigate risks and promote well-being.

To instill a culture of safety, the entity conducts regular training sessions that focus on critical safety procedures, including fire safety and emergency protocols. By equipping employees with the necessary knowledge and awareness, MSTC ensures that everyone is prepared to take swift and appropriate action during unforeseen events.

MSTC also prioritizes the maintenance of its machinery and equipment to guarantee their optimal functioning and reduce the likelihood of accidents. Through proactive preventive maintenance practices, the entity upholds the highest standards of equipment upkeep, contributing to a safer working environment.

In recognition of potential emergencies, MSTC ensures that essential resources are readily available. Wheelchairs and stretchers are accessible to employees, ensuring swift assistance and support in case of medical emergencies. This demonstrates the entity's commitment to the well-being and immediate care of its workforce.

By implementing these measures, MSTC creates a workplace where employees feel secure and confident in their surroundings. Through comprehensive safety training, proactive maintenance efforts, and the provision of emergency resources, MSTC upholds its responsibility to foster a safe and healthy environment for its employees.



13. Number of Complaints on the following made by employees and workers :

There were no complaints from employees of workers in this financial year or the previous financial year.

14. Assessments for the year :

Assesment Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	The Fire safety system is checked and certified by Fire department of Govt. of WB and certificate is issued for 3 years which is renewed after inspection of all facilities. Periodic fire safety drills are carried out.
Working Conditions	All equipment including AC, Lift, DG set etc are maintained on a regular basis and are under AMC

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

MSTC takes stringent measures to ensure that statutory dues are deducted and deposited by its value chain partners, leaving no room for non-compliance.

To guarantee adherence to legal requirements, MSTC diligently verifies and approves all contractor bills only after confirming that the necessary statutory dues, such as Provident Fund (PF), Employee State Insurance (ESI), and other applicable obligations, have been duly paid. This meticulous verification process ensures that contractors are in strict compliance with the rules and regulations prescribed by law.

MSTC maintains a zero-tolerance policy towards non-compliance, firmly expecting its contractors to fulfill their statutory obligations as mandated. By strictly enforcing this requirement, MSTC safeguards the interests of its stakeholders and upholds its commitment to conducting business in full accordance with the law.

In line with its dedication to compliance, MSTC ensures that all applicable statutory dues are deducted and promptly deposited as per the prevailing legal provisions. By prioritizing these obligations, MSTC demonstrates its unwavering commitment to ethical practices and responsible financial management.

Through these measures, MSTC actively promotes a culture of compliance and accountability within its value chain, guaranteeing that all statutory dues are handled with utmost diligence and in strict accordance with legal requirements.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Not applicable as there were no employees/workers who have suffered any forms of work-related injury/illness.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

No

5. Details on assessment of value chain partners:

Nil

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

MSTC takes immediate corrective actions to address significant risks and concerns regarding health and safety practices and working conditions within its value chain partners. By closely monitoring and implementing standards at the office level, MSTC ensures a safe environment. Prompt interventions are made to rectify any identified issues, prioritizing the well-being of all individuals involved in the value chain.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

The following is a step-by-step process done to identify stakeholders for MTSC:

Determination of scope of materiality assessment: includes identifying the issues, topics, or areas that were assessed for their potential impact on the company's operations, reputation, or stakeholders. This was done based on initial guidance as per SASB and GRI suggested approaches.

Identification of internal stakeholders: Internal stakeholders are those who have a direct connection to the company, such as employees, shareholders, and management. Identify all internal stakeholders who may be affected by the materiality assessment.

Identification of external stakeholders: External stakeholders are those who do not have a direct connection to the company, but who are impacted by the company's operations, such as customers, suppliers, regulators, and the local community.

Prioritization of identified stakeholders: Prioritized stakeholders based on their level of interest in the assessment, as well as their level of influence over MTSC's operations were finalised for further engagement for the materiality assessment process.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	eMail, Notice board,	Event Based	Communication of decision, implementation of rules, conduction of events etc.
Customers	No	Emails, SMS, Advertisement, Notice Board, Website	On regular basis	Handholding for Registration, Event related queries & solutions and information exchange.
Investors and Shareholders	No	Website, Newspaper, Through Stock Exchange, Email and post Investor meeting	Quarterly as well as on occurrence of specific events	Financial Results, Dividend, Material Information, General Meetings, Information to the shareholders
Suppliers (general)	No	Email, Meetings, Websites, Letters, Designated Web Portal	On regular basis	Procurement of goods/services
Suppliers (systems)	No	Email/Physical meetings	On regular basis during procurement/ AMC / Support	Estimated price / alternate solution / Negotiation
Media	No	Website, Television and print media	Event based	Statutory notice, tender notice, financial reporting as compliance various rules and regulations, display advertisement/ brand building, awareness programmes, corporate events.
Statutory Authorities	No	Website, e-filing, physical submission	Event Based	Compliance of various rules and regulations.
Communities	Yes	Newspaper, Email	Event based	CSR initiatives, Awareness Programmes, Participation in social events.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company believes that regular and proactive communication with its key stakeholders is essential for conveying its strategies and performance effectively. By maintaining consistent engagement, the Company can better understand stakeholder expectations and serve them accordingly. The Board is kept informed of relevant developments and the Directors are asked for their feedback.

In addition to the regular engagements, company has also undertaken stakeholder engagement exercise with its key stakeholders. The prioritized list of issues from the stakeholders are submitted to the management and board as a report for further action. Important issues as identified by the stakeholders were also identified as material for the company for further actions.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the company has engaged with its stakeholders to identify the material topics for itself. The outcome is disclosed in this report which will be further utilized and linked with company's long term strategy.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

The Company's CSR activities focus on the Tribals, backwards, vulnerable and marginalized segments of society. Kindly refer to the CSR Report given separately in Annual Report.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of Employees / workers covered (D)	% (D / C)
Employees						
Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Other than permanent	NIL	NIL	NIL	NIL	NIL	NIL
Total Employees	NIL	NIL	NIL	NIL	NIL	NIL
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	300	-	-	300	100%	315	-	-	315	100%
• Male	250	-	-	250	100%	262	-	-	262	100%
• Female	50	-	-	50	100%	53	-	-	53	100%
Other than Permanent	3	-	-	3	100%	2	-	-	2	100%
• Male	3	-	-	3	100%	2	-	-	2	100%
• Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
• Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
• Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
• Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
• Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Lakh ₹)	Number	Median remuneration/ salary/ wages of respective category (in Lakh ₹)
Board of Directors (BoD)	5	76	2	75
Key Managerial Personnel	3	65	1	75
Employees other than BoD and KMP	246	23	49	23
Workers	NA	NA	NA	NA



4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No):

Yes. MSTC has a central grievance cell that looks at and responds to the human rights related or other grievances of its stakeholders. The committee has the following members.

1. Shri CR Giri, CGM (Systems)
2. Shri A Mahalanabis, Addl GM (P&A)
3. Shri AS Patil, Addl GM (Law)

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

MSTC has robust internal mechanisms to address grievances related to human rights issues, ensuring prompt and effective redressal.

The entity's policies specifically address human rights and undergo regular review, reflecting its commitment to upholding these fundamental principles.

To provide an accessible and efficient avenue for grievance redressal, MSTC offers stakeholders the option to lodge requests for resolution through its dedicated public grievance portal. Additionally, stakeholders can utilize the Centralized Public Grievance Redress and Monitoring System (CPGRAMS) portal, a citizen's portal, to seek resolution for their grievances.

By offering these channels, MSTC demonstrates its dedication to providing a transparent and accountable platform for individuals to raise concerns regarding human rights violations. The entity's commitment to promptly addressing grievances underscores its commitment to respecting and protecting human rights throughout its operations.

6. Number of Complaints on the following made by employees and workers:

There were no complaints made by employees and workers on human rights.

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Whistle Blower Policy is formulated to provide opportunity to employees to access in good faith, to the Competent Authority in case of complaints, improper practices and/or activities or any other wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees.

The Policy also provides for adequate safeguards against victimization of Directors and Employees to avail of the mechanism and also provides for direct access to the Chairman of Audit Committee in exceptional cases.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

Child labour	5%*
Forced/involuntary labour	5%*
Sexual harassment	5%*
Discrimination at workplace	5%*
Wages	100% (Internal Audit)
Others - please specify	100% (CAG Audit)

* Periodical inspection by LEO (Labour Enforcement Officer, Central) Kolkata

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Currently, there is no business process that has been modified or introduced as a direct result of addressing human rights grievances. If in the future, MSTC receives complaints on human rights violations, then we will take cognizance of the same and will modify or develop new processes as required.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Nil.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	Not Applicable
Forced Labour/Involuntary Labour	Not Applicable
Wages	As per Minimum Wages Act
Others – please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	316.45x10 ¹⁰ J	229.2x10 ¹⁰ J
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	316.45x10¹⁰J	229.2x10¹⁰J
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	--	--
Energy intensity (optional) – the relevant metric may be selected by the entity	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- No



2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (In Kilolitres)		
(i) Surface water	—	—
(ii) Groundwater	—	—
(iii) Third party water	—	—
(iv) Seawater / desalinated water	—	—
(v) Others	—	—
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	—	—
Total volume of water consumption (in kilolitres)	—	—
Water intensity per rupee of turnover (Water consumed / turnover)	—	—
Water intensity (optional) - the relevant metric may be selected by the entity	—	—

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency.

- No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, the entity has not implemented a mechanism for Zero Liquid Discharge.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	NA	—	—
SOx	NA	—	—
Particulate matter (PM)	NA	—	—
Persistent organic pollutants (POP)	NA	—	—
Volatile organic compounds (VOC)	NA	—	—
Hazardous air pollutants (HAP)	NA	—	—
Others – please specify	NA	—	—

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	699.54	509.38
Total Scope 1 and Scope 2 emissions per rupee of turnover		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

-No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

MSTC Limited has demonstrated a strong commitment to reducing Green House Gas emissions through several strategic initiatives. A significant portion of the company's capital expenditure has been allocated towards enhancing the environmental and social impacts of its products and processes, with an investment of ₹ 1.4 crores in the current financial year, following a substantial investment of ₹ 6 crores in the previous year.

A key aspect of MSTC's core business is its E-commerce and E-Auction platform, which not only promotes transparency but also contributes to reducing carbon footprint. This digital approach to commerce minimizes the need for physical transportation and logistics, thereby reducing associated emissions.

In a landmark initiative, MSTC has established India's first authorized Collection and Dismantling centre at Greater Noida. Operated through its joint venture, Mahindra MSTC Recycling Private Limited (MMRPL), the centre enables the scientific recycling of End-of-Life Vehicles (ELVs) and white goods. This initiative ensures that these products are disposed of in an environmentally friendly manner, contributing to a circular economy and reducing emissions.

Additionally, MSTC has invested ₹ 5.73 crores in 2021-22 and ₹ 3.05 crores in 2022-23 towards the construction of a new green corporate office building. This investment underscores MSTC's commitment to sustainable infrastructure, aiming to minimize environmental impact while providing a conducive workspace for its stakeholders.

Lastly, MSTC has responsibly disposed off old PCs through the Government e-Marketplace (GeM) portal, further contributing to its efforts to reduce emissions and waste.

MSTC's actions reflect a comprehensive approach to reducing Green House Gas emissions, encompassing its core operations, infrastructure, and waste management practices.



8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	NA	NA
E-waste (B)	-	-
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	-	-
Radioactive waste (F)	NA	NA
Other Hazardous waste, Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	NA	NA
Total (A+B + C + D + E + F + G + H)	-	-
For each category of waste generated, total waste recovered through recycling, reusing or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	NIL	NIL
(ii) Reused	NIL	NIL
(iii) Other recovery operations	NIL	NIL
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	NIL	NIL
Total	-	-

Not applicable as the Company is into e-commerce service.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Not Applicable

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Provide break-up of the total energy consumed (In Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022 - 23 (Current Financial Year)	FY 2021 - 22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	7.45x10 ¹⁰ J	4.20x10 ¹⁰ J
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
Total energy consumed from renewable sources (A+B+C)	7.45x10¹⁰J	4.20x10¹⁰J
From non-renewable sources		
Total electricity consumption (D)	309x10 ¹⁰ J	225x10 ¹⁰ J
Total fuel consumption (E)	--	--
Energy consumption through other sources (F)	--	--
Total energy consumed from non-renewable sources (D+E+F)	309x10¹⁰J	225x10¹⁰J

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

**2. Provide the following details related to water discharged:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NA	NA
- No treatment		
- With treatment – specify level of treatment		
(ii) To Groundwater	NA	NA
- No treatment		
- With treatment – specify level of treatment		
(iii) To Seawater	NA	NA
- No treatment		
- With treatment – specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – specify level of treatment		
Total water discharged (In kilolitres)	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

3. Water withdrawal, consumption and discharge in areas of water stress (In kilolitres): Not Applicable

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity.	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment - specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment - specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment - specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment - specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment - specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency. Not Applicable

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Not Applicable

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	<i>Metric tonnes of CO₂ equivalent</i>	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) if yes, name of the external agency. No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Not Applicable

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Not Applicable

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

Not Applicable

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations. - Three
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Chamber of Commerce (ICC)	
2	Confederation of Indian Industry	National
3	SCOPE	

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others - please specify)	Web Link, if available
Nil					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable						

**3. Describe the mechanisms to receive and redress grievances of the community.**

MSTC has established accessible mechanisms for the community to lodge grievances through the public grievance portal and CPGRAMS portal. Prompt and fair redressal of these grievances is a priority, ensuring positive community engagement and accountability.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-23	FY 2021-22
	Current Financial Year	Previous Financial Year
Directly sourced from MSMEs/ small producers	37.98%	19.07%
Sourced directly from within the district and neighbouring districts	-	-

Leadership Indicators**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1.	Uttar Pradesh	Shravasti	25,27,850
2.	Maharashtra	Nandurbar	31,66,886
3.	Jharkhand	East Singhbhum	32,19,140
4.	Jharkhand	Girdih	1,73,000
5.	Jharkhand	Ramgarh	1,48,000
Total			92,34,876

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No): Yes

(b) From which marginalized /vulnerable groups do you procure? MSMEs owned by Women, SC/ST entrepreneurs, Retired Defense personnel

(c) What percentage of total procurement (by value) does it constitute? 1.57%

Minimum of 25% of total annual procurement is done through MSMEs.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge : Nil**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved : Nil**

6. Details of beneficiaries of CSR Projects:

Sl. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Bharat Sevashram Sangha Hospital, Joka - Digital X-Ray 500 mA with DR System	160 per day	100
2.	Ramkrishna Mission, Agartala-USG Machine and Dental RVG with Portable XRay	50 per day	100
3.	Institute of Child Health Trust-Medical Equipment for Blood bank, AID & MBD	1 lakh OPD & 12,000 IPD patients per year	100
4.	Sankara Nethralaya (Unit of Medical Research Foundation) - Verion Image Guided System	200 per year	100
5.	Vishwa Kalyan Seva Trust-Mobile Medical Dispensary Van with advanced life support	8,000 per year	100
6.	Jankalyan Seva Sanstha Ambulance cum Blood collection van, Blood bank refrigerator & tube sealer	400 per month	100
7.	Chief Development Office, Shrivasti (UP) through Provincial Co-operative Construction and Development Limited	500-600 per month	100
8.	Uniglobe Development Foundation	The projects is related to environment protection through tree plantation which benefits the nearby population, hence specific no. of beneficiaries cannot be quantified	Class/group of beneficiaries cannot be quantified. The project is beneficial to people at large regardless of any class or group of beneficiaries

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

Essential Indicators**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

MSTC has communicated its policy towards customers and suppliers in its website. For any grievance, the stakeholders can lodge for a request for resolution via the MSTC public grievance portal or through the citizen's portal of Centralised Public Grievance Redress and Monitoring System (CPGRAMS) portal. For the complaints received at the end of MSTC, the members of grievance cell looks at and respond to the complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental & social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

**3. Number of consumer complaints in respect of the following :**

	FY 2022-23 (Current Financial year)		Remarks	FY 2021-22 (Previous Financial year)		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy		NIL	-		NIL	-
Advertising		NIL	-		NIL	-
Cyber-security		NIL	-		NIL	-
Delivery of essential services		NIL	-		NIL	-
Restrictive Trade Practices		NIL	-		NIL	-
Unfair Trade Practices		NIL	-		NIL	-
Other	46	0	-	35	3	-

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. MSTC Security Policy Statement is available at

https://www.mstcindia.co.in/MSTC_Static_Pages/frontpage/Security%20Policy%20Statement.pdf

Security policy statement is also available at our ecommerce site-

<https://www.mstcecommerce.com/> Under "Security Policy" link.

It may also be noted that MSTC ecommerce system is ISO27001:2013 certified (Information Security Management System) by STQC.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

There was no reported incidents or open issue on the matter of cyber security or data privacy.

Leadership Indicators**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Below are the official websites where information on products and services of the entity can be accessed:

<https://www.mstcindia.co.in/>

<https://www.mstcecommerce.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

For our ecommerce services, registration is online. Guideline for registration process, Terms of use, Privacy policy, Bidding process etc are also available at our site in both document mode and/or video mode. Beside it, our help desk along with PAN India office staffs also educate the clients as and when necessary. Information is provided to the clients via email/SMS/publishing in our site.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

MSTC has implemented mechanisms to effectively inform consumers about any potential risk of disruption or discontinuation of essential services.

As an ecommerce services provider, MSTC follows a comprehensive Business Continuity Plan that includes critical infrastructure upgrades. These upgrades are carefully scheduled during pre-defined downtime windows, minimizing the impact on services.

To ensure transparency and keep consumers informed, MSTC proactively communicates these scheduled downtime windows to all stakeholders. Various electronic communication channels, such as emails, SMS, website notifications, and collaborative tools, are utilized to effectively convey this information to consumers.

By employing these mechanisms, MSTC demonstrates its commitment to maintaining open lines of communication and minimizing any potential disruptions to essential services. This approach enables consumers to plan and manage their activities accordingly, promoting a positive customer experience.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Information regarding our ecommerce service being displayed on official websites are as per our Policy for both registered and un-registered clients.

MSTC carried out survey with regard to client satisfaction relating to our ecommerce services both in offline & online mode time to time.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

b. Percentage of data breaches involving personally identifiable information of customers

There were no reported data breaches.



Annexure A

Sl.No.	Topics / principles covered under the training
1.	Mastering Agile Scrum (MAS) online training/workshop for Systems/E-Comm team
2.	Establishment Policy Compliance Residential Workshop
3.	Knowledge of Hindi Teaching Scheme and Hindi Typing Training
4.	RTI ACT 2005
5.	BSI Lead Auditor Certification
6.	Preventive Vigilance
7.	Prohibition of Insider Trading Compliance Training
8.	Live webinar on 9 company forms on MCA21 V3
9.	Hazardous Waste Management and Pollution Prevention
10.	Public Procurement, EProcurement, Govt. E-Marketplace (GeM), PFMS
11.	Book Keeping & Accounting Standards & Strategy To Implement Accrual System of Accounting
12.	Familiarization Programme for CSR Nodal Officer on CSR Module on PE Survey Portal
13.	Vigilance Management
14.	Prohibition of Insider Trading Compliance and System Training
15.	Big Data Analysis in Government (Basic)
16.	Certificate course in Insolvency and Bankruptcy Laws and Procedure
17.	Office Systems & office Procedures, E-Governance,
18.	Managing Stress and Health issues
19.	Contract Management safeguards to be taken in tendering, procurement and contracting CPSEs
20.	Cyber Security Awareness
21.	Gender sensitization and Women empowerment
22.	Registration; E-Invoicing; Returns; TDS & GST TCS under GST Law and Advance Ruling under GST Law
23.	Emerging Enabling Technologies for Performance Improvement
24.	Vigilance Administration
25.	Workshop for Employers of Exempted Establishments
26.	Leadership Development Programme for professionalism below board level officials
27.	Introduction to Intellectual property IP and managing firm IP
28.	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013
29.	Public Procurement
30.	Cyber Crime & Safety Measures
31.	Public Grievance Management and Citizen Centric Governance, development of Citizen Charter
32.	Government e-Marketplace (GeM-02)
33.	CSR Conclave
34.	ISO27001 awareness

Annexure B

Principle Number and Definition	Training Mapped	Reason for the Inclusion
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Public Procurement, E-Procurement, Govt. E-Marketplace (GeM), PFMS.	Training on public procurement and e-procurement helps in ensuring transparency and accountability in the procurement process.
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Hazardous Waste Management and Pollution Prevention.	Training on hazardous waste management and pollution prevention helps in minimizing negative environmental impacts of the organization's operations.
Principle 3: Businesses should promote the well-being of all employees.	Managing Stress and Health issues.	Training on managing stress and health issues promotes the well-being of employees by providing them with tools and strategies to manage their mental and physical health.
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.	Gender sensitization and Women empowerment.	Training on gender sensitization and women empowerment helps in promoting diversity and inclusion in the workplace and respecting the rights of all employees.
Principle 5: Businesses should respect and promote human rights.	RTI ACT 2005	Training on the Right to Information Act helps in promoting transparency and accountability, and respecting the right to information of all stakeholders.
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	Hazardous Waste Management and Pollution Prevention.	Training on hazardous waste management and pollution prevention helps in minimizing negative environmental impacts of the organization's operations.
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Public Grievance Management and Citizen Centric Governance; development of Citizen Charter.	Training on public grievance management and citizen-centric governance helps in ensuring responsible and ethical engagement with public and regulatory policies.
Principle 8: Businesses should support inclusive growth and equitable development.	Familiarization Programme for CSR Nodal Officer on CSR Module on PE Survey Portal.	Training on Corporate Social Responsibility helps in supporting inclusive growth and equitable development by promoting social and environmental responsibility.
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	ISO27001 awareness	Training on ISO27001 awareness helps in providing value to customers and consumers by ensuring the security and confidentiality of their data.



Annexure IV

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2022-23**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.
- 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
- c. CSR projects: 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

Sl. No.	Particulars	Amount (in ₹) Lakh
a.	Average net profit of the company as per sub-section (5) of section 135	13,600
b.	Two percent of average net profit of the company as per sub-section (5) of section 135.	272.00
c.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	NII
d.	Amount required to be set-off for the financial year, if any.	NII
e.	Total CSR obligation for the financial year [(b)+(c)-(d)].	272.00

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):- ₹ 3,01,69,918

(b) Amount spent in Administrative Overheads: Not Applicable

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 3,01,69,918

(e) 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
3,01,69,918	NIL		NIL		

(f) 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)	2,72,00,000
ii	Total amount spent for the financial year	3,01,69,918
iii	Excess amount spent for the financial year [(ii)-(i)]	29,69,918
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)]	29,69,918

Note: Out of total amount of ₹ 3,01,69,918 spent for the Financial Year 2022-23, ₹ 2,95,54,450 have been spent on the projects undertaken during the FY 2022-23 and ₹ 6,15,468 has been spent for the projects related to the earlier year.

7. 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 ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the fund	Amount (₹ in lakh)	Date of Transfer	
1.	2021-22	6,15,468	6,15,468	NIL			NIL

Note: The Company had no CSR obligation for the financial year 2021-22 due to loss incurred in the financial year 2018-19. However, CSR Committee and the Board in their respective meetings held on 12th August 2021 voluntarily 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 FY 2018-19. Out of the approved CSR budget, ₹ 17,83,500 has been spent during the year 2021-22 and remaining amount of ₹ 6,15,468 has been spent during the year 2022-23.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No.

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



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



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

Date: May 23, 2023



FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

[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 31st March, 2023 complied with the statutory provisions listed hereunder and also that company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined books, papers, minute books, forms and returns filed and other records made available to me and maintained by the MSTC Limited for the financial year ended on 31st March, 2023 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 Depositories 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 issued by the Institute of Company Secretaries of India with respect board and general meetings.
- ii. DPE Guidelines on Corporate Governance for CPSE.
- iii. 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 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:

- **Composition of Board with regard to minimum number of Independent Directors are not complied as per the provisions of Regulation 17(1)(b) of SEBI (LODR) Regulation, 2015. There exists shortage in the number of Independent Director including Independent Woman Director during the financial year under review. It has been brought to my knowledge that NSE and BSE had issued notice for the aforesaid non-compliance and charged penalty. Further, the Company has applied for waiver of the penalty, charged, on the ground that appointment of the Directors on the Board is made by the Government of India and not within the powers of the MSTC Board.**

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

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

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

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

CS SAUMAYO JYOTI SEAL

FCS: 9768

C. P.No. 11169

UJIN: F009768E000344991

Place: Kolkata

Date: May 9, 2023

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

Annexure A'

To,

The Members,

MSTC Limited

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

1. Maintenance of secretarial records is the responsibility of the management 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 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 representative 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, 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.



Annexure: VI

FORM NO. MR-3

SECRETARIAL AUDIT REPORT OF SUBSIDIARY COMPANY

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

To,
The Members of
Ferro Scrap Nigam Limited

(CIN: U27102CT1989GOI005468)

Regd. Off:- FSNL Bhawan,

Equipment Chowk, Central Avenue,

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 having CIN U27102CT1989GOI005468 (hereinafter called 'the company' or 'FSNL'), Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 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 31st March, 2023 ('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 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) 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 financial year under review;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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 financial year under review);
- (v) 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 and Sweat Equity) Regulations, 2021.

- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (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, 2021;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as issued by the Department of Public Enterprises, Government of India ("DPE Guidelines").

The Management has identified and confirmed that following laws are specifically applicable to the Company:-

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, Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH");

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) The Listing Agreement (Not applicable, as the Company is Unlisted Company during the financial year under review).

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) During the financial year 2022-23, the constitution of Board of Directors was improper as only one Independent Director has been appointed by the Ministry of Steel w.e.f 18th April, 2022. To have proper constitution of Board, Audit Committee and Nomination and Remuneration Committee, two more Independent Directors are required to be appointed in Ferro Scrap Nigam Limited.
- b) The Audit Committee, CSR Monitoring Committee and Nomination & Remuneration Committee were dissolved w.e.f 14th December, 2021 to 4th May, 2022 due to improper constitution of Board as there were no non-official Independent Directors in FSNL till 18th April, 2022. The Audit Committee, CSR Monitoring Committee and Nomination & Remuneration Committee were re-constituted w.e.f. 4th May, 2022.
- 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. However in some forms were filed with additional filing fees. However, it is informed by the company that the delay in filing of e-form was mainly due to late receipt of approval from CAG, consent of Statutory Auditor and technical glitches on MCA e-filing portal.
- 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 31st March, 2023, the Board of Directors of the Company is constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors subject to observations made herein above.

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, and records has not been reviewed in this audit report, since the same have been subject to the statutory financial audit/internal audit by other designated professionals.

I further report that:

During the audit period, there was no events occurred having major bearing on the Company's affairs in pursuance of the above applicable laws, rules, regulations, guidelines, standards etc. referred to above except:-

- 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. The Inter-Ministerial Group (IMG) has directed to award works to FSNL on competitive bidding rather on nomination basis by steel plants of CPSEs in its meeting dated 4th September, 2020. However, FSNL had filed an appeal with the Divisional Bench of Hon'ble Calcutta High Court against the order passed by the single bench of Hon'ble Calcutta High Court under a writ petition. At present stay has been granted by the Divisional Bench of Hon'ble Calcutta High Court vide order dated 1st April, 2019 and the existing system of awarding work to FSNL on nomination basis shall continue till disposal of appeal.
- b) Ferro Scrap Nigam Limited (FSNL) is a wholly owned subsidiary of MSTC Limited and the Shareholders of MSTC Limited (Holding Company) in their Extra-ordinary General Meeting dated 22nd October, 2021 have decided to sale the entire stake in Ferro Scrap Nigam Limited (FSNL). Accordingly, the process for sale has already started which is at advanced stage.

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

Place : Bhilai
Date : April 20, 2023

CS Anish Kumar Chourasia
Company Secretary
FCS No. : 7018
CP No. : 12594
UDIN: F007018E000154605
PR No. : 3012/2023

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.

Place : Bhilai
Date : April 20, 2023

CS Amrish Kumar Chourasia
Company Secretary
FCS No.: 7018
CP No.: 12594
UOIN: F007018E000154605
PR No.: 3012/2023



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 31ST MARCH, 2023**

Sl. No.	Comments / Observations	Management Replies
	Report on Other Legal & Regulatory Requirement (Annexure A)	
(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 / ₹ 4.02 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.
(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 ₹ 14,361.97 lakhs as mentioned in Note No. 18A(a) and 18B of the Notes to Accounts	Both the matters are subjudice in various forums and have been adequately disclosed in Note No. 18 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 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).	2022-23
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	₹ 3,200.00
7. Reserves and surplus	₹ 18,690.00
8. Total assets	₹ 43,798.74
9. Total liabilities (Excluding Equity)	₹ 21,908.74
10. Investments	Nil
11. Total income	₹ 41,416.21
12. Profit before taxation	₹ 5,134.55
13. Provision for taxation	₹ 1,296.68
14. Profit after taxation	₹ 3,837.87
15. Proposed dividend	₹ 2,400.00 Interim ₹ 1,280.00 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

Name of Associates or Joint Ventures	Mahindra MSTC Recycling Private Limited
1. Latest audited Balance Sheet Date	31 st March, 2023
2. Date on which the Associate or Joint Venture was associated or acquired	16 th December, 2016
3. Shares of Associate or Joint Ventures held by the company on the year end	Face Value of ₹ 10/- each
No. of shares	300 lakh
Amount of Investment in Associates or Joint Venture	₹ 3,000 lakh
Extent of Holding (in percentage)	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 of Holding Company as per latest audited Balance Sheet	₹ 1,937.64 lakh
7. Profit/(Loss) for the year	₹ (530.85) lakh
i. Considered in Consolidation	50% share ₹ (265.43) lakh
ii. Not Considered in Consolidation	50% share ₹ (265.42) lakh

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

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

Place: Kolkata
Date: May 23, 2023

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

(Suchit Kumar Barnwal)
General Manager
Finance & Accounts

For and on behalf of the Board of Directors

(Subrata Sarkar)
Director Finance
DIN- 08290021

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



FINANCIAL STATEMENTS

Standalone Financial Statements

MSTC LIMITED

INDEPENDENT AUDITOR'S REPORT

To The Members of MSTC Limited

Report on the Audit of The Standalone Financial Statements

Opinion

- We have audited the accompanying standalone Financial Statements of MSTC Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, 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

- Without qualifying our opinion, we draw attention to the following:
 - With reference to Note No. 33 of the Standalone Financial Statements there is a non-Provision of Deferred Tax Asset of ₹ 4,237.60 lakhs on Provision for Doubtful Debts of ₹ 12,126.84 lakhs since 1st April, 2018.
 - The Title-Deed of a freehold flat in Mumbai having Gross Block of ₹ 7.42 lakhs as at 31st March, 2023 was not available for verification.

Key Audit Matters

- 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
1.	<p>Recoverability of Trade Receivables:</p> <p>As at 31st March 2023, Trade Receivables Gross is ₹ 88,033.95 lakhs (Net ₹ 33,353.06 lakhs), with ₹ 54,680.89 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>While examining details of Receivables and transactions during the year ended 31st March 2023, 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 31st March 2023.</p>



Sl.	Key Audit Matters	Auditor's Response
	<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>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>	<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>
ii.	<p>IT Systems & Control:</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>Assessment of allowance for Bad and Doubtful Advances and Contingent Liabilities:</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.</p> <p>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 28 & 32 (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"> - Evaluating reasonableness of the underlying assumptions. - Understanding the current status of the litigations. - Examining the relevant documents on available records. - Reviewing legal opinion/ industry practices wherever necessary. - Verification of various disclosures made by the management. - Obtaining Management's Representation as per guidelines of the ICAI. - Company's Accounting Policy.

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) Since the pandemic situation out of COVID-19 has waned in India, we have made visits to certain Southern Region Branches, viz. Hyderabad, Vizag and Chennai to audit the transactions as well as having the assessment of activities in the said Branches. We have, however, followed alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI) in respect of all the Branches. Full remote access of the data in respect of all the Branches were available on the Company's ISTMS systems. We have been represented by the

management of the Company that the data provided on the system 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 5th June, 2015 issued by Ministry of Corporate Affairs, Section 164(2) of the Companies Act, 2013 regarding disqualification of the Director is not applicable to the Company, since it is a Government Company.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) The Company being a Government Company, provisions of Section 197 (16) of the Companies Act, 2013 regarding managerial remuneration is not applicable to the Company as per notification no. G.S.R. 463(E) dated 5th June, 2015 issued by Ministry of Corporate Affairs.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2022, 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 32(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 had transferred ₹ 11.06 lakhs to the Investor Education and Protection Fund during the year under review.
- (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
M.No.052183

Place: Kolkata
Date: May 23, 2023

UDIN : 23052183BGZFZD3156

**Annexure-A to the Independent Auditor's Report****(Referred to in paragraph 8 under 'Report on Other Legal & Regulatory Requirement' of our report of even date)**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property plant & equipment.
- (b) The Company maintains proper records showing full particulars of its Intangible Assets.
- (c) The Company has carried out physical verification of its property, plant & 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.
- (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 / ₹ 4.02 lakhs respectively) for which no title deed could be made available for verification.
- (e) There was no revaluation of any asset during the year.
- (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.
- (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.
- (b) The Company has Working Capital and Demand Loans from Banks as on 31st March, 2023 in excess of ₹ 5 Crores which are sub-judice and have been separately reported upon in Clause (ix) (a) herein below in this report. There is no other Working Capital Limits, viz. Cash Credit or Overdraft operated by the Company. No Stock Statement and Quarterly Returns are required to be submitted to the lending Banks in terms of subsisting agreements.
- (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.
- (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.
- (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.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act. Therefore, the provision of Clause 3(vi) of the Order is not applicable on the Company.
- (vii) (a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and any other statutory dues as applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of aforesaid dues were outstanding as at 31st March, 2023 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax, Value Added Tax, Duty of Customs, etc. as at 31st March, 2023 which has not been deposited on account of a dispute are as follows:

Sl No	Name of the Statute	Nature of Dues	Period to which the amount relates (FY)	Amount (₹ in Lakhs)	Forum where the dispute is pending
1	UP Trade Tax Act 1948	Claim by Sales	2001-02	1.93	High Court Allahabad
	UP Trade Tax Act 1948	Tax Authority	2004-05	1.67	Commercial Tax Tribunal Bench, Ghaziabad
2	WB VAT Act 2003	Claim by Sales	2009-10	426.33	Appellate Revision Board, Kolkata
	WB VAT Act 2003	Tax Authority	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	177.35	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	2011-12	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	2015-16	4.45	Commissioner of Commercial Tax, Govt. of Jharkhand
	Jharkhand Value Added Tax Act, 2005	Tax Authority	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)
Total of Sales Tax Dues				2,006.71	
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
Total of Custom Dues				1,189.31	
11	Finance Act 1994 (Service Tax)	Service Tax Demand	2005-07	1490.10	CESTAT Kolkata
Total of Service Tax Dues				1,490.10	
12	Income Tax Act 1961 (TDS)		2015-16	9.85	Commissioner Appeals, Kolkata
Total Income Tax Dues				9.85	
TOTAL TAX DUES				4,695.97	



- (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.
- (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	Indiani Overseas Bank	138.233	Principal	Since 19.09.2011	Refer Note 18A(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 18B 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. The said loan has been fully paid during the year 2022-23.
- (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 1A 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
M.No.052183

Place: Kolkata
Date: May 23, 2023

UDIN : 23052183BGZFZD3156

Annexure -B to the Independent Auditor's Report

Referred to in paragraph 9(f) of the Independent Auditor's Report of even date to the members of MSTC Limited on the Standalone Financial Statements for the year ended 31st March, 2023.

Report on the Internal Financial Controls over Financial Reporting under Clause (f) 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 31st March, 2023 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 31st March 2023 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

4. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
 - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (b) 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

- (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's Assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

5. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of

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

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

CA Pradip Kumar Mitra
Partner

M.No.052183

Place: Kolkata

Date: May 23, 2023

UDIN : 23052183BGZFZD3156

Annexure – C to the Independent Auditor's 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.	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 2022-23.
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 2022-23 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

Place: Kolkata

Date: May 23, 2023

UDIN : 23052183BGZFZD3156



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 31ST MARCH 2023

The preparation of financial statements of MSTC Limited for the year ended 31st March, 2023 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 the 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 23rd May, 2023.

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 31st March 2023 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 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 the behalf of the
Comptroller & Auditor General of India**

**(Atul Prakash)
Principal Director of Audit (Mines)
Kolkata**

**Place : Kolkata
Date : July 26, 2023**

Standalone Balance Sheet as at 31st March 2023

(Amount in ₹ Lakhs)

Particulars	Notes	As at 31 st March 2023	As at 31 st March 2022
ASSETS			
(1) Non- Current Assets			
Property, Plant and Equipment and Intangible assets			
(a) Property, Plant and Equipment	2	5,870.94	6,150.93
(b) Leasehold Land	2	693.32	700.78
(c) Intangible Assets	2	74.26	93.70
		6,638.52	6,945.41
(d) Financial Assets			
(i) Investments			
(a) In Subsidiary	3	1,581.00	1,581.00
(b) In Joint Venture	3	3,000.00	2,860.00
(ii) Other Financial Assets	4	415.36	464.58
(e) Non-Current Tax Assets	5	7,250.44	7,082.39
(f) Deferred Tax Assets (Net)	6	17,135.84	20,833.24
(g) Other Non- Current Assets	7	101.87	43.48
Total Non- Current Assets		36,623.03	39,810.10
(2) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	8	31,153.00	40,786.20
(ii) Cash and Cash Equivalents	9	89,330.65	70,600.51
(iii) Other Bank Balances	10	54,577.79	2,895.45
(iv) Other Financial Assets	11	12,328.03	7,072.30
(b) Other Current Assets	12	1,480.36	230.37
Total Current Assets		1,91,069.89	1,21,584.83
TOTAL ASSETS		2,27,692.92	1,61,394.93
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	7,040.00	7,040.00
(b) Other Equity	14	52,362.71	39,504.26
Total equity		59,402.71	46,544.26
(2) Non- Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	15	365.32	366.93
(b) Provisions	16	1,211.94	1,767.84
(c) Other Non- Current Liabilities	17	1,117.31	799.52
Total Non- Current Liabilities		2,694.57	2,934.29
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	14,500.20	14,950.48
(ii) Trade Payables			
Total Outstanding dues of			
a) Micro & Small Enterprises	19	12.17	14.68
b) Creditors other than Micro & Small Enterprises	19	14,190.38	16,103.17
(iii) Other Financial Liabilities	20	1,34,399.84	78,083.28
(b) Other Current Liabilities	21	2,195.64	2,384.53
(c) Provisions	22	297.41	380.29
Total Current Liabilities		1,65,595.64	1,11,916.38
Total Liabilities		1,68,290.21	1,14,850.67
TOTAL EQUITY AND LIABILITIES		2,27,692.92	1,61,394.93

The accompanying notes form 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 23, 2023

(Suchit Kumar Barnwal)
General Manager
Finance & Accounts

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

Standalone Statement of Profit & Loss for the Year ended 31st March 2023

(Amount in ₹ Lakhs)

Particulars	Notes	For the Year Ended 31 st March 2023	For the Year Ended 31 st March 2022
I Revenue from Operations	23	32,471.84	47,063.91
II Other Income	24	17,326.68	27,892.68
III Total Income (I + II)		49,800.52	74,956.59
IV EXPENSES			
(a) Purchases of Stock-in-Trade	25	-	15,878.48
(b) Employee Benefit Expense	26	6,933.00	8,570.78
(c) Finance Costs	27	9.14	261.60
(d) Depreciation and Amortisation Expense	2	640.75	471.58
(e) Other Expenses	28	10,869.73	27,769.94
Total Expenses		18,452.62	52,952.48
V Profit before Tax (III - IV)		31,347.90	22,004.11
VI Tax Expense	33		
(a) Current Tax		3,910.63	649.43
(b) Deferred Tax		3,514.52	1,349.77
Total Tax Expense		7,425.15	1,999.20
VII Profit for the Year (V - VI)		23,922.75	20,004.91
VIII Other Comprehensive Income	38		
(a) Items that will not be reclassified to Profit or Loss			
Remeasurement of Defined Benefit Plan		523.40	192.10
(b) Income Tax on above		(162.90)	(67.13)
		340.50	124.97
IX Total Comprehensive Income for the Year (VII + VIII)		24,263.25	20,129.88
X Earnings Per Equity Share (Face Value ₹ 10 each):	34		
(a) Basic (in ₹)		33.98	28.42
(b) Diluted (in ₹)		33.98	28.42

The accompanying notes form 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 23, 2023

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 31st March 2023

(Amount in ₹ Lakhs)

Particulars

A. Equity Share Capital

	Nos	Face Value (₹)	Amount
Balance as at 31 st March, 2023	7,04,00,000	10	7,040.00
Balance as at 31 st March, 2022	7,04,00,000	10	7,040.00
Balance as at 31 st March, 2021	7,04,00,000	10	7,040.00

B. Other Equity

	General Reserve	Retained Earnings	Total
Balance as at 1st April, 2022	49,616.00	(10,111.74)	39,504.26
Profit for the year ended 31 st March 2023	-	23,922.75	23,922.75
Other Comprehensive Income for the year	-	340.50	340.50
Final Dividend 2021-22	-	(3,097.60)	(3,097.60)
Interim Dividend 2022-23	-	(8,307.20)	(8,307.20)
Transfer to General Reserve/(From) Retained	-	-	-
Balance as at 31st March, 2023	49,616.00	2,746.71	52,362.71
Balance as at 1st April, 2021	49,616.00	(21,160.02)	28,455.98
Profit for the year ended 31 st March 2022	-	20,004.91	20,004.91
Other Comprehensive Income for the year	-	124.97	124.97
Final Dividend 2020-21	-	(3,097.60)	(3,097.60)
Interim Dividend 2021-22	-	(5,984.00)	(5,984.00)
Transfer to General Reserve/(From) Retained Earnings	-	-	-
Balance as at 31st March, 2022	49,616.00	(10,111.74)	39,504.26

The accompanying notes form 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 23, 2023

(Suchit Kumar Barnwal)
General Manager
Finance & Accounts

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

Standalone Statement of Cash Flows for the Year ended 31st March 2023

(Amount in ₹ Lakhs)

Particulars	For the Year Ended 31 st March 2023	For the Year Ended 31 st March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax for the Period	31,347.90	22,004.11
Adjustments for:		
Depreciation /Amortisation Expenses	648.18	480.60
Dividend Income	(3,300.00)	(4,160.00)
Interest Income	(4,482.04)	(1,657.84)
Finance Cost	9.14	261.00
Profit/ Loss on sale of Property Plant and Equipments	(1.06)	1.56
Provision no Longer Required Written Back	(9,489.04)	(22,038.18)
Bad Debt Written Off	7,666.33	22,038.14
Provision for Bad and Doubtful Advances	-	3,555.25
Liability written Back	(25.71)	-
Operating profit before Working Capital changes	22,373.70	20,485.24
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	5,903.13	23,093.42
(Increase)/decrease in Other Assets	(1,308.38)	(41.14)
Adjustments for increase / (decrease) in Operating Liabilities:		
Increase/ (decrease) in Trade Payables & Others Financial Liabilities	54,425.42	(31,487.76)
Increase/ (decrease) in Other Liabilities	128.90	(2,277.81)
Increase/ (decrease) in Provisions :	(115.38)	(190.68)
Cash generated from Operations	81,407.39	9,581.27
Direct Taxes Paid (Net of Refund)	(4,578.68)	(2,467.59)
Net Cash from Operating Activities	76,828.71	7,113.68
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment (Net)	(340.26)	(975.49)
Investment in Fixed Deposits	(51,682.34)	(1,696.59)
Investment in Joint Venture	(140.00)	(600.00)
Interest received	2,628.25	1,643.13
Dividend Income	3,300.00	4,160.00
Net Cash (used) in Investing Activities	(46,234.35)	2,531.05
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Repayment) of Short Term Borrowings	(450.28)	(488.81)
Interest Paid	(9.14)	(261.60)
Dividend Paid	(11,404.80)	(9,081.60)
Net Cash used in Financing Activities	(11,864.22)	(9,832.01)
Net increase/(decrease) in Cash & Cash Equivalents(A+B+C)	18,730.14	(187.28)
Cash and Cash Equivalents at the beginning of the Year	70,600.51	70,787.79
Cash and Cash Equivalents at the end of the Year	89,330.65	70,600.51

Note : (1) Figures in brackets indicate outflows.

(2) Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard - 7, Statement of Cash Flows. The accompanying notes form 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 23, 2023

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 31st March, 2023

1.A GENERAL INFORMATION

MSTC Limited (the "Company") is a Miniratna Category-I Company incorporated under the Companies Act, 1956 on 9th 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 listed by eShares (CIN L27320WB1964GOI028211). Pursuant to initial Public Offer equity shares of MSTC Limited are listed and traded on both BSE Limited and National Stock Exchange of India Limited w.e.f. 29th March, 2019. The core activity of the Company has been divided into two Operational Divisions, i.e., e-Commerce and Trading. The Company undertakes trading activities, disposal of ferrous and non-ferrous scrap, surplus stores, minerals, agri and forest produces etc. mostly from Public Sector Undertakings, Govt. Departments and leading private sector entities and other e-commerce services. 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 and other platform development and maintenance solution. The trading division handles 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 in steel, infrastructure, power sector etc.

1.B RECENT ACCOUNTING DEVELOPMENTS

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 31st March, 2023 MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition give rise to equal taxable and deductible temporary differences. The Company does not expect this 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 Million, unless otherwise stated.

Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 - 'Presentation of Financial Statements'.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Use of estimates and critical judgements

The preparation of accounts in accordance with Ind ASs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Company's accounting policies arise in relation to property, plant and equipment, current asset provisions, deferred tax, retirement benefits. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

1.C.2 FOREIGN CURRENCY TRANSLATION

In preparing the financial statements of the Company, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary

items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the Statement of Profit and Loss for the period. Exchange differences arising on retranslation of 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 is 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 have 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 ventures, 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. However, trade receivables that do not contain a significant financing component are measured at transaction cost.

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 assets 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 setoff 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 transactions 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, maintenance of e-portal and software;
 - 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 lifelong registration, the amount so collected is distributed in five years equally.

Other Income

Revenue is recognised on accrual basis except in the following items which are accounted on actual realization since realisability of such items is uncertain in accordance with the provisions of the accounting standards:

- i) Decrees pending for execution/contested dues and interest thereon, if any.
- ii) Interest on overdue recoverables where realisability is uncertain.
- iii) Liquidated damages on suppliers or contractors.
- iv) Refund of Income-Tax/Sales Tax/VAT and interest thereon.
- v) Dividend income is recognised when right to receive payment is established

Purchases

- i) Imported materials are accounted for as purchase on the basis of date of bill of lading. As regards value, purchase are booked on the basis of actual remittance and where such remittance are outstanding at the close of the year, on the basis of contracted forward exchange rates, if booked, or FEDAI spot exchange rates prevailing on the last date of the financial year, in case forward cover is not taken, as the case may be. Purchase value includes material value, freight, insurance etc. and usance interest followed by final adjustments on actual payment in subsequent



financial year.

- (ii) In case of indigenous materials, purchases are booked on the basis of transport documents and as regards value, based on the value of invoices.

1.C.10 BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.C.11 EMPLOYEE BENEFITS

(a) Short term benefits

Short term employee benefits are accounted for at their undiscounted amount in the accounting period in which the services are rendered by the employees are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

(b) Leave encashment

The liabilities for earned leave and commuted leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on actuarial valuation using the projected unit credit method.

The benefits are discounted using the market yield at the end of the reporting period that have terms of approximating to the terms of related obligations. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss. The facility is funded through LIC of India.

(c) Post-employment obligation

Defined Contribution Plan -

I. Provident Fund

Provident Fund is administered by a Trust recognised by Income Tax Authorities and contribution to this Fund is charged to revenue. Pensioner's Benefits are secured through Employees' Pension Scheme 1995.

II. Pension

Pension plan is administered through an independent trust and contribution to this Fund is charged to revenue. The fund is being managed through 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.

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. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. The fund is administered through a separate trust created for this purpose.

1.C.12 TAXATION

Tax expense for the year comprises current and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax for the year as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or

deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in the country where the Company operates by the end of the reporting period.

(ii) Deferred tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income tax recoverable in future in respect of deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

1.C.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Balance Sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has

created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingent liabilities are disclosed by way of notes. These are reviewed at each Balance Sheet date and are adjusted to reflect the current estimate of management.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.C.14 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures. The Company undertakes trading activities, and also acts as e-commerce service provider. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates Company's performance and allocates resources on an analysis of various performance indicators by operating segments. In terms of above the Company has identified Marketing and e-Commerce as its two Primary Reportable Business Segments. Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable to that segment. Rest of the items of revenue and expenses, which cannot be specifically allocated under specific segments are separately disclosed as unallocated.

1.C.15 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

(i) Useful economic lives and impairment of other assets

The estimated useful life of property, plant and equipment (PPE) and intangible asset is based on a number of factors including the effects of obsolescence, usage of the asset and

other economic factors (such as known technological advances).

The Company reviews the useful life of PPE and intangibles at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Company also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Company's business plans and changes in regulatory environment are taken into consideration.

(ii) Contingencies and Commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

(iii) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend on assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(iv) Fair Value measurements and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

(v) Recognition of deferred tax assets for carried forward tax losses and unused tax credit

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

1.C.16 PROVISION OF TRADE RECEIVABLES

i. The Company has a provisioning policy in place which provides for quarterly review and provision as per the policy, 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	
Gross Block as at 31 st March, 2021	112.70	-	-	-	38.20	47.90	136.90	78.20	586.80	20.90	1,021.60	
Additions	-	3,506.29	788.43	237.90	423.99	311.61	282.20	2.85	375.19	-	5,028.06	
Disposals	-	-	-	-	4.44	10.92	46.25	55.79	16.43	-	133.73	
Gross Block as at 31 st March, 2022	112.70	3,506.29	788.43	237.90	457.75	348.69	372.85	25.26	945.56	20.90	6,816.33	
Additions	-	-	-	-	9.27	17.29	16.96	-	270.01	-	313.53	
Disposals	-	-	-	-	1.53	1.56	0.51	-	6.95	-	10.55	
Gross Block as at 31 st March, 2023	112.70	3,506.29	788.43	237.90	485.49	364.42	389.30	25.26	1,208.62	20.90	7,119.31	
Depreciation as at 31 st March, 2021	16.40	-	-	-	12.40	21.20	102.20	44.40	107.10	13.10	316.80	
Charge for the year	2.87	77.57	52.33	10.53	62.59	33.97	21.65	3.93	185.39	2.45	443.28	
Disposals	-	-	-	-	2.03	8.03	35.27	38.92	10.43	-	94.68	
Depreciation as at 31 st March, 2022	19.27	77.57	52.33	10.53	72.96	37.14	88.58	9.41	282.06	15.55	665.40	
Charge for the year	2.87	111.03	74.90	15.07	88.11	33.44	30.65	2.35	230.95	2.46	591.83	
Disposals	-	-	-	-	0.84	1.22	0.44	-	6.36	-	8.86	
Depreciation as at 31 st March, 2023	22.14	188.60	127.23	25.60	160.23	69.36	118.79	11.76	506.65	18.01	1,248.37	
Net Book Value as at 31 st March, 2022	93.43	3,428.72	736.10	227.37	384.79	311.55	284.27	15.85	663.50	5.35	6,150.93	
Net Book Value as at 31 st March, 2023	90.56	3,317.69	661.20	212.30	305.26	295.06	270.51	13.50	701.97	2.89	5,870.94	
Particulars	Capital Work in Progress		Leasehold Land		Software Licence		Trade Mark		Total Intangible Assets			
Gross Block as at 31 st March, 2021	-	-	5,025.01	708.24	307.03	0.40	307.03	-	307.43	-	307.43	
Additions	-	-	-	-	108.07	-	-	-	-	-	108.07	
Disposals* / Reduction*	-	-	5,025.01	7.46	-	-	-	-	-	-	-	
Gross Block as at 31 st March, 2022	-	-	-	700.78	415.10	0.40	29.48	-	0.40	-	415.50	
Additions	-	-	-	-	19.36	-	19.36	-	-	-	19.36	
Disposals* / Reduction*	-	-	-	7.46	425.22	0.40	-	-	0.40	-	425.62	
Gross Block as at 31 st March, 2023	-	-	-	693.32	293.00	0.40	29.48	-	0.40	-	293.40	
Depreciation as at 31 st March, 2021	-	-	-	-	38.40	-	-	-	-	-	38.40	
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	-	-	-	-	
Depreciation as at 31 st March, 2022	-	-	-	-	321.40	0.40	48.92	-	0.40	-	321.80	
Charge for the year	-	-	-	-	48.92	-	48.92	-	-	-	48.92	
Disposals	-	-	-	-	19.36	-	19.36	-	-	-	19.36	
Depreciation as at 31 st March, 2023	-	-	-	-	350.96	0.40	350.96	-	0.40	-	351.36	
Net Book Value as at 31 st March, 2022	-	-	-	700.78	93.70	-	93.70	-	-	-	93.70	
Net Book Value as at 31 st March, 2023	-	-	-	693.32	74.26	-	74.26	-	-	-	74.26	

**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 an order of DRT, Mumbai.
- The cost of captalisation of Corporate Office Building of Company on the date of completion is as approved by Board of Directors; project closure and settlement with the PMC has been done during FY 2022-23.
- 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 Companies for the charges.
- At the time of implementation and adoption of IndAS w.e.f 1st April, 2015 in terms of IndAS 101, the Net Block of Assets was considered as Gross Block treating Accumulated Depreciation on that date as "Nil.". Depreciation has been charged since in terms of Companies Act, 2013. Hence, the Accumulated Depreciation represents cumulative figures since 1st April, 2015 only. Due to this, there are differences in the figure of Gross Block and Accumulated Depreciation between the Fixed Assets schedule as above and Fixed Assets Register. However the Net Block figures are in complete agreement with Fixed assets Register.
- For restatement of addition and depreciation in respect of FY 2021-22. Please refer to Note- 35 under IndAS-8.
- Freehold Building other than RCC Structure represents Steel Structure.

3 . Investment in Unquoted Equity Shares, fully paid up- carried at cost.

(Amount in ₹ Lakhs)

Particulars	No. of Shares		Amount	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
(a) Investment in Wholly Owned Subsidiary Company				
Ferro Scrap Nigam Limited (Face Value ₹ 10/- each)	3,20,00,000	3,20,00,000	1,581.00	1,581.00
(b) Investment in 50:50 Joint Venture Company				
Mahindra MSTC Recycling Private Limited (Face Value ₹ 10/- each)	3,00,00,000	2,86,00,000	3,000.00	2,860.00
Total			4,581.00	4,441.00

Notes:

- During F.Y. 2022-23 MSTC Limited have invested ₹ 140.00 Lakhs (Previous Year ₹ 600.00 Lakhs) towards unquoted equity contribution in Mahindra MSTC Recycling Private Limited, comprising of 14 Lakhs shares of Face value of ₹ 10 each ranking pari passu with the existing investment in similar shares.
- The shareholders of MSTC Limited in an Extra-Ordinary General Meeting dated 22nd 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 st March 2023	31 st March 2022
(a) Security deposits	134.35	136.58
(b) Loans to employees	274.81	321.74
(c) Interest accrued on loans to employees	0.90	0.98
(d) Balance with scheduled banks in deposit accounts	5.30	5.30
Total	415.36	464.58

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

5. Non Current Tax Assets

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Advance payment of Taxes	52,684.89	48,106.21
Less: Provision for Taxation	44,934.45	41,023.82
Total	7,750.44	7,082.39

6. Deferred Tax Assets (Net)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Through Profit or Loss		
Deferred Tax (Liabilities) / Assets:		
Tax effect of items constituting Deferred Tax Liabilities		
EFBS Scheme	(54.11)	(62.06)
Tax effect of items constituting Deferred Tax Liabilities	(54.11)	(62.06)
Tax effect of items constituting Deferred Tax Assets		
On difference between Book Balance and Tax Balance of Property, Plant and Equipment & Intangible Assets	(234.13)	(163.14)
Allowances for doubtful debts / advances	14,870.09	15,944.25
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,471.63	1,598.76
MAT Credit Entitlement	840.79	3,090.97
Tax effect of items constituting Deferred Tax Assets	16,948.38	20,470.84
Deferred Tax (Liabilities) / Assets (Net) (through P&L)	16,894.27	20,408.78
(b) Through Other Comprehensive Income		
Tax effect of items constituting Deferred Tax Assets		
Remeasurement of Defined Benefit Plan	241.57	424.46
Deferred Tax (Liabilities) / Assets (Net) (through OCI)	241.57	424.46
Deferred Tax (Liabilities) / Assets (Net)	17,135.84	20,833.24

7. Other Assets (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Advance with Public Bodies		
Sales Tax	6.80	6.92
(b) Other Advances		
(i) Prepaid Expenses	20.01	11.12
(ii) Others	75.06	25.44
Total	101.87	43.48



8. Trade Receivables (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Trade receivables		
(a) Considered Good - Secured	28,510.16	34,727.85
(b) Considered Good - Unsecured	4,842.90	6,058.35
(c) Credit Impaired	54,680.89	64,169.92
Less: Allowance for Doubtful trade receivables	54,680.89	64,169.92
Total	33,353.06	40,786.20

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
As at 31st March 2023						
Undisputed Trade Receivables - Considered Good	22,002.51	1,041.92	5,449.79	105.49	4,753.35	33,353.06
Undisputed Trade Receivables - Considered Doubtful	-	-	-	105.49	939.52	1,045.01
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	53,635.88	53,635.88
Less: Allowance for Doubtful trade receivables	-	-	-	105.49	54,675.40	54,680.89
Total	22,002.51	1,041.92	5,449.79	105.49	4,753.35	33,353.06
As at 31st March 2022						
Undisputed Trade Receivables - Considered Good	25,535.13	1,636.04	8,638.02	223.66	4,753.35	40,786.20
Undisputed Trade Receivables - Considered Doubtful	-	-	-	226.70	900.09	1,127.69
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	4,323.72	58,718.51	63,042.23
Less: Allowance for Doubtful trade receivables	-	-	-	4,550.42	59,619.50	64,169.92
Total	25,535.13	1,636.04	8,638.02	223.66	4,753.35	40,786.20

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

8.2: The Current Borrowings include ₹ 14,361.97 Lakhs (Previous period ₹ 14,361.97 Lakhs) towards payment made by Standard Chartered Bank (SCB), after purchasing of export bills of MSTC raised on foreign buyers against the 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 against an Interim Order passed by the DRT, Mumbai on 16th September, 2017 has been challenged by MSTC by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal (DRAT), Mumbai. The said Miscellaneous Appeal was turned down by DRAT on ground of delay in filing. Subsequently, the said appeal was restored by Hon'ble Bombay High Court by way of condonation of delay. SCB had challenged the decision of Bombay High Court through special Leave petition (SLP) in Hon'ble Supreme Court of India. The said SLP was dismissed. Accordingly, appeal stands restored with DRAT, which is currently pending. MSTC has already deposited ₹ 9,000.00 Lakhs with DRAT as pre-deposit towards hearing of appeal. DRAT has directed status quo in the recovery proceedings as on date. Other proceedings challenging the claim of SCB are also pending before various forums including in the Civil Court at Alipore, Kolkata initiated by MSTC both against SCB and the Insurance Company. SCB had 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- 18) and as Trade Receivables.

8.3: Trade Receivables are generally secured by Bank Guarantees.

8.4: Trade Receivable-Credit Impaired Includes the following:

(Amount in ₹ Lakhs)

Name of the Party	31 st March 2023	31 st March 2022
Gyscoaf 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
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
Topworth Steels & Power Private Ltd	10,357.76	10,357.76
Rohit Ferro Tech Ltd.	-	4,323.72
Concast Steel and Power Ltd	45.99	45.99
Jai Balaji Industries Ltd	8,182.39	8,182.39
Total	38,390.18	47,796.54

MSTC has initiated all steps including legal action to realise the dues from the above customer. The related cases are pending before adjudicating authorities at various levels.

8.5: Trade Receivables include ₹ 18,692.99 Lakhs (Previous Year ₹ 24,826.59 Lakhs), against business done in facilitator mode (net of provision).

8.6: Trade Receivables include ₹ 4,842.18 Lakhs (Previous Year ₹ 6,058.35 Lakhs), against E-Commerce business (net of provision).

9. Cash and Cash Equivalents

(Amount in ₹ Lakhs)

Particulars:	31 st March 2023	31 st March 2022
Cash and Cash Equivalents		
Balance with scheduled banks		
i) In Current Account	23,882.79	26,574.42
ii) In Fixed Deposit Maturity less than 3 months.	65,447.86	44,026.09
Total	89,330.65	70,600.51

10. Bank Balances other than Cash & Cash Equivalents

(Amount in ₹ Lakhs)

Particulars:	31 st March 2023	31 st March 2022
Earmarked Balances with banks		
i) In Unclaimed dividend account	172.14	130.53
ii) Deposits with maturity of more than 3 months but upto 12 months	54,405.65	2,764.92
Total	54,577.79	2,895.45

10.1 The deposit of (ii) includes Margin against guarantee ₹ 8,651.41 Lakhs (Previous Year ₹ 2,673.48 Lakhs).

**11. Other Financial Assets (Current)**

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Security deposits for Tender	1,135.47	1,135.47
(b) Deposit with Court #	9,003.79	5,566.53
(c) Other loans and advances		
(i) Loans to employees	37.64	40.42
(ii) Recoverable Advances to employees	57.23	17.33
(iii) Receivable from third party	172.73	239.95
(iv) Other Advances	9.23	14.40
(d) Interest accrued on		
(i) Term deposits	1,911.85	58.06
(ii) Loans to employees	0.10	0.14
Total	12,328.03	7,072.30

The amount includes ₹ 9,000.00 lakhs (Previous Year ₹ 5,562.75 Lakhs) deposited with GRAT Mumbai as a pre-deposit towards hearing of the appeal.

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 st March 2023	31 st March 2022
(a) Advance with public bodies GST, Service Tax & Sales Tax	83.71	57.05
(b) Other Advances		
(i) Advances to employees	143.19	163.65
(ii) Prepaid expenses	6.63	7.24
(iii) Others	1,246.83	2.43
Total	1,480.36	230.37

13. Share Capital

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Authorised:		
15,00,00,000 Ordinary Shares of ₹ 10 each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, Subscribed and fully paid up :		
7,04,00,000 Ordinary Shares of ₹ 10 each	7,040.00	7,040.00
	7,040.00	7,040.00

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

Particulars	31 st March 2023			31 st March 2022		
	Number	Face Value (₹)	Amount (₹ Lakhs)	Number	Face Value (₹)	Amount (₹ Lakhs)
Opening Balance	7,04,00,000.00	10	7,040.00	7,04,00,000	10	7,040.00
Closing Balance	7,04,00,000.00	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 FY 2016-17 in the ratio of 1:1

13(a)(iv) : 1,76,00,000 bonus shares have been issued during FY 2017-18 in the ratio of 1:1

13(a)(v) : 3,52,00,000 bonus shares have been issued during FY 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 st March 2023		31 st March 2022		% Change
	No. of shares held	% of holding	No. of shares held	% of holding	
President of India (Promoter)	4,55,60,800	64.75%	4,55,60,800	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. 29th 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%
Total	100.00%	100.00%

14 : Other Equity

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(1) General Reserve		
Opening balance	49,616.00	49,616.00
Add: Transfer from Retained Earnings	-	-
Closing Balance	49,616.00	49,616.00
(2) Retained Earnings		
Opening balance	(10,111.74)	(21,160.02)
Add: Profit for the year	23,922.75	20,004.91
Other Comprehensive Income for the year	340.50	124.97
Less: Final Dividend 2020-21	-	(3,097.60)
Less: Final Dividend 2021-22	(3,097.60)	-
Less: Interim Dividend 2021-22	-	(5,984.00)
Less: Interim Dividend 2022-23	(8,307.20)	-
Less: Transfer to General Reserve	-	-
Closing Balance	2,746.71	(10,111.74)
Total Other Equity (1+2)	52,362.71	39,504.26

15 : Other Financial Liabilities (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Liability under EFBS Scheme	365.32	366.93
Total	365.32	366.93

**16. Provision (Non Current)**

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Provision for Post Retirement Medical Scheme	910.78	1,380.16
(b) Provision for Leave Encashment	301.16	387.68
Total	1,211.94	1,767.84

17. Other liabilities (Non Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Advance from customers	1,117.31	799.52
Total	1,117.31	799.52

18. Borrowings (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
A. Secured Borrowings		
(a) Repayable on Demand Working Capital Demand Loans if	138.23	138.23
Current Maturity of Long Term Debt		
(b) House Building Loan from Bank	-	450.28
Total Secured Borrowings	138.23	588.51
B. Unsecured Borrowings		
Repayable on Demand From Banks	14,361.97	14,361.97
Total Unsecured Borrowings	14,361.97	14,361.97
Total(A+B)	14,500.20	14,950.48

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 Current Borrowings include ₹ 14,361.97 Lakhs (Previous period ₹ 14,361.97 Lakhs) towards payment made by Standard Chartered Bank (SCB), after purchasing of export bills of MSTC raised on foreign buyers against the 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 against an Interim Order passed by the DRT, Mumbai on 16th September, 2017 has been challenged by MSTC by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal (DRAT), Mumbai. The said Miscellaneous Appeal was turned down by DRAT on ground of delay in filing. Subsequently, the said appeal was restored by Hon'ble Bombay High Court by way of condonation of delay. SCB had challenged the decision of Bombay High Court through special Leave petition (SLP) in Hon'ble Supreme Court of India. The said SLP was dismissed. Accordingly, appeal stands restored with DRAT, which is currently pending. MSTC has already deposited ₹ 9,000.00 Lakhs with DRAT as pre-deposit towards hearing of appeal. DRAT has directed status quo in the recovery proceedings as on date. Other proceedings challenging the claim of SCB are also pending before various forums including in the Civil Court at Alipore, Kolkata initiated by MSTC both against SCB and the Insurance Company. SCB had 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).

19. Trade Payables (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Creditors for supplies and services		
- Dues to micro and small enterprises	12.17	14.68
- Others #	12,018.91	13,579.71
- Accrued wages and salaries*	2,171.47	2,523.41
Total Trade Payables	14,202.55	16,117.80

Notes :**19.1 Trade Payables (Current)**

(Amount in ₹ Lakhs)

Particulars	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
As at 31st March 2023					
MSME	12.17	-	-	-	12.17
Others	1,733.39	5,646.80	267.28	6,542.91	14,190.38
Total	1,745.56	5,646.80	267.28	6,542.91	14,202.55
As at 31st March 2022					
MSME	14.68	-	-	-	14.68
Others	2,960.33	6,580.08	90.79	6,471.92	16,103.12
Total	2,975.01	6,580.08	90.79	6,471.92	16,117.80

- (a) 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.
- (b) * includes ₹ 316.38 Lakhs (Previous Year ₹ 297.27 Lakhs) towards provision for pension benefit of employees and ₹ 940.00 Lakhs (Previous Year ₹ 1,436.00 Lakhs) towards wage revision of the employees due from 1st January, 2017.
- (c) Both as at 31st March, 2023 and as at 31st March 2022, there is no interest and overdue payment of more than 45 days outstanding to Micro, Small and Medium Enterprises (MSME).
- (d) The wage agreement has been reached for wages for non-executive employees, due for revision w.e.f. 1st January, 2017. Consequential adjustment in provision for ₹ 496.00 lakhs by way of reversal on this account has been made in the Books of Accounts.
- (e) For restatement of Liabilities in respect of Financial Year 2021-22, please refer to Note- 35 under IndAS- 8.

20. Other Financial Liabilities (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Interest payable		
(i) Interest accrued but not due on borrowings	7,889.03	7,889.03
(b) Unclaimed dividends	172.14	130.53
(c) Creditors for other liabilities		
(i) Security deposits/EMD	80,537.27	55,876.23
(ii) Deposits received from customers	45,455.87	13,797.10
(iii) Deposit under EFBS	228.17	228.17
(iv) Payable under EFBS Deposit schemes	24.35	58.23
(v) Others	93.01	103.99
Total	1,34,399.84	78,083.28

**21. Other Liabilities (Current)**

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Statutory Dues		
(i) GST and Professional Tax Payable	709.65	676.76
(ii) Tax Deducted and Collected at Source	892.30	1,231.75
(b) Advance from Customers	593.69	476.02
Total	2,195.64	2,384.53

22. Provision (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Provision for PF Trust #	100.00	60.65
Provision for Post Retirement Medical Scheme	47.53	61.32
Provision for Leave Encashment	124.08	127.19
Provision for Gratuity	25.80	131.13
Total	297.41	380.29

This represents the provision for ₹ 100.00 Lakhs (Previous Year ₹ 60.65 Lakhs) towards the contribution for deficit in income of PF Trust. (Refer Note No. - 38)

23. Revenue from Operations

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Sale of Goods	-	15,983.55
(b) Service Charges	29,103.07	26,785.97
(c) Other Operating Revenues	3,368.77	4,294.39
Total	32,471.84	47,063.91

(a) During the year, an amount of ₹ 1,137.90 Lakhs (Previous Year ₹ 995.25 Lakhs) was collected towards E-auction Registration. Out of total collection of current year, an amount of ₹ 910.32 Lakhs (Previous Year ₹ 829.38 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 31st March, 2023 is ₹ 1,709.84 Lakhs (Previous Year ₹ 1,275.55 Lakhs). Balances 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 ₹ 1,900.43 Lakhs (Previous Year ₹ 3,040.38 Lakhs).

24. Other Income

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Interest income		
(1) Interest on FDR	4,482.04	1,657.84
(2) Interest on Employee Advances	21.18	24.99
(b) Dividend Income		
From investment in subsidiaries	3,300.00	4,160.00
(c) Liability written back	25.71	-
(d) Provision no longer required written back	9,489.04	22,038.18
(e) Miscellaneous income	10.71	11.67
Total	17,328.68	27,892.68

25. Purchases of Stock-in-Trade

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Purchases of Stock-in-Trade	-	15,878.48
Total	-	15,878.48

26. Employee Benefit Expense

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Salaries and Wages	5,734.63	7,278.00
(b) Contribution to Provident and other funds	589.25	607.37
(c) Staff welfare expenses	609.12	685.41
Total	6,933.00	8,570.78

The wage agreement has been reached for wages for non-executive employees, due for revision w.e.f. 1st January, 2017. Consequential adjustment in provision for ₹ 496.00 lakhs by way of reversal on this account has been made in the books of Accounts.

27. Finance Costs

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Interest expense		
(i) Interest on House Building Loan from Banks	9.14	38.44
(ii) Interest Paid to Customers	-	223.16
Total	9.14	261.60



28. Other Expenses

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Repairs and Maintenance	742.40	582.16
(b) EDP Expenses	101.00	158.05
(c) Insurance charges	5.23	9.42
(d) Rent	378.02	342.77
(e) Rates and taxes	12.81	17.28
(f) Bank Charges	5.42	20.08
(g) Travelling Expenses	249.58	55.49
(h) Car Hire Charges	154.00	131.25
(i) Meeting and Conference	177.53	63.20
(j) Training	66.22	9.78
(k) Directors' Sitting Fees	6.00	5.70
(l) Statutory Auditor's Remuneration		
(i) Audit Fees	11.20	10.60
(ii) Tax Audit Fees	1.25	1.50
(iii) Out-of-Pocket Expenses	6.87	0.12
(m) Stock Yard Expenses	36.61	65.92
(n) Telex, Postage and Telegram	10.43	9.95
(o) Electricity	138.70	128.58
(p) Printing and Stationery	30.42	26.03
(q) Entertainment	34.47	19.67
(r) Telephone Charges	46.38	43.49
(s) Advertisement	127.72	82.77
(t) Legal Expenses	297.60	206.50
(u) Consultancy Charges	63.73	27.76
(v) Internal Audit fees	1.44	1.44
(w) Out-of-Pocket Expenses (Internal Auditor)	4.19	1.95
(x) Staff Recruitment Expenses	0.07	0.28
(y) Newspaper, Books and Periodicals	4.12	1.76
(z) Corporate Social Responsibility (Refer Note No- 40 (b))	301.70	17.84
(za) Auction Tender Expenses	159.92	103.69
(ab) Bad Debts Written off *	7,666.33	22,038.14
(ac) Allowance for Bad and Doubtful Advances *	-	3,555.25
(ad) Miscellaneous Expenses	19.08	24.06
(ae) Research & Development Expense	1.74	-
(af) Plot Rent	7.46	7.46
Total	10,869.73	27,769.94

* Notes

Bad Debt written off at (ab) 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 24(d). The above write-off is as per approval of Board of Directors in Meeting no 315th held on 14th July, 2022.

29. Statement of Opening Stock, Purchases, Sales and Closing Stock for the year ended 31st March 2023

(Qty '000 MTR) (Amount in ₹ Lakhs)

Description of material	Opening Stock		Purchases		Sales		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Pipes & Tubes	2022-23	-	-	-	-	-	-	-
	2021-22	-	-	170.00	15,878.48	170.00	15,983.55	-

30. In addition to Note no. 29, the Company has also provided material as facilitator as per details below:

(Amount in ₹ Lakhs)

Description of Material	Qty (As Applicable)	Material Value	Service Charges Earned
Cement (MT)	2022-23	725.00	50.03
	2021-22	850.00	51.00
Pipe (MTR)	2022-23	-	2.56
	2021-22	-	11.20
TRA Mix (NO.)	2022-23	4.00	0.14
	2021-22	4.00	0.87
Mix Asphalt Plant (NO.)	2022-23	1.00	1.73
	2021-22	-	-
HSD (MT)	2022-23	7,825.00	6,288.08
	2021-22	1,733.00	1,296.62
Electrical Items	2022-23	-	4.58
	2021-22	-	12.74
Misc Items (MTR)	2022-23	19,492.00	0.07
	2021-22	19,492.00	5.35
TMT Bar (MT)	2022-23	15,179.00	62.78
	2021-22	13,868.00	117.99
MS Sheet/Plate/Flat (MT)	2022-23	11,302.00	128.28
	2021-22	13,170.00	131.70
Electrical Equipment/Project Materials (MT)	2022-23	86.00	0.16
	2021-22	240.00	3.85
Bitumin (MT)	2022-23	421.00	1.40
	2021-22	-	-
Total	2022-23	55,035.00	22,944.60
	2021-22	49,357.00	20,669.67

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

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

(Amount in ₹ Lakhs)

Particulars		Marketing	E-Commerce	Others (unallocated)	Total
Total Income	2022-23	11,549.93	34,892.99	3,357.60	49,800.52
	2021-22	41,354.23	29,405.70	4,196.66	74,956.59
Total expenses	2022-23	7,708.36	260.92	10,483.34	18,452.62
	2021-22	41,674.15	368.62	10,909.71	52,952.48
Result (Profit/Loss(-) before Tax)	2022-23	3,841.57	34,632.07	(7,125.74)	31,347.90
	2021-22	(319.92)	29,037.08	(6,713.05)	22,004.11
Tax expenses	2022-23				7,425.15
	2021-22				1,999.20
Profit/ Loss(-) for the period	2022-23				23,922.75
	2021-22				20,004.91

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)	2022-23	2021-22
Total Revenue	-	15542.43
No. of Customers	-	1
% of Total Revenue	-	20.74%
Product Segment	NA	Marketing

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

(Amount in ₹ Lakhs)

Sl No.	Particulars	31 st March 2023	31 st March 2022
1	Sales Tax & VAT	2,006.71	1,908.71
2	Custom Act	1,189.31	1,189.31
3	Money Suits	17,761.76	17,871.76
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	555.58	507.38
Total		23,043.47	23,007.27

(b) Commitments

(Amount in ₹ Lakhs)

Sl No.	Particulars	31 st March 2023	31 st March 2022
1	Purchase of New Office at New Delhi	12,902.00	-
Total		12,902.00	-

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

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(1) Current tax - For the period	3,910.63	649.43
(2) Deferred tax	3,514.52	1,349.77
Total income tax expense recognised in the current year	7,425.15	1,999.20

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

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(1) Profit before tax for the period	31,347.90	22,004.11
(2) Income tax calculated at 34.944 %	10,954.21	7,690.41
(3) Effect of expenses that are not deductible in determining taxable profit	1,709.46	570.60
(4) Effect of income that is exempt/deductible from tax	(4,589.08)	1,439.20
(5) Effect of Taxes on Bad Debt written off	-	(7,701.01)
(6) MAT adjustment	(649.44)	-
Total income tax expense recognised in the current year	7,425.15	1,999.20

The tax rate used for the year 2022-23 and 2021-22 in the reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law. For Deferred Tax calculation of financial year 2022-23, income tax rate of 34.944%.

The company has a MAT credit of ₹ 972.95 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 Asset has been recognised for MAT credit entitlement. However no Deferred Tax Asset has been recognised on the provision for Doubtful Debts of Nil (Prev year ₹ 3,555.25 Lakhs) as a conservative approach.

During the year, an amount of Nil (Previous Year ₹ 10.47 Lakhs) has been deposited under Direct Tax Vivad Se Vishwas Act, 2020. 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 st March 2022	Charge/(credit) for the Year	31 st March 2023
Through Profit or Loss			
Deferred Tax Liabilities			
Employee Family Benefit Scheme	(62.06)	7.95	(54.11)
	(62.06)	7.95	(54.11)
Deferred Tax Assets			
Property, Plant & Equipment and Intangible Assets	(163.14)	(70.99)	(234.13)
Provision against other expenses	1,598.76	(127.13)	1,471.63
Allowance for Doubtful Debts & Advances	15,944.25	(1,074.16)	14,870.09
MAT Credit Entitlement	3,090.97	(2,250.18)	840.79
Net Deferred Tax (Liabilities)/ Assets	20,470.84	(3,522.46)	16,948.38
Total Deferred Tax (Liabilities)/ Assets	20,408.78	(3,514.51)	16,894.27
Through Other Comprehensive Income			
Deferred Tax Assets			
Remeasurement of Defined Benefit Plan	424.46	(182.89)	241.57
Gross Deferred Tax (Liabilities)/ Assets	20,833.24	(3,697.40)	17,135.84



34. Earnings Per Share

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Profit for the year	23,922.75	20,004.91
Profit attributable to Shareholders	23,922.75	20,004.91
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)	33.98	28.42

35. Restatement in terms of IndAS - 8

(Amount in ₹ Lakhs)

Sl. No.	Particulars	31 st March 2022	31 st March 2022
		Original	Restated
1	Property, Plant and Equipment (Gross Block) Adjustment for Addition (ref note below) Restated Gross Block as at 31st March, 2022	6,649.10	6,649.10 167.23 6,816.33
2	Depreciation as at 31 st March, 2022 Adjustment for Addition (ref note below) Restated Depreciation as at 31st March, 2022	661.70	661.70 3.70 665.40
3	Restated Net Block as at 31 st March, 2022	5,987.40	6,150.93
4	Trade Payables (Current) as at 31 st March, 2022 Adjustment for Addition (ref note below) Restated Trade Payables (Current) as at 31st March, 2022	15,950.57	15,950.57 167.23 16,117.80
5	Other Equity as at 31 st March, 2022 Adjustment for Addition (ref note below) Restated Other Equity as at 31st March, 2022	39,507.96	39,507.96 (3.70) 39,504.26
6	Depreciation & Amortisation expenses Adjustment for depreciation due to Addition (ref note below) Restated Depreciation & Amortisation expenses for the year ended 31st March, 2022	467.98	467.98 3.70 471.68
7	Profit Before Tax for the period ended 31 st March, 2022 Adjustment for depreciation due to Addition (ref note below) Restated Profit Before Tax for the period ended 31st March, 2022	22,007.81	22,007.81 (3.70) 22,004.11
8	Profit After Tax for the period ended 31 st March, 2022 Adjustment for depreciation due to Addition (ref note below) Restated Profit After Tax for the year ended 31st March, 2022	20,008.61	20,008.61 (3.70) 20,004.91
9	Total Comprehensive Income for the period ended 31 st March, 2022 Adjustment for depreciation due to Addition (ref note below) Restated Total Comprehensive Income for the year ended 31st March, 2022	20,133.58	20,133.58 (3.70) 20,129.88

Note: The project closure of corporate office Building at Kolkata has been approved by the Board of Directors of MSTC in their 316th meeting held on 10th August, 2022, with an approval for additional cost of ₹167.23 Lakhs. Accordingly, the settlement has been done with the PMC Agency. The same was already put to use during the F.Y 2021-22 following completion of the project w.e.f. 20th July, 2021 with cost ₹ 5,297.00 Lakhs duly approved by the Board of Directors. The depreciation attributable to this additional cost for F.Y 2021-22 is ₹ 3.70 Lakhs. In order to give that effect, the Gross Block, Net Block, Liability towards PMC payment, Other Equity, Depreciation, Profit and Total Comprehensive Income has been restated as at 31st March, 2022 and for the year ended 31st March, 2022.

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	31st March 2023	31st March 2022	Measured at
Trade Receivables	33,353.06	40,786.20	Amortised cost
Other Financial Assets	12,743.39	7,536.88	Amortised cost
Cash and Cash Equivalents	89,330.65	70,600.51	Amortised cost
Other Bank Balances	54,577.79	2,895.45	Amortised cost
Investments	4,581.00	4,441.00	Amortised cost
Total Financial Assets	1,94,585.89	1,26,260.04	
Financial Liabilities	31st March 2023	31st March 2022	Measured at
Borrowings	14,500.20	14,950.48	Amortised cost
Trade Payables	14,202.55	16,117.80	Amortised cost
Other Financial Liabilities	1,34,765.16	78,450.21	Amortised cost
Total Financial Liabilities	1,63,467.91	1,09,518.49	

(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 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 risks (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 transactions involving 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, as and when necessary.

(i) Interest Rate Risk Management

The Company converts maximum of its loan to MCLR based, with the rate being firm for a contract period usually for a year, as and when necessary.

(ii) Foreign Currency Risk Management

The foreign currency exposure of the Company is due to import liabilities, if any. Transactions are on back to back basis with customers. The gain and loss if any is passed on to the customer. Sometimes forward cover is taken to hedge the related foreign currency exposure in terms of discussion with the customer. 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 transacts 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 customer. 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. Furthermore, in case of Marketing Segment, the business is done with back up of Bank Guarantee.

(c) Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, if required, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual undiscounted cash obligations of financial liabilities including estimated interest payments for the period 31st March 2023, and as at 31st March 2022.

(Amount in ₹ Lakhs)

Financial Liabilities	31 st March 2023				
	Carrying Amount	Contractual Cash Flows	Less than 1 year	Between 1-5 years	More than 5 years
Borrowings	14,500.20	14,500.20	14,500.20		
Trade payables	14,202.55	14,202.55	14,202.55		
Other financial liabilities	1,34,765.16	1,34,920.02	1,34,429.36	180.08	310.58
Total	1,63,467.91	1,63,622.77	1,63,132.11	180.08	310.58

(Amount in ₹ Lakhs)

Financial Liabilities	31 st 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
Total	1,09,351.26	1,09,528.87	1,08,984.33	190.72	353.82

(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 Ajay Kumar Rai	Company Secretary
Smt. Aparna Chaturvedi (upto 13.12.2021)	Independent Director
Shri Ajoy Prasad Pandey	Independent Director
Shri Vasant Ashok Patil	Independent Director

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

Particulars	Nature of related party / relationship	Remuneration (Amount in ₹ Lakhs)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
For the year ended 31st March 2023					
Shri Surinder Kumar Gupta	Chairman and Managing Director	79.18	4.61	4.93	88.72
Shri Subrata Sarkar	Director (Finance) & CFO	61.86	1.71	(0.11)	63.46
Smt. Bhanu Kumar	Director (Commercial)	72.21	2.72	(0.22)	74.71
Shri Ajay Kumar Rai	Company Secretary	39.71	2.37	0.71	42.79
Shri Adya Prasad Pandey	Independent Director	2.85*	-	-	2.85
Shri Vasant Ashok Patil	Independent Director	3.15*	-	-	3.15

Particulars	Nature of related party / relationship	Remuneration (Amount in ₹ Lakhs)			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
For the year ended 31st March 2022					
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 Ajay Kumar Rai	Company Secretary	35.97	3.04	1.54	40.55
Smt. Aparna Chaturvedi (upto 13.12.2021)	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

Note : * 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 remuneration includes Performance Related Pay on actual payment basis.

(b) Transaction with FSNL (100% Subsidiary)

Particulars	(Amount in ₹ Lakhs)	
	31 st March 2023	31 st March 2022
Amount Received for providing E-Auction Service	0.07	2.87
Amount received for Software development	30.68	0.00

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

Particulars	(Amount in ₹ Lakhs)	
	31 st March 2023	31 st March 2022
Investment in Joint Venture	140.00	600.00
Amount received towards reimbursement of expenditure	33.37	24.24
Amount paid towards reimbursement of expenditure	4.08	6.00
Amount Received for providing E-Auction Service	13.18	8.18

**38. Employee Benefits****Defined Contribution Plans****1. Provident Fund**

An amount @12% of Basic Pay and Dearness Allowance is 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.

Defined Benefits Plans**1. Gratuity:**

The Gratuity is payable on service severance in respect of eligible employees.

(a) Executives:

The Gratuity is calculated and paid as per the Payment of Gratuity Act, 1972.

(b) Non Executives:

The Gratuity is payable as per the Payment of Gratuity Act, 1972 except for:

- (i) The Gratuity is calculated at the rate of one month's wages last drawn by the employee for every completed years of service in excess of 30 years
- (ii) In case of employees who joined before 1st July 2014, the Gratuity is payable without any ceiling.

2. Post Retirement Medical Benefit:

The Post Retirement Medical Benefit is a medical benefit to the superannuated employees and their spouse. The members are covered through Group Mediclaim Insurance of the Insurance Company. This is available to superannuated employees at any hospital under the Group Mediclaim Insurance Policy. In addition to the expenses incurred in domiciliary treatment is also reimbursed as per prescribed scheme. 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.

3. Risk Management

Investment Risk	The present value of the certain 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.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

- (a) The company has recognised an amount of ₹ 836.14 Lakhs (Previous Year ₹ 760.94 Lakhs) in Statement of Profit and Loss for the current year as expenses under defined contribution plans.

(Amount in ₹ Lakhs)

Benefit (Contribution to)	31 st March 2023	31 st March 2022
Provident Fund*	519.76	463.67
Pension	316.38	297.27
Total	836.14	760.94

* It includes ₹ 100.00 Lakhs (Previous Year: ₹ 60.65 Lakhs) 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 :

1. Assumptions

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Discount rate (per annum)	7.10%	6.20%
b. Estimated rate of return on plan assets (per annum)	7.10%	6.20%
c. Rate of escalation in salary (per annum)	8.00%	8.00%

2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Gratuity are as follows:

Description	For the year ended	
	31 st Mar 2023	31 st Mar 2022
a. Current service cost	130.51	162.21
b. Service Cost	130.51	162.21
c. Net Interest on net defined benefit liability / (asset)	3.87	9.22
d. Cost recognized in P&L	134.38	171.43
Remeasurement on the net defined benefit liability/(asset):		
a. Actuarial (gain)/loss due to DBO Experience	95.99	(8.28)
b. Actuarial (gain)/loss due to DBO assumption changes	(123.69)	(43.26)
c. Actuarial (gain)/loss arising during period	(27.70)	(51.52)
d. Return on plan assets (greater)/less than discount rate	(21.68)	(8.48)
e. Actuarial (gains)/losses recognised in OCI	(49.38)	(60.00)
f. (Income)/Cost recognized in OCI	(49.38)	(60.00)

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 st March 2023	31 st March 2022
a. Obligation as at the beginning of the year	1,981.22	2,061.34
b. Current Service Cost	130.51	162.21
c. Interest Cost on DBO	112.85	121.62
d. Past Service Cost- Plan Ammdement	-	-
e. Acquisitions (credit)/cost	-	-
f. Actuarial (gains) and losses arising from changes in financial assumptions	(123.69)	(43.26)
g. Actuarial (gains) and losses arising from experience adjustments	95.99	(8.26)
h. Benefits paid from plan asset	(244.38)	(312.43)
I. Closing defined benefit Obligation	1,952.50	1,981.22

5 (b) Movements in the fair value of the plan assets are as follows

(Amount in ₹ Lakhs)

Description	31 st March 2023	31 st March 2022
a. Fair value of the assets at end of prior period	1,850.09	1,905.00
b. Interest Income on plan assets	108.98	112.40
c. Employer Contributions	190.33	136.64
d. Return on plan assets greater/(lesser) than discount rate	21.68	8.48
e. Benefits paid	(244.38)	(312.43)
f. Fair Value of assets at the end of current period	1,926.70	1,850.09

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 st March 2023	31 st March 2022
Increase		
(i) Aggregate current service and interest cost	(121.01)	131.98
(ii) Closing balance of obligation	1,831.49	1,849.24
Decrease		
(i) Aggregate current service and interest cost	138.40	151.66
(ii) Closing balance of obligation	2,090.90	2,132.88

Effect of a 1% change in Salary Escalation Rate31st March 202331st March 2022

Increase		
(i) Aggregate current service and interest cost	56.11	62.16
(ii) Closing balance of obligation	2,008.61	2,043.38
Decrease		
(i) Aggregate current service and interest cost	(52.92)	(59.72)
(ii) Closing balance of obligation	1,899.58	1,921.50

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 :

1. Assumptions

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Discount rate (per annum)	7.10%	6.20%
b. Medical Inflation (per annum)	5.00%	5.00%

2. Amounts recognised in standalone statement of profit and loss in respect of defined benefit plans under Post Retirement Medical Benefit Scheme are as follows:

(Amount in ₹ Lakhs)

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Current service cost	61.32	69.90
b. Service Cost	61.32	69.90
c. Net Interest on net defined benefit liability / (asset)	87.47	88.04
d. Cost recognized in P&L	148.79	157.94
Remeasurement on the Net Defined Benefit Liability/(Asset):		
e. Actuarial (gain)/loss due to DBO Experience	(221.63)	(10.26)
f. Actuarial (gain)/loss due to DBO assumption changes	(259.10)	(102.91)
g. Actuarial (gain)/loss arising during period	(480.73)	(113.17)
h. Return on plan assets (greater)/less than discount rate	6.71	(18.92)
i. Actuarial (gains)/losses recognised in OCI	(474.02)	(132.09)
j. Adjustments for limit on net assets	-	-
k. (Income)/Cost recognized in OCI	(474.02)	(132.09)

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 st March 2023	31 st March 2022
a. Obligation as at the beginning of the year	2,594.22	2,625.48
b. Current Service Cost	61.32	69.90
c. Interest Cost	160.79	150.81
d. Actuarial (gains) and losses arising from changes in financial assumptions	(259.10)	(102.91)
e. Actuarial (gains) and losses arising from experience adjustments	(221.63)	(10.26)
f. Benefits paid directly by the Company	(127.86)	(138.80)
g. Closing defined benefit Obligation	2,207.74	2,594.22

6. Movements in the fair value of the plan assets are as follows:

(Amount in ₹ Lakhs)

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Fair value of the assets at end of prior period	1,152.75	1,056.77
b. Interest Income on plan assets	73.32	62.77
c. Employer Contributions	157.94	153.08
d. Return on plan assets greater/(lesser) than discount rate	(6.71)	18.93
e. Benefits paid	(127.86)	(138.80)
f. Fair Value of assets at the end of current period	1,249.44	1,152.75



7. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected medical cost inflation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in ₹ Lakhs)		
Effect of a 1% change in Discount Rate	31 st March 2023	31 st March 2022
Increase		
(i) Aggregate current service and interest cost	(234.94)	(297.38)
(ii) Closing balance of obligation	1,972.80	2,296.84
Decrease		
(i) Aggregate current service and interest cost	291.28	373.10
(ii) Closing balance of obligation	2,459.02	2,967.32
Effect of a 1% change in Medical Inflation Rate	31 st March 2023	31 st March 2022
Increase		
(i) Aggregate current service and interest cost	177.50	237.68
(ii) Closing balance of obligation	2,385.24	2,831.90
Decrease		
(i) Aggregate current service and interest cost	(141.17)	(187.77)
(ii) Closing balance of obligation	2,066.57	2,406.45

39. Ratio

Statement Showing Liquidity/Operational/Performance Ratio:-

Sl. No.	Description	Ratio Variance % Notes			
		As at 31 st March 2023	As at 31 st March 2022		
a)	Current Ratio (Current Assets / Current Liabilities)	1.15	1.09	5.50%	1
b)	Debt-Equity Ratio (Long term Borrowings + Short term Borrowings (including current maturities of long term borrowings) / (Total Equity))	NA	NA	NA	2
c)	Debt Service Coverage Ratio (Profit before interest, tax, depreciation, amortisation, impairments and exceptional items) / (Gross Interest for the year + Principal repayments within a year)	NA	NA	NA	3
d)	Return on Equity Ratio (Net Profit after tax for the year / Total Equity)	40.27%	42.98%	-6.31%	4
e)	Inventory Turnover Ratio (Cost of materials consumed / Average Inventories for the year)	NA	NA	NA	5
f)	Trade Receivables Turnover Ratio (Revenue from sale of goods and services) / (Average Trade Receivable for the year)	0.68	0.63	6.02%	6
g)	Trade Payables Turnover Ratio (Purchase of goods and services)/(Average Trade Payable for the year)	0.65	0.98	-33.67%	7
h)	Net Capital Turnover Ratio (Revenue from sale of goods and services) / (Working Capital i.e. Current Assets - Current Liabilities)	1.27	4.87	-73.92%	8
i)	Net Profit Ratio (Net Profit after tax for the year/ Revenue from operations)	73.67%	42.51%	73.30%	9
j)	Return on Capital Employed (Profit before interest and tax / Average Debt and Shareholder Funds for the year)	56.21%	49.92%	12.60%	10
k)	Return on Investment (Profit after Tax for the year / Net Worth - Investment)	43.64%	47.51%	-8.15%	11

- Note - 1 Current Ratio has improved due to better liquidity on account of higher profit and cash realisation.
- Note - 2 MSTC do not have any long-term debt, hence, not applicable.
- Note - 3 MSTC do not have any long-term debt, hence, not applicable.
- Note - 4 Although the Profit (PAT) has increased but the ratio has decreased on account of increase in Total Equity.
- Note - 5 MSTC do not have any inventory, hence, not applicable.
- Note - 6 Trade Receivable Turnover Ratio increased due to reduction in Trade Receivable.
- Note - 7 Trade Payable Turnover Ratio decreased due to reduction in purchase of goods and services.
- Note - 8 Net Capital Turnover Ratio decreased due to reduction in sale of goods and services.
- Note - 9 Net Profit Ratio has increased on account of higher profit.
- Note - 10 The ratio has increased due to increase in profit.
- Note - 11 Although the Profit (PAT) has increased but the ratio has decreased on account of increase in Total Equity.

40. Expenditure Incurred on Corporate Social Responsibility Activities

- (a) The minimum gross amount required to be spent by the company during the year ₹ 272.00 Lakhs (Previous Year - Nil).
- (b) In accordance to section 135 of Companies Act 2013, the company has incurred ₹ 301.70 Lakhs (Previous Year ₹ 17.84 Lakhs), as CSR expenditure.

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Construction/ Renovation of School Building	6.15	17.84
Purchase of Medical Equipments	226.70	-
Mobile, Medical Vans	63.87	-
Plantation of Timber	4.98	-
Total	301.70	17.84

(c) There is no related party transaction involved in CSR expenditure.

(d) Above figures are disclosed separately in note no 28 (z).

41. Balance 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 shareholders of MSTC Limited in Extra-Ordinary General Meeting dated 22nd December, 2021 have decided to sold the entire stake in Ferro Scrap Nigam Limited (FSNL). Accordingly the process for sale has already started.
43. The company did not have any unrecorded transactions in the Books of Accounts which have been surrendered or disclosed as 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 319th Board Meeting held on 23rd May, 2023.
46. The Board of Directors of the Company in its 319th Meeting held on 23rd May, 2023 has proposed a final dividend of ₹ 3.20 per share in respect of year ending 31st March, 2023, @ 32% 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 ₹ 2,252.80 Lakhs.
47. The figures for the corresponding previous years have been regrouped / reclassified wherever necessary to make them comparable.
in terms of our report of even date.

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

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

Place : Kolkata
Date : May 23, 2023

For and on behalf of Board of Directors

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

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

(Suchit Kumar Barwal)
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

- We have audited the accompanying Consolidated Financial Statements of MSTC Limited (hereinafter referred to as the "Holding Company"), and considered the Financial Statements of Subsidiary (Holding Company and its Subsidiary together referred to as "the Group") and Joint Venture audited by other auditors, which comprise the Consolidated Balance Sheet as at 31st March 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the Group and its Joint Venture as at 31st March 2023, their Consolidated Profit and Other Comprehensive Income, Consolidated changes in Equity and the Consolidated Cash Flows for the year ended on that date.

Basis for Opinion

- We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for

the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Joint Venture in accordance with the Code of Ethics issued by The Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Emphasis of Matter

- Without qualifying our opinion, we draw attention to the following:
 - With reference to Note No. 35 of the Consolidated Financial Statements, there is a non-Provision of Deferred Tax Asset of ₹ 4,237.60 lakhs on Provision for Doubtful Debts of ₹ 12,126.84 lakhs since 1st April, 2018 in respect of the Holding Company.
 - In the case of Holding Company, the Title Deed of a freehold flat in Mumbai having Gross Block of ₹ 7.42 lakhs as at 31st March, 2023 was not available for verification.

Key Audit Matters

- 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>Recoverability of Trade Receivables:</p> <p>As at 31st March 2023, Trade Receivables-Gross is ₹ 88,033.95 lakhs (Net ₹ 33,353.06 lakhs), with ₹ 54,680.89 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 31st March 2023, 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 31st March, 2023.</p> <p>Since obtaining of balance confirmations from Parties is an ongoing process (as referred to in Note 42), substantive audit procedures have been followed to ensure accuracy of balances. We have assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers 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>IT Systems & Control:</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>Assessment of allowance for Bad and Doubtful Advances and Contingent Liabilities:</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 30 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"> • Evaluating reasonableness of the underlying assumptions. • Understanding the current status of the litigations. • Examining the relevant documents on available records. • Reviewing legal opinion/ industry practices wherever necessary. • Verification of various disclosures made by the management. • Obtaining Management's Representation as per guidelines of the ICAI. • Holding Company's Accounting Policy.
iv)	<p>The Subsidiary's other Auditor has reported that they have determined that there are no key audit matters to communicate in their report for the year ended 31st March, 2023.</p>	

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 the 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, as per 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 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 controls 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 in the consolidated Accounts 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 ₹ 43,798.74 lakhs as at 31st March, 2023, total Revenues of ₹ 41,416.21 lakhs, total Net Profit after Tax of ₹ 3,837.87 lakhs, total Comprehensive Income of ₹ 3,952.38 lakhs and Cash outflow (net) of ₹ 1,269.21 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 Loss of ₹ 265.43 lakhs and total Comprehensive Loss of ₹ 265.15 lakhs in respect of Joint Venture namely Mahindra MSTC Recycling Pvt Ltd for the year ended 31st March, 2023 whose Financial Statements have been audited by other auditor.

The Financial Statements of the Subsidiary and Joint Venture Company have been audited by other auditors 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 42 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.

Since the pandemic situation out of COVID -19 has waned in India, we have made visits to certain Southern Region Branches, viz. Hyderabad, Vizag and Chennai to audit the transactions as well as having the assessment of activities in the said Branches. We have, however, followed alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI) in respect of all the Branches. Full remote access of the data in respect of all the Branches were available on the Company's ISTMS systems. We have been represented by the management of the Company that the data provided on the system 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.
 - 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.
 - 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 31st March, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
 - 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".
 - 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 5th 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 had transferred ₹ 11.08 lakhs to the Investor Education and Protection Fund during the year under review. 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/E300607

CA Pradip Kumar Mitra
Partner

Place: Kolkata

M.No.052183

Date: May 23, 2023

UDIN : 2305218386ZFZE9363

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 23, 2023

UDIN : 23052183BGZFZE9363

Annexure - B to the Independent Auditor's Report

Referred to in paragraph 10(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, 2023.

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 31st March, 2023 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 31st March 2023 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.

Auditor's 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

M.No.052183

Date: May 23, 2023

UDIN : 23052183B6ZFE9363

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 processes all accounting transaction through an integrated Accounting package i.e. FAST Package.</p> <p>The company has two separate IT package for</p> <p>(1) Payroll & (2) Inventory and are integrated in Accounting Package through Journal Vouchers.</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 2022-23.</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 2022-23 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. 2022-23 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 : 23052183BGZFZE9363

Place: Kolkata
Date: May 23, 2023



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 31ST MARCH 2023

The preparation of consolidated financial statements of MSTC Limited for the year ended 31st March, 2023 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 23rd May, 2023.

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 31st March, 2023 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 the behalf of the
Comptroller & Auditor General of India**

**(Atul Prakash)
Principal Director of Audit (Mines)
Kolkata**

**Place : Kolkata
Date : July 26, 2023**

Consolidated Balance Sheet as at 31st March 2023

		(Amount in ₹ Lakh)		
Particulars		Notes	As at 31 st March 2023	As at 31 st March 2022
ASSETS				
(1)	Non-Current Assets			
	Property, Plant and Equipment and Intangible Assets			
(a)	Property, Plant and Equipment	2	13,293.80	13,354.00
(b)	Capital Work in Progress	3	8.18	-
(c)	Leasehold Land	2	693.32	709.78
(d)	Intangible Assets	2	94.70	113.08
			14,089.99	14,187.86
(e)	Financial Assets			
(i)	Investment in Joint Venture	3	1,938.87	2,903.83
(ii)	Other Financial Assets	6	2,031.55	8,130.38
(f)	Non-Current Tax Assets			
(g)	Unfunded Tax Assets (Net)	7	9,349.87	8,482.14
(h)	Other Non-Current Assets	8	108.59	50.79
	Assets Retired From Active Use	24	234.41	-
	Total Non-Current Assets		46,186.42	54,518.77
(2)	Current Assets			
(a)	Inventories	8	814.67	980.67
(b)	Financial Assets			
(i)	Trade Receivables	9	46,301.36	54,823.35
(ii)	Cash and Cash Equivalents	10	10,052.88	14,091.73
(iii)	Other Bank Balances	11	68,039.48	7,325.36
(iv)	Other Financial Assets	12	13,482.27	8,041.08
(c)	Other Current Assets	13	2,288.84	976.29
			2,22,618.27	1,48,098.17
	Assets Classified as Held for Sale	24	8.88	333.40
	Assets Retired From Active Use	24	17.14	39.19
	Total Current Assets		2,22,856.30	1,48,871.82
	TOTAL ASSETS		2,68,949.22	2,01,390.69
EQUITY AND LIABILITIES				
(1)	Equity			
(a)	Equity Share Capital	14	7,040.00	7,040.00
(b)	Other Equity	15	71,893.39	88,304.24
	Total Equity		78,933.39	95,344.24
(2)	Non-Current Liabilities			
(a)	Financial Liabilities			
(i)	Other Financial Liabilities	16	985.32	980.60
(b)	Provisions	17	4,045.18	50,104.82
(c)	Other Non-Current Liabilities	18	1,117.31	799.22
	Total Non-Current Liabilities		10,337.78	11,273.27
(3)	Current Liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	19	14,590.29	14,590.43
(ii)	Trade Payables			
	Total Outstanding dues of			
	(a) Micro & Small Enterprises	20	594.44	14.85
	(b) Creditors other than Micro & Small Enterprises	20	20,001.67	20,808.40
(iii)	Other Financial Liabilities	21	1,30,002.40	78,734.25
(b)	Provisions	23	7,054.58	6,246.38
(c)	Other Current Liabilities	22	2,870.50	2,872.50
			1,79,666.20	1,24,636.09
	Liabilities Classified as Held for Sale	24	4.86	86.29
	Total Current Liabilities		1,79,871.15	1,24,715.08
	Total Liabilities		1,90,138.34	1,35,986.33
	TOTAL EQUITY AND LIABILITIES		2,68,949.22	2,01,390.69

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

For S. Ghose & Co LLP
Chartered Accountants
FRN : 302164E/E300007

For and on behalf of the Board of Directors

(CA Pradipto Kumar Mitra)
Partner
M. No : 052103

(Surinder Kumar Gupta)
Chairman and Managing Director
DIN : 08643408

(Subrata Sarkar)
Director (Finance) & CFO
DIN : 08299021

Place : Kolkata
Date : May 23, 2023

(Suchit Kumar Barmwal)
General Manager
Finance & Accounts

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

Consolidated Statement of Profit & Loss for the Year ended 31st March 2023

(Amount in ₹ Lakhs)

Particulars	Note	For the year ended 31 st March 2023	For the year ended 31 st March 2022
I Revenue from Operations	25	72,096.65	87,614.78
II Other Income	26	15,820.01	24,717.87
III Total Income (I + II)		87,916.66	112,332.65
IV EXPENSES			
(a) Purchases of Stock-in-Trade/Operational Consumables & Spares	27	6,408.27	21,417.02
(b) Employee Benefit Expense	28	17,179.60	19,325.96
(c) Finance Costs	29	9.14	261.60
(d) Depreciation and Amortisation Expense	2	2,183.87	2,081.82
(e) Other Expenses	30	28,952.85	45,984.51
V Total Expenses		54,733.73	89,070.91
VI Profit before share of Profit/(Loss) of Joint Ventures and Tax (III - V)		33,182.93	23,261.74
VII Share of Profit/(Loss) of Joint Ventures		(265.43)	28.29
VIII Profit before Tax (VI + VII)		32,917.50	23,290.03
IX Tax Expense			
(a) Current tax	35	5,138.48	2,203.30
(b) Deferred tax		3,583.35	1,177.15
Total Tax Expense		8,721.83	3,380.45
X Profit for the Period (VIII - IX)		24,195.67	19,909.58
XI Other comprehensive Income			
(a) (i) Items that will not be reclassified to Profit or Loss	40	878.42	(1,603.76)
(ii) Income Tax on above		(221.41)	384.85
(b) Share of Other Comprehensive Income of Joint Venture		0.27	(0.16)
		455.28	(1,219.07)
XII Total Comprehensive Income for the Period (X + XI)		24,650.95	18,690.51
XIII Earnings Per Equity Share (Face Value of ₹ 10 each):	36		
(a) Basic (in ₹)		34.37	28.28
(b) Diluted (in ₹)		34.37	28.28

The accompanying notes form 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 : 06290021

Place : Kolkata
Date : May 23, 2023

(Suchit Kumar Barnwal)
General Manager
Finance & Accounts

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

Consolidated Statement of Changes in Equity for the year ended 31st March 2023

(Amount in ₹ Lakhs)

Particulars	Nos	Face Value (₹)	Amount
A. Equity Share Capital			
Balance as at 31 st March, 2023	7,04,00,000	10	7,040.00
Balance as at 31 st March, 2022	7,04,00,000	10	7,040.00
Balance as at 31 st March, 2021	7,04,00,000	10	7,040.00

Particulars	Capital Reserve	General Reserve	Retained Earnings	Total
B. Other Equity				
Balance as at 1 st April, 2022	3,416.00	64,825.00	(9,876.76)	58,364.24
Profit for the year	-	-	24,195.67	24,195.67
Other Comprehensive Income for the year	-	-	455.28	455.28
Final Dividend 2021-22	-	-	(3,097.60)	(3,097.60)
Interim Dividend 2022-23	-	-	(8,307.20)	(8,307.20)
Transfer to General Reserve/(From) Retained Earning	-	-	-	-
Balance as at 31st March, 2023	3,416.00	64,825.00	3,369.39	71,610.39
Balance as at 1 st April, 2021	3,416.00	64,825.00	(19,485.67)	48,755.33
Profit for the year	-	-	19,909.58	19,909.58
Other Comprehensive Income for the year	-	-	(1,219.07)	(1,219.07)
Final Dividend 2020-21	-	-	(3,097.60)	(3,097.60)
Interim Dividend 2021-22	-	-	(5,984.00)	(5,984.00)
Transfer to General Reserve/(From) Retained Earning	-	-	-	-
Balance as at 31st March, 2022	3,416.00	64,825.00	(9,876.76)	58,364.24

The accompanying notes form 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 23, 2023

(Suchit Kumar Barnwal)
General Manager
Finance & Accounts

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

Consolidated Statement of Cash Flows for the Year ended 31st March 2023

(Amount in ₹ Lakhs)

Particulars	For the year ended 31 st March 2023	For the year ended 31 st March 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax for the Year	32,917.50	23,290.03
Adjustments for:		
Depreciation / Amortisation of Non- Current Assets	2,191.33	2,089.28
Loss from Investment in JV	265.43	(28.29)
Loss/(Gain) on disposal of Property, Plant and Equipment	(30.50)	18.27
Finance Cost	9.14	261.60
Interest Income recognised in profit & loss	(5,327.97)	(2,346.68)
Provision no Longer Required Written Back	(10,279.20)	(22,146.52)
Bad Debt Witten Off	7,695.76	22,038.14
Provision for Bad and Doubtful Advances/Debts	518.44	3,963.04
Liability written Back	(25.71)	-
Operating profit before Working Capital changes	27,934.22	27,138.87
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	12,677.07	27,755.17
(Increase)/decrease in Other Assets	(1,362.31)	278.14
(Increase)/ decrease in Inventories	76.00	(74.58)
Adjustments for increase / (decrease) in Operating Liabilities:		
Increase/ (decrease) in Trade Payables & Others Financial Liabilities	54,886.68	(32,717.29)
Increase/ (decrease) in Other Liabilities	83.36	(2,181.72)
Increase/ (decrease) in Provisions	304.96	789.61
Cash generated from Operations	94,689.98	20,988.20
Direct Taxes Paid (Net of Refund)	(6,044.83)	(3,976.39)
Net cash from Operating Activities	88,645.15	17,011.81
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment for Property, Plant & Equipment	(2,145.05)	(7,439.79)
Proceeds from disposal of Property, Plant & Equipment	62.03	5,272.47
Investment in Fixed Deposits	(60,504.48)	(6,123.78)
Investment in Joint Venture	(140.00)	(600.00)
Interest Received	3,407.50	1,734.02
Net cash (used) in Investing Activities	(59,320.00)	(7,157.08)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings	(450.28)	(488.81)
Interest Paid	(8.14)	(261.60)
Dividend Paid	(11,404.80)	(9,081.60)
Net cash used in Financing Activities	(11,864.22)	(9,832.01)
Net increase/(Decrease) in Cash & Cash Equivalents(A+B+C)	17,460.93	22.72
Cash and Cash Equivalents at the Beginning of the Year	74,591.72	74,569.00
Cash and Cash Equivalents at the End of the Year	92,052.65	74,591.72

Notes : (1) Figures in brackets indicate outflows.

(2) Statement of Cash Flows is prepared using Indirect Method as per Indian Accounting Standard - 7: Statement of Cash Flows. The accompanying notes form 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 23, 2023

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 Consolidated Financial Statements for the year ended 31st March, 2023

1.A GENERAL INFORMATION

MSTC Limited (the "Company") is a Miniratna Category-I Company incorporated under the Companies Act, 1956 on 9th September, 1954. 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 L27320WB1964G01026211). Pursuant to Initial Public Offer equity shares of MSTC Limited are listed and traded on both BSE Limited and National Stock Exchange of India Limited w.e.f. 29th March, 2019. The core activity of the Company has been divided into two Operational Divisions, i.e., e-Commerce and Trading. The Company undertakes trading activities, disposal of ferrous and non-ferrous scrap, surplus stores, minerals, agri and forest produces etc. mostly from Public Sector Undertakings Govt. Departments and leading private sector entities and other e-commerce services. Besides, MSTC also e-auctions coal from Coal India Ltd, Singareni Coalfields Ltd etc. Apart from these MSTC also provides e-procurement and other platform development and maintenance solution. The trading division handles 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 in steel, infrastructure, power sector etc.

It is having wholly owned subsidiary company, Ferro Scrap Nigam Limited (FSNL) (CIN U27102CT1989G01005468) having registered office at Bihai, Chatusgarh which was incorporated on 28th March, 1979. FSNL undertakes the job of recovery and processing of scrap from slag and refuse generated during iron and steel making at Steel Plants. They offer 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 deposits 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 31st March, 2023 MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information included in an entity's financial statements, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind-AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition give rise to equal taxable and deductible temporary differences. The Company does not expect this 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 Million, unless otherwise stated.

Current and Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013 and Ind AS 1 - 'Presentation of Financial Statements'.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Use of estimates and critical judgements

The preparation of accounts in accordance with Ind ASs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the accounts and reported amounts of income and expenses during the period.

Actual results could differ from those estimates. The most significant techniques for estimation are described in the accounting policies below. Critical accounting judgments and the key sources of estimation or uncertainty in applying the Group's accounting policies arise in relation to property, plant and equipment, current asset provisions, deferred tax, retirement benefits. The detailed accounting policies, including underlying judgments and methods of estimations for each of these items are discussed below. All of these key factors are reviewed on a continuous basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and any future periods affected.

1.C.1(b) Principles of Consolidation

The Consolidated Financial Statements relate to MSTC Ltd (the Company) and its Subsidiary company Ferro Scrap Nigam Ltd. and Joint Venture Mahindra MSTC Recycling Pvt Ltd. The Consolidated Financial Statements have been prepared on the following basis:

- (a) The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- (b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.
- (c) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (d) The difference between the proceeds from disposal of investment in subsidiary and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.
- (e) Non-Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (f) Non-Controlling Interest's share of net assets of consolidated subsidiary is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- (g) Investment in Joint Venture has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

Equity method

Under the equity method, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee. Dividends from joint venture are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Company and its joint venture are eliminated to the extent of the Group's interest in those 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 is not recognised in the books of the Group.

1.C.3(a) PROPERTY, PLANT AND EQUIPMENT

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of

Profit and Loss.

Included in property, plant and equipment are loose plant and tools which are stated at cost less amounts written off related to their expected useful lives and estimated scrap value and also spares, against which impairment provisions are made where necessary to cover slow moving and obsolete items.

Land has an indefinite economic life. The Company can enjoy the part of the life restricted to years of lease. The lease rent paid in advance is being amortised over the period of lease.

Capital work-in-progress is valued at cost and includes equipment in transit and the cost of fixed assets that are not ready for their intended use at the reporting date.

In case of subsidiary, "Assets classified as held for sale" is under "Non-current Asset" at their carrying amount will be recovered principally through a sale transaction, rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell, except for asset such as Deferred Tax Asset, Assets arising from employee benefits, Financial Assets which are specifically exempt from this requirement. Further, where the management expects that any part of said assets is likely to be disposed off within one year on the Balance Sheet date, the same are classified as current assets.

In case of subsidiary, "Assets classified as held for sale" is classified under "Non-current Asset" at their net written down value since these assets have already been retired from normal continuing operations and is held only for sale/auction.

In case of subsidiary, "Assets classified as held for sale" are presented separately from the other assets in the balance sheet. The liabilities classified as held for sale are presented separately from the other liabilities in the balance sheet.

1.C.3(b) DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Depreciation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment to their residual value. These charges are commenced from the date the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

Depreciation is provided to allocate the costs of property, plant and equipment, net of their residual values, over their useful life as specified in Schedule II of the Companies Act, 2013.



The estimated useful lives for the main categories of property, plant and equipment are:

Type of Asset	Estimated Useful life (Years)
Office 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 lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer software is amortised over its estimated useful life of 6 years (without any residual value) on a straight-line basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Further, the management estimates that the intangible

assets have 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. However trade receivables that do not contain a significant financing component are measured at transaction cost.

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 assets not measured at amortised cost or at fair value through other comprehensive income are 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 setoff 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 input credit in accordance with rule 3(1) of the Central 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 transactions 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 maintenance of e-portal and software.
 - 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 FEMA 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 lifelong 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) Decreases 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 FEMA spot exchange rates prevailing on the last date of the financial year. In case forward cover is not taken, as the case may be. Purchase value includes material value freight, insurance etc. and usance interest followed by final adjustments on actual payment in subsequent financial year.

- ii. In case of indigenous materials, purchases are booked on the basis of transport documents and as regards value, based on the value of invoices.

1.C.10 BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.C.11 EMPLOYEE BENEFITS

a. Short term benefits

Short term employee benefits are accounted for at their undiscounted amount in the accounting period in which the services are rendered by the employees are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

b. Leave Encashment

The liabilities for earned leave and commuted leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period based on actuarial valuation using the projected unit credit method.

The benefits are discounted using the market yield at the end of the reporting period that have terms of approximating to the terms of related obligations. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The facility is funded through LIC of India.

c. Post-employment obligation

Defined Contribution Plan

i. Provident Fund

Provident Fund is administered by a Trust recognised by Income Tax Authorities and contribution to this Fund is charged to revenue. Pensioner's Benefits are secured through Employees' Pension Scheme 1995.



II. Pension

Pension plan is administered through an independent trust and contribution to this Fund is charged to revenue. The fund is being managed through Life Insurance Corporation of India. The contribution amount is governed by 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. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise. The fund is administered through a separate trust created for this purpose.

1. C.12 TAXATION

Tax expense for the year comprises current and deferred tax.

I. Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax for the year as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in the country where the Group operates by the end of the reporting period.

II. Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the Statement of Profit and Loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

1.C.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Balance Sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. When appropriate, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions whereby an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities; and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Contingent liabilities are disclosed by way of notes. These are reviewed at each Balance Sheet date and are adjusted to reflect the current estimate of management.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

1.C.14 SEGMENT REPORTING

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures. The Group undertakes trading activities, and also acts as e-commerce service provider. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates Group's performance and allocates resources on an analysis of various performance indicators by operating segments. In terms of above the Group has identified Marketing, E-Commerce and Scrap Recovery & allied jobs as its three Primary Reportable Business Segments. Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable to that segment. Rest of the items of revenue and expenses, which cannot be specifically allocated under specific segments are separately disclosed as unallocated.

1.C.15 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and disclosures of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's

best knowledge of current events and actions, actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the paragraphs that follow.

I. Useful economic lives and impairment of other assets

The estimated useful life of property, plant and equipment (PPE) and intangible asset is based on a number of factors including the effects of obsolescence, usage of the asset and other economic factors (such as known technological advances).

The Group reviews the useful life of PPE and intangibles at the end of each reporting date and any changes could affect the depreciation rates prospectively.

The Group also reviews its property, plant and equipment for possible impairment if there are events or changes in circumstances that indicate that the carrying value of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits, such as the Group's business plans and changes in regulatory environment are taken into consideration.

II. Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

III. Actuarial Valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend on assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(iv) Fair Value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in the notes to the financial statements.

(v) Recognition of deferred tax assets for carried forward tax losses and unused tax credit

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition significant judgement is required in assessing the impact of any legal or economic limits.

1.C.16 PROVISION OF TRADE RECEIVABLES

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 and EDP Equipments	Plant and Machinery	Vehicles	Total Tangible Assets
Gross Block as at 31st March, 2021	531.55	-	-	214.04	48.20	202.52	77.30	586.50	13,989.06	338.55	15,987.72
Additions	5.50	3,506.29	788.43	424.64	311.61	285.00	2.85	375.19	1,539.89	75.66	7,315.72
Disposals	-	-	-	4.75	10.82	46.25	55.79	16.43	68.08	0.85	202.97
Gross Block as at 31st March, 2022	537.05	3,506.29	788.43	633.93	348.99	441.93	24.36	945.26	15,480.87	413.35	23,100.47
Additions	-	-	-	18.93	17.29	17.47	-	270.01	1,773.54	-	2,097.19
Disposals	-	-	-	1.56	1.56	0.65	-	6.95	28.83	0.82	40.42
Gross Block as at 31st March, 2023	537.05	3,506.29	788.43	651.30	364.72	456.70	24.36	1,208.32	17,205.53	412.54	25,157.24
Depreciation as at 31 st March, 2021	161.63	-	-	136.44	22.00	131.12	43.00	106.70	7,002.34	187.64	7,790.87
Charge for the year	25.61	77.57	52.33	77.86	23.97	27.38	3.93	165.39	1,534.68	41.57	2,050.29
Disposals	-	-	-	2.03	8.03	35.27	38.92	10.43	-	0.01	94.69
Depreciation as at 31st March, 2022	187.24	77.57	52.33	212.27	37.94	123.23	8.01	281.66	8,537.02	229.20	9,746.47
Charge for the year	25.72	111.03	74.90	98.72	33.44	36.53	2.35	280.95	1,473.11	39.06	2,125.81
Disposals	-	-	-	0.84	1.22	0.44	-	6.36	-	-	8.86
Depreciation as at 31st March, 2023	212.96	188.60	127.23	310.15	70.16	159.32	10.36	508.25	10,010.13	268.26	11,863.42
Net Book Value as at 31st March, 2022	349.81	3,428.72	736.10	421.66	311.05	318.70	16.35	663.60	6,923.85	184.16	13,354.00
Net Book Value as at 31st March, 2023	324.09	3,317.69	661.20	341.15	254.56	299.38	14.00	702.07	7,195.40	144.28	13,293.82

Particulars	Capital Work In Progress	Leasehold Land	Computer Software	Intangible Assets under Development	Total Intangible Assets including Intangible under development
Gross Block as at 31st March, 2021	5,182.46	708.24	335.79	-	335.79
Additions	-	-	108.07	16.00	124.07
Disposals* / Reduction*	5,182.46	7.46	443.88	16.00	459.86
Gross Block as at 31st March, 2022	-	700.78	55.70	16.00	55.70
Additions	8.18	-	19.36	-	35.36
Disposals* / Reduction*	-	7.46	480.20	-	480.20
Gross Block as at 31st March, 2023	8.18	693.32	315.27	-	315.27
Charge for the year	-	-	31.53	-	31.53
Disposals	-	-	-	-	-
Depreciation as at 31st March, 2022	-	-	346.80	-	346.80
Charge for the year	-	-	58.06	-	58.06
Disposals	-	-	19.36	-	19.36
Depreciation as at 31st March, 2023	-	-	365.50	-	365.50
Net Book Value as at 31st March, 2022	-	700.78	97.06	16.00	113.96
Net Book Value as at 31st March, 2023	8.18	693.32	94.70	-	94.70

**Notes**

- a) Disposal of Leasehold land represents amortisation of Prepaid Lease Payment.
- b) Holding Companies Residential building & Office Flats at Mumbai and Residential flats at Kolkata are under attachment by an order of DRT, Mumbai.
- c) The cost of capitalisation of Corporate Office Building of Holding Company on the date of completion is as approved by Board of Directors; project closure and settlement with the PMC has been done during FY 2022-23.
- d) The Title Deeds of the immovable properties are held in the name of respective companies.
- e) All assets, wherever applicable have been duly registered with the Registrar of Companies for the charges.
- f) At the time of implementation and adoption of IndAS w.e.f 1st April, 2015 in terms of IndAS 101, the Net Block of Assets was considered as Gross Block treating Accumulated Depreciation on that date as "Nil". Depreciation has been charged since in terms of Companies Act 2013. Hence, the Accumulated Depreciation represents cumulative figures since 1st April, 2015 only. Due to this, there are differences in the figure of Gross Block and Accumulated Depreciation between the Fixed Assets schedule as above and Fixed Assets Register. However the Net Block figures are in complete agreement with Fixed Assets Register.
- g) For restatement of addition and depreciation in the case of Holding Company in respect of FY 2021-22, refer to Note-37 under IndAS - B.
- h) Freehold Building other than RCC Structure represents Steel Structure in the case of Holding Company.

3. Investment In Unquoted Equity Shares, fully paid up- carried at cost. (Amount in ₹ Lakhs)

Particulars	No. of Shares		Amount	
	31 st March 2023	31 st March 2022	31 st March 2023	31 st March 2022
Investment in 50:50 Joint Venture Company				
Mahindra MSTC Recycling Private Limited (Face Value ₹10/- each)	3,00,00,000	2,86,00,000	3,000.00	2,860.00

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Opening Value of Investment	2,063.83	1,435.70
Investment During the Year	140.00	600.00
Increase(+)/Decrease(-) in Value due to Current Period Profit/Loss in JV shown in P/L	(265.43)	28.29
Increase(+)/Decrease(-) in Value due to Current Period Loss in JV shown in OCI	0.27	(0.16)
Closing Balance of Investment	1,938.67	2,063.83

- 1) During FY 2022-23 MSTC Limited have invested ₹140.00 Lakhs (Previous Year ₹ 600.00 Lakhs) towards unquoted equity contribution in Mahindra MSTC Recycling Private Limited, comprising of 14 Lakh shares of Face-value of ₹10 each ranking pari passu with the existing investment in similar shares

4. Other Financial Assets (Non- Current) (Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Security deposits	159.95	161.42
(b) Other loans and advances Loans to employees	274.82	321.99
(c) Interest accrued on loans to employees	1.48	1.65
(d) Balance with scheduled banks in deposit accounts	2,185.30	7,645.30
Net Other Financial Assets	2,621.55	8,130.36

- 4.1 In case of Subsidiary, deposit at 4(d) includes ₹ 180.00 lakhs (FY 2021-22 ₹ 4,140.00 lakhs) pledged with Bank Of Baroda, IDBI, SBI and Union Bank of India against Bank Guarantee and Overdraft facility.

5 . Non-Current Tax Assets

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Advance payment of Taxes	61,047.91	56,195.99
Less: Provision for Taxation	51,697.94	47,713.85
Non-Current tax assets	9,349.97	8,482.14

6 . Other Assets (Non- Current)

(Amount in ₹ Lakhs)

Particulars (Unsecured, considered good)	31 st March 2023	31 st March 2022
(a) Advance with public bodies Customs, Excise, Sales Tax, Port Trusts-etc.	6.80	6.02
(b) Other loans and advances		
(i) Prepaid expenses	26.32	18.36
(ii) Others	75.06	26.44
Total Other assets	108.18	50.74

6.1 * The land on which the plant and building of the subsidiary company are situated at Rourkela, Bumpur, Bhilai, Bokaro, Vizag, Durgapur & Duburi are neither freehold nor leasehold. The company has acquired right of free use from landholders as a part of service agreement. The company has however, acquired leasehold land from SAIL - BSP on perpetual lease of 33 years w.e.f 29th December 1988 on which the Registered Office Building of the subsidiary company has been constructed. The lease rent after 29th December 2021 has not yet been finalised.

7 . Deferred Tax Assets (Net)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Deferred tax (liabilities) / assets:		
Tax effect of items constituting deferred tax liabilities		
On difference between book balance and tax balance of Property, Plant and Equipment & Intangible assets	(116.13)	(103.60)
EFBS Scheme	(54.11)	(62.06)
Tax effect of items constituting deferred tax liabilities	(170.24)	(165.66)
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	418.22	487.82
Allowance for doubtful debts / advances	15,055.66	16,187.51
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	1,471.83	1,598.76
MAT credit Entitlement	840.79	3,090.97
Through Other Comprehensive Income	241.57	424.46
Tax effect of items constituting deferred tax assets	18,027.97	21,789.52
Deferred tax (liabilities) / assets (net)	17,857.63	21,623.86

**8. Inventories**

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Stores and Spares parts including loose tools	434.63	511.81
(b) Stock of Non-Moving inventory	159.49	155.79
(c) Stores and Spares - Awaiting Disposal	14.38	14.38
(d) Inventory Shortage-Pending Adjustment	0.14	0.14
(e) Goods in Transit	-	0.69
(f) Stock of Printing & Stationary	-	8.93
(g) Less: Provision		
(i) for stock of non-moving	81.82	92.82
(ii) for stores & spares - awaiting disposal	12.21	8.11
(iii) for inventory shortage	0.14	0.14
Total Inventories	514.67	590.67

9. Trade Receivables (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Trade receivables		
(a) Considered Good - Secured	28,510.15	34,727.85
(b) Considered Good - Unsecured	17,811.19	20,095.50
(c) Credit Impaired	55,216.43	64,937.82
Less: Allowance for Doubtful trade receivables	55,216.43	64,937.82
Total Trade Receivables- Current	46,321.35	54,823.35

Notes**9.1 Trade Receivables**

(Amount in ₹ Lakhs)

Particulars	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
As at 31st March 2023							
Undisputed Trade Receivables - Considered Good	4,182.19	29,407.67	1,167.92	5,449.79	105.49	4,780.55	45,073.81
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	105.49	2,187.06	2,292.55
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	-	54,171.42	54,171.42
Less: Allowance for Doubtful trade receivables	-	-	-	-	105.49	55,110.94	55,216.43
Total	4,182.19	29,407.67	1,167.92	5,449.79	105.49	6,008.09	46,321.35
As at 31st March 2022							
Undisputed Trade Receivables - Considered Good	7,139.66	29,826.70	1,636.04	8,638.02	223.66	4,753.35	52,217.43
Undisputed Trade Receivables - Considered Doubtful	-	-	-	-	2,788.94	1,712.57	4,501.51
Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivables - Considered Doubtful	-	-	-	-	4,323.72	58,718.51	63,042.23
Less: Allowance for Doubtful trade receivables	-	-	-	-	5,061.40	59,876.42	64,937.82
Total	7,139.66	29,826.70	1,636.04	8,638.02	2,274.92	5,308.01	54,823.35

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 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 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 Holding Company under the Receivables Purchase Agreement into loans/ debts as if owing by Holding Company, claimed the amount from Holding Company with interest and filed a case, being the Original Application in the Debt Recovery Tribunal (DRT), Mumbai in the year 2012, which Holding Company has denied and disputed. The validity of the claim of SCB against an Interim Order passed by the DRT, Mumbai on 16th September, 2017 has been challenged by Holding Company by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal (DRAT), Mumbai. The said Miscellaneous Appeal was turned down by DRAT on ground of delay in filing. Subsequently, the said appeal was restored by Hon'ble Bombay High Court by way of condonation of delay. SCB had challenged the decision of Bombay High Court through special Leave petition (SLP) in Hon'ble Supreme Court of India. The said SLP was dismissed. Accordingly appeal stands restored with DRAT, which is currently pending. Holding Company has already deposited ₹ 9,000.00 Lakhs with DRAT as pre-deposit towards hearing of appeal. DRAT has directed status quo in the recovery proceedings as on date. Other proceedings challenging the claim of SCB are also pending before various forums including in the Civil Court at Alipore, Kolkata initiated by Holding Company both against SCB and the Insurance Company. SCB had 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, Holding Company has disclosed the amount simultaneously as Borrowings (vide Note No-19) and as Trade Receivables.

9.3: Trade receivables are generally secured by Bank Guarantees.

9.4: Trade Receivable Credit Impaired Includes the following:

Name of the Party	(Amount in ₹ Lakhs)	
	31 st March 2023	31 st March 2022
Gysochal 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
Krishna Coke (India) Pvt Ltd	1,965.07	1,965.07
Siddhartha 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
Topworth Steels & Power Private Ltd	10,357.76	10,357.76
Rohil Ferro Tech Ltd.	-	4,323.72
Concast Steel and Power Ltd	45.99	45.99
Jai Balaji Industries Ltd	8,182.39	8,182.39
Total	38,390.18	47,796.54

MSTC has initiated all steps including legal action to realise the dues from the above customer. The related cases are pending before adjudicating authorities at various levels.

9.5: Trade Receivables include ₹ 18,692.99 Lakhs (Previous Year ₹ 24,826.59 lakhs), against business done in facilitator mode (net of provision).

9.6: Trade Receivables include ₹ 4,842.18 Lakhs (Previous Year ₹ 6,058.35 Lakhs), against E-Commerce business (net of provision).

9.7: In case of Subsidiary (FSNL) ₹ 1,780.01 Lakhs (Previous Year ₹ 9,267.26 lakhs) is due from Bhilai Unit for unbilled amount NIL (Previous Year ₹ 1,195.00 lakhs) is due from Nilanchal Ispat Nigam Limited, Daburi 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 st March 2023	31 st March 2022
Balances with Banks		
(i) In Current Account	26,604.79	30,565.63
(ii) In Deposit Account Maturity less than 3 months	65,447.85	44,026.09
Total	92,052.65	74,591.72

11. Bank Balances other than Cash & Cash Equivalents

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Earmarked Balances with banks		
(i) In Unclaimed dividend account	172.14	130.53
(ii) Deposits with maturity of more than 3 months but less than 12 months	67,858.32	7,395.45
Total	68,030.46	7,525.98

11.1. The deposit at (ii) includes Margin against guarantee ₹ 8,651.41 Lakhs (Previous Year ₹ 2,573.48 Lakhs).

11.2. In case of subsidiary, deposits at a(ii) includes ₹ 6,262.67 Lakhs (Previous Year ₹ 2,301.53 Lakhs) pledged with Union Bank of India, Bank of Baroda, IDBI, SBI and Indian Bank against Bank Guarantee and Overdraft facility.

12. Other Financial Assets (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Security Deposits	1,136.54	1,136.55
(b) Deposit with Court #	9,003.78	5,566.53
(c) Other loans and advances		
(i) Loans to employees	37.89	40.98
(ii) Recoverable Advances to employees	79.59	42.45
(iii) Receivable from vendors / contractors / third party	172.73	239.95
(iv) Other Advances	9.23	14.40
(d) Interest accrued on		
(i) Term deposits	2,970.35	1,049.88
(ii) Loans to employees	0.16	0.32
Total	13,410.27	8,091.06

The amount includes ₹ 9,000.00 Lakhs (Previous Year ₹ 5,562.75 Lakhs) deposited by Holding Company with DRAT, Mumbai as a pre-deposit towards hearing of the appeal.

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

13. Other Assets (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Advance with public bodies GST, Customs, Excise, Sales Tax, Port Trusts etc.	588.11	502.87
(b) Other loans and advances:		
(i) Advances to employees	201.02	225.19
(ii) Advances to suppliers and service providers	44.38	38.95
(iii) Prepaid expenses	208.53	206.95
(iv) Others	1,246.83	2.43
Total Other assets	2,288.87	976.39

14. Share Capital

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Authorised:		
15,00,00,000 Ordinary Shares of ₹10 each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, Subscribed and fully paid up :		
7,04,00,000 Ordinary Shares of ₹10 each	7,040.00	7,040.00
	7,040.00	7,040.00

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

Particulars	31 st March 2023			31 st March 2022		
	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 FY 2016-17 in the ratio of 1:1

14(a)(iv): 1,76,00,000 bonus shares have been issued during FY 2017-18 in the ratio of 1:1

14(a)(v): 3,52,00,000 bonus shares have been issued during FY 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 st March 2023		31 st March 2022		% 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. 29th 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%	84.75%
Other	10.15%	15.25%
Total	100.00%	100.00%

15. Other Equity

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Capital Reserve		
Opening balance	3,416.00	3,416.00
Closing Balance	3,416.00	3,416.00
General Reserve		
Opening balance	64,825.00	64,825.00
Closing Balance	64,825.00	64,825.00
Retained Earnings		
Opening balance	(9,876.76)	(19,485.87)
Add: Profit for the year	24,195.67	19,009.58
Other Comprehensive Income for the year	455.28	(1,219.07)
Less: Final Dividend 2020-21	-	(3,057.60)
Less: Final Dividend 2021-22	(3,097.60)	-
Less: Interim Dividend 2021-22	-	(5,984.00)
Less: Interim Dividend 2022-23	(8,307.20)	-
Less: Transfer to General Reserve	-	-
Closing Balance	3,369.39	(9,876.76)
Total Other Equity	71,610.39	58,364.24

16. Other Financial Liabilities (Non- Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Liability under EFBS Scheme	365.32	366.93
Total other financial liabilities:	365.32	366.93

17. Provisions (Non- Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Provision for employee benefits		
(1) Defined benefit Obligations		
(i) Employees Family Benefit Scheme	697.32	693.63
(ii) Gratuity	(105.29)	635.08
(2) Retirement Benefit Obligations		
(i) Post Retirement Medical Benefit	5,774.36	5,869.14
(ii) Contributory Post-Retirement Medical Benefit	234.47	257.07
(iii) Employees Settlement Benefit Scheme	47.26	55.35
(3) Other employee benefits		
(i) Leave Encashment Benefit	2,392.30	2,589.11
(ii) Long Service Awards	4.74	5.44
Total Provisions	9,045.16	10,104.82

18 . Other Liabilities (Non- Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Advance from customers	1,117.31	799.52
Total Other liabilities	1,117.31	799.52

19 . Borrowings (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
A. Secured Borrowings		
(a) Repayable on Demand Working Capital Demand Loans#	138.23	138.23
Current Maturity of Long Term Debt		
(b) House Building Loan from Bank	-	450.28
Total Secured Borrowings	138.23	588.51
B. Unsecured Borrowings		
(a) Repayable on Demand From Banks	14,361.97	14,361.97
Total Unsecured Borrowings	14,361.97	14,361.97
Total Borrowings	14,500.20	14,950.48

- a) Loan from Indian Overseas Bank (IOB) amounting to ₹ 138.23 Lakhs (lying since 19th 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 ₹ 3,658.00 Lakhs (which includes ₹ 2,798.00 Lakhs towards debit of LC value & ₹ 858.00 Lakhs as debit towards legal expenses).
- b) In case of Holding Company, the Current borrowings includes ₹ 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 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 Holding Company under the Receivables Purchase Agreement into loans/ debts as if owing by Holding Company, claimed the amount from Holding Company with interest and filed a case, being the Original Application in the Debt Recovery Tribunal (DRT), Mumbai in the year 2012, which Holding Company has denied and disputed. The validity of the claim of SCB against an Interim Order passed by the DRT, Mumbai on 16th September, 2017 has been challenged by Holding Company by filing a Misc. Appeal before the Debt Recovery Appellate Tribunal (DRAT), Mumbai. The said Miscellaneous Appeal was turned down by DRAT on ground of delay in filing. Subsequently, the said appeal was restored by Hon'ble Bombay High Court by way of condonation of delay. SCB had challenged the decision of Bombay High Court through special Leave petition (SLP) in Hon'ble Supreme Court of India. The said SLP was dismissed. Accordingly appeal stands restored with DRAT, which is currently pending. Holding Company has already deposited ₹ 9,000.00 Lakhs with DRAT as pre-deposit towards hearing of appeal. DRAT has directed status quo in the recovery proceedings as on date. Other proceedings challenging the claim of SCB are also pending before various forums including in the Civil Court at Alipore, Kolkata initiated by Holding Company both against SCB and the Insurance Company. SCB had 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).

**20 . Trade Payables (Current)**

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(1) Creditors for supplies and services		
- Dues to micro and small enterprises	394.84	14.68
- Others #	15,455.52	15,661.94
- Accrued wages and salaries*	3,596.15	4,197.46
Total trade payables	19,446.51	20,874.08

Particulars	Not Due	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
As at 31st March 2023						
MSME	219.26	175.58	-	-	-	394.84
Others	873.78	5,505.11	5,661.65	322.16	5,688.97	19,051.67
Total	1,093.04	5,680.69	5,661.65	322.16	6,688.97	19,446.51

Particulars	Not Due	Less Than 1 Year	1-2 Years	2-3 years	More Than 3 Years	Total
As at 31st March 2022						
MSME	222.66	1,696.82	-	-	-	1,919.48
Others	2,492.47	3,103.73	6,678.08	98.07	6,582.25	18,954.60
Total	2,715.13	4,800.55	6,678.08	98.07	6,582.25	20,874.08

- (a) 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.
- (b) *Includes ₹ 316.38 Lakhs (Previous Year ₹ 297.27 Lakhs) towards provision for pension benefit of employees, and ₹ 940.00 Lakhs (Previous Year ₹ 1,436.00 Lakhs) towards wage revision of the employees due from 1st January, 2017. In case of Subsidiary (FSNL) it includes ₹ 910.43 Lakhs (Previous Year ₹ 1,120.90 Lakhs) towards wage revision of the employees due from 1st January, 2017.
- (c) Both as at 31st March, 2022 and as at 31st March, 2021, there is no interest and overdue payment of more than 45 days outstanding to Micro, Small and Medium Enterprises.
- (d) The wage agreement has been reached for wages for non-executive employees of Holding Company, due for revision w.e.f. 1st January, 2017. Consequential adjustment in provision for ₹ 496.00 lakhs by way of reversal on this account has been made in the Books of Accounts.
- (e) For restatement of Liabilities in respect of Financial Year 2021-22, please refer to Note- 37 under IndAS- 8.

21 . Other Financial Liabilities (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Interest payable		
(i) Interest accrued but not due on borrowings	7,889.03	7,889.03
(b) Unclaimed dividends	172.14	130.53
(c) Creditors for other liabilities		
(i) Security deposits/EMD	81,161.83	56,527.20
(ii) Deposits received from customers	45,455.87	13,797.10
(iii) Deposit under EFBS	228.17	228.17
(iv) Payable under EFBS Deposit schemes	24.35	58.23
(v) Others	93.01	103.99
Total other financial liabilities	1,35,024.40	78,734.25

22 . Other Liabilities (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(i) Statutory Dues		
(a) Sales tax and VAT payable	1,655.45	1,581.81
(b) Tax deducted and collected at source	1,105.32	1,442.19
(c) Provident Fund and Pension	152.38	165.04
(d) Pension for Executive	163.67	158.44
(ii) Advance from customers	593.69	476.02
Total Other liabilities	3,670.51	3,823.50

23 . Provisions (Current)

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Provision for employee benefits		
(1) Defined benefit Obligations:		
Employee Family Benefit Scheme	210.07	246.62
(2) Retirement Benefit Obligations:		
(i) Post Retirement Medical Benefit	82.23	211.59
(ii) Contributory Post Retirement Medical Benefit	10.49	9.77
(iii) Employees Settlement Benefit Scheme	4.90	7.14
(iv) Gratuity	25.80	131.13
(3) Other employee benefits		
(i) Leave Encashment Benefit	287.47	305.68
(ii) Long Service Awards	0.43	0.71
(iii) Wage Revision	5,518.21	4,607.78
(iv) Additional Resource Generation Scheme payable to Non-executives	58.51	58.65
(v) Performance Related Pay		
For 2019-20	0.88	0.88
For 2020-21	5.49	81.47
For 2021-22	246.09	246.09
For 2022-23	141.96	-
(4) Provident Fund #	100.00	60.65
(b) Other Provisions	332.05	278.22
Total Provisions	7,024.58	6,246.38

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

This represents the provision for ₹ 100.00 Lakhs (Previous Year - ₹ 60.65 Lakhs) towards the contribution for deficit in income of PF Trust in case of Holding Company. (Refer Note No. - 40)

24 . Assets classified as held for sale

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Property, Plant and Equipment	232.90	233.46
(b) Assets Retired From Active-Use #	32.14	39.19
(c) Liabilities associated with asset held for sale	4.95	86.39

**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".

25 . Revenue from Operations

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Sale of Goods	-	15,983.55
(b) Service Charges	29,103.00	26,691.74
(c) Other Operating Revenues	3,368.77	4,385.75
(d) Processing of Scrap & Other Items	39,624.88	40,553.74
Total Revenue from Operations	72,096.65	87,614.78

- (a) During the year, an amount of ₹ 1,137.90 Lakhs (Previous Year ₹ 995.25 Lakhs) was collected towards E-auction Registration of Holding Company. Out of total collection of current year, an amount of ₹ 910.32 Lakhs (Previous Year ₹ 829.38 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 31st March, 2023 is ₹ 1,709.84 Lakhs (Previous Year ₹ 1,275.55 Lakhs). Balances 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 ₹ 1,900.43 Lakhs (Previous Year ₹ 3,040.38 Lakhs).

26 . Other Income

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Interest Income		
(i) Interest on FDR	5,327.97	2,346.68
(ii) Interest on Employee Advances	21.18	24.99
(b) Liability written back	25.71	-
(c) Provision no longer required written back	10,279.20	22,148.52
(d) Sale of Sub-assemblies	16.71	14.98
(e) Profit on Sale of Assets	32.60	15.33
(f) Liquidated damages and other recoveries	13.34	22.78
(g) Miscellaneous Income	103.30	146.59
Total Other Income	15,820.01	24,717.87

27 . Purchases of Stock-in-Trade

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Purchases of Stock-in-Trade	-	15,878.48
(b) Lancing Tubes	37.95	54.47
(c) Oxygen & Acetylene	258.74	228.26
(d) Lubricants	156.68	134.52
(e) Diesel & Gasoline	4,787.87	3,928.51
(f) Stores & Spare Parts	1,062.32	1,089.53
(g) Water, Power	104.71	103.25
Total	6,408.27	21,417.02

28 . Employee Benefit Expense

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Salaries and Wages, including Bonus	13,870.62	15,928.66
(b) Contribution to Provident and other Funds	1,379.78	1,500.71
(c) Staff Welfare Expenses	1,929.20	1,896.59
Total Employee Benefit Expense	17,179.60	19,325.96

In case of Holding Company, the wage agreement has been reached for wages for non-executive employees, due for revision w.e.f. 1st January, 2017. Consequential adjustment in provision for ₹ 496.00 lakhs by way of reversal on this account has been made in the books of Accounts.

29 . Finance Costs

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(A) Interest expense		
(i) Interest on House Building Loan from Banks	9.14	38.44
(ii) Interest Paid to Customers	-	223.16
Total Finance costs	9.14	261.60



30 . Other Expenses

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(a) Repairs and Maintenance for		
(i) Machinery	950.32	840.70
(ii) Building	6.60	6.44
(iii) Others	768.69	610.71
(b) EOP Expenses	101.00	158.05
(c) Insurance charges	160.64	149.20
(d) Rent	378.02	343.04
(e) Rates and taxes	61.62	55.54
(f) Bank Charges	6.42	21.23
(g) Travelling Expenses	308.03	80.51
(h) Car Hire Charges	154.00	131.25
(i) Meeting and Conference	177.53	63.20
(j) Training	66.22	9.78
(k) Directors' Sitting Fees	6.00	5.70
(l) Statutory Auditors' Remuneration		
(i) Audit Fees	13.95	13.23
(ii) Tax Audit Fees	1.67	1.90
(iii) Out-of-Pocket Expenses	10.16	3.27
(m) Telex, Postage and Telegram	54.16	9.95
(n) Electricity	138.70	128.58
(o) Printing and Stationary	30.42	57.42
(p) Entertainment	34.47	19.67
(q) Telephone Charges	73.19	72.79
(r) Advertisement	137.28	92.47
(s) Legal Expenses	297.69	206.50
(t) Consultancy Charges	87.58	54.87
(u) Internal Audit fees	1.44	1.44
(v) Out-of-Pocket Expenses (Internal Auditor)	4.19	1.95
(w) Miscellaneous Expenses	427.98	456.19
(x) Staff Recruitment Expenses	0.07	0.28
(y) Newspaper, Books and Periodicals	4.12	1.76
(z) Corporate Social Responsibility (Refer Note No - 41 (b))	301.70	17.84
(aa) Auction Tender Expenses	159.92	103.69
(ab) Cost of services through outside agency/Equipment rent	14,135.72	14,726.19
(ac) Hiring of manpower for operational activities	1,084.25	948.84
(ad) Security Services	456.98	444.68
(ae) Leasehold Land rent Expenses	46.50	-
(af) Bad Debts Written off	7,695.76	22,038.14
(ag) Allowance for Bad and Doubtful Advances/Debts *	518.44	3,863.04
(ah) Stock Yard Expenses:		
(ai) Freight	36.61	65.92
(aj) Loss of written off / Sale of Fixed Assets	24.07	16.64
(ak) Provision for Assets Awaiting for Disposal	3.15	32.04
(al) Research & Development Expense	18.38	22.41
(am) Plot Rent	1.74	-
	7.46	7.46
Total Other Expenses	28,952.85	45,984.51

* Notes in case of Holding Company

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 26 (c). The above write-off is as per approval of Board of Directors in Meeting no 315th held on 14th July, 2022.

31: Statement of Opening Stock, Purchases, Sales and Closing Stock for the year ended 31st March 2023

(Qty '000 MTR) (Amount in ₹ Lakhs)

Description of Material		Opening Stock		Purchases		Sales		Closing Stock	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Pipes & Tubes	2022-23	-	-	-	-	-	-	-	-
	2021-22	-	-	170.00	15,878.48	170.00	15,983.55	-	-

32: In addition to Note no. 31, the Holding Company has also provided material as facilitator as per details below:

(Amount in ₹ Lakhs)

Description of material		Qty	Material Value	Service Charges Earned
Cement (MT)	2022-23	725.00	50.03	0.35
	2021-22	850.00	51.00	0.64
Pipe (MTR)	2022-23	-	-	2.58
	2021-22	-	-	11.20
TRA Mix (NO.)	2022-23	4.00	-	0.14
	2021-22	4.00	144.89	0.87
Mix Asphalt Plant (NO.)	2022-23	1.00	247.80	1.73
	2021-22	-	-	-
HSD (MT)	2022-23	7,825.00	6,288.08	41.08
	2021-22	1,733.00	1,296.62	7.78
Electrical Items	2022-23	-	-	4.58
	2021-22	-	1,219.24	12.74
Misc Items (MTR)	2022-23	19,492.00	-	0.07
	2021-22	19,492.00	71.36	5.35
TMT Bar (MT)	2022-23	15,179.00	4,494.11	62.78
	2021-22	13,868.00	7,614.70	117.99
MS Sheet/Plate/Flat (MT)	2022-23	11,302.00	11,631.52	128.28
	2021-22	13,170.00	9,766.38	131.70
Electrical Equipment/Project Materials (MT)	2022-23	86.00	-	0.16
	2021-22	240.00	505.48	3.85
Bitumin (MT)	2022-23	421.00	233.06	1.40
	2021-22	-	-	-
Total	2022-23	55,035.00	22,944.60	243.13
	2021-22	49,357.00	20,669.67	292.12

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

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

(Amount in ₹ Lakhs)

Particulars	FY	Marketing	E-Commerce	Others (unallocated)	Scrap Recovery & Allied Jobs	Total
Total Income	2022-23	11,549.93	34,892.92	57.60	41,416.21	87,916.66
	2021-22	41,354.23	29,402.83	36.66	41,538.93	1,12,332.65
Total Expenses	2022-23	7,708.36	260.85	10,748.29	35,281.66	54,999.16
	2021-22	41,574.15	358.62	10,881.49	36,118.36	89,042.62
Result (Profit/Loss(-) before Tax)	2022-23	3,841.57	34,632.07	(10,690.69)	5,134.55	32,917.50
	2021-22	(319.92)	29,034.21	(10,844.83)	5,420.57	23,290.03
Tax Expenses	2022-23					8,721.83
	2021-22					3,380.45
Profit/ Loss(-) for the period	2022-23					24,195.67
	2021-22					19,909.58

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 segment-wise 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)	2022-23	2021-22
Total Revenue	-	15,542.43
No. of Customers	-	1
% of Total Revenue	-	13.84%
Product Segment	NA	Marketing and Scrap Recovery & Allied Jobs

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

(Amount in ₹ Lakhs)

Sl.No.	Particulars	31 st March 2023	31 st March 2022
1.	Sales Tax & VAT	2,089.49	1,996.52
2.	Custom Act	1,189.31	1,189.31
3.	Money Suits	17,761.76	17,871.76
4.	Arbitration	30.16	30.16
5.	Income Tax	9.85	9.85
6.	Service Tax	4,866.25	4,861.31
7.	Claims against the company not acknowledged as debt	881.37	789.47
8.	Outstanding Bank Guarantees	569.58	521.38
	Total	27,497.77	27,269.76

(b) Commitments

(Amount in ₹ Lakhs)

Sl. No.	Particulars	31 st March 2023	31 st March 2022
1	Purchase of New Office at New Delhi	12,902.00	-
2	Estimated amounts of contracts remaining to be executed on capital account and not provided for (net of advances)	445.44	110.99
	Total	13,347.44	110.99

35. Tax Expenses**(i) Income Tax Recognised in the Statement of Profit and Loss**

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(1) Current Tax		
- For the period	5,161.39	2,203.30
- For earlier years	(22.91)	-
(2) Deferred Tax	3,583.35	1,177.15
Total income tax expense recognised in the current year	8,721.83	3,380.45

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

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(1) Profit before tax for the year	32,917.50	23,290.03
(2) Income tax expense calculated at 34.944% in Holding Company and 25.168% in Subsidiary Company	12,269.36	9,053.84
(3) Effect of expenses that are not deductible in determining taxable profit	1,714.54	578.51
(4) Effect of income that is exempt/deductible from tax	(4,589.74)	1,449.01
(5) Tax for earlier years	(22.91)	-
(6) Effect of Taxes on Bad Debt written off	-	(7,701.01)
(7) MAT adjustment	(649.44)	-
Total income tax expense recognised in the current year	8,721.83	3,380.45

In case of Holding Company tax rate used for the year 2022-23 and 2021-22 in the reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian Tax Law. For Deferred Tax calculation of financial year 2022-23, income tax rate of 34.944%.

The Holding company has a MAT credit of ₹ 972.95 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 NIL (Prev year ₹ 3,555.25 Lakhs) as a conservative approach.

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

(Amount in ₹ Lakhs)

Particulars	31 st March 2022	Charge/ (credit) for the Year	31 st March 2023
Through Profit or Loss			
Deferred Tax Liabilities			
Employee Family Benefit Scheme			
Property Plant & Equipment and Intangible Assets and Others	(165.66)	(4.58)	(170.24)
	(165.66)	(4.58)	(170.24)
Deferred Tax Assets			
Provision against other expenses	2,086.58	(196.73)	1,889.85
Allowances for Doubtful Debts & Advances	16,167.51	(1,131.85)	15,035.66
MAT credit entitlement	3,090.97	(2,250.18)	840.79
Not Deferred Tax (Liabilities)/ Assets	21,365.06	(3,578.76)	17,786.30
Total Deferred Tax (Liabilities)/ Assets	21,199.40	(3,583.34)	17,616.06
Through Other Comprehensive Income			
Deferred Tax Assets			
Remeasurement of Defined Benefit Plan	424.46	(182.89)	241.57
Gross Deferred Tax (Liabilities)/ Assets	21,623.86	(3,766.23)	17,857.63

36 . Earnings Per Share

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
Profit for the period	24,195.67	19,909.58
Profit attributable to Shareholders	24,195.67	19,909.58
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)	34.37	28.28

37. Restatement in terms of IndAS- 8

(Amount in ₹ Lakhs)

Sl. No.	Particulars	31 st March 2022	31 st March, 2022
		Original	Restated
1	Property, Plant and Equipment (Gross Block) Adjustment for Addition (ref note below) Restated Gross Block as at 31st March, 2022	22,933.24	22,933.24 167.23 23,100.47
2	Depreciation as at 31 st March, 2022 Adjustment for Addition (ref note below) Restated Depreciation as at 31st March, 2022	9,742.77	9,742.77 3.70 9,746.47
3	Restated Net Block as at 31 st March, 2022	13,190.47	13,354.00
4	Trade Payables (Current) as at 31 st March, 2022 Adjustment for Addition (ref note below) Restated Trade Payables (Current) as at 31st March, 2022	20,706.85	20,706.85 167.23 20,874.08
5	Other Equity as at 31 st March, 2022 Adjustment for Addition (ref note below) Restated Other Equity as at 31st March, 2022	58,367.94	58,367.94 (3.70) 58,364.24
6	Depreciation & Amortisation expenses Adjustment for depreciation due to Addition (ref note below) Restated Depreciation & Amortisation expenses for the year ended 31st March, 2022	2,078.12	2,078.12 3.70 2,081.82
7	Profit Before Tax for the period ended 31 st March, 2022 Adjustment for depreciation due to Addition (ref note below) Restated Profit Before Tax for the period ended 31st March, 2022	23,293.73	23,293.73 (3.70) 23,290.03
8	Profit After Tax for the period ended 31 st March, 2022 Adjustment for depreciation due to Addition (ref note below) Restated Profit After Tax for the year ended 31st March, 2022	19,913.28	19,913.28 (3.70) 19,909.58
9	Total Comprehensive Income for the period ended 31 st March, 2022 Adjustment for depreciation due to Addition (ref note below) Restated Total Comprehensive Income for the year ended 31st March, 2022	18,694.21	18,694.21 (3.70) 18,690.51

Note: The project closure of corporate office Building at Kolkata has been approved by the Board of Directors of MSTC in their 316th meeting held on 10th August, 2022, with an approval for additional cost of ₹ 167.23 Lakhs in case of Holding Company. Accordingly the settlement has been done with the PMC Agency. The same was already put to use during the F.Y. 2021-22 following technical completion of the project w.e.f. 20th July, 2021 with cost ₹ 5,297.00 Lakhs duly approved by the Board of Directors. The depreciation attributable to this additional cost for F.Y. 2021-22 is ₹ 3.70 Lakhs. In order to give that effect, the Gross Block, Net Block, Liability towards PMC payment, Other Equity, Depreciation, Profit and Total Comprehensive Income has been restated as at 31st March, 2022 and for the year ended 31st March, 2022.

38. 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 st March 2023	31 st March 2022	Measured at
Trade Receivables	46,321.35	54,823.35	Amortised cost
Other Financial Assets	16,031.62	16,221.42	Amortised cost
Cash and Cash Equivalents	92,052.65	74,591.72	Amortised cost
Other Bank Balances	68,030.46	7,525.98	Amortised cost
Investments	1,938.67	2,063.83	Amortised cost
Total Financial Assets	2,24,374.95	1,55,226.30	

(Amount in ₹ Lakhs)

Financial Liabilities	31 st March 2023	31 st March 2022	Measured at
Borrowings	14,500.20	14,950.48	Amortised cost
Trade Payables	19,446.51	20,874.08	Amortised cost
Other Financial Liabilities	1,35,389.72	79,101.18	Amortised cost
Total Financial Liabilities	1,69,336.43	1,14,925.74	

(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 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 risks (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 any transactions involving 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 as and when necessary.

(i) Interest Rate Risk Management

The Group has converted maximum of its loan to MCLR based, with the rate being firm for a contract period usually for a year as and when necessary.

(ii) Foreign Currency Risk Management

The foreign currency exposure of the Group is due to import liabilities, if any. Transactions are on back to back basis with customers. The gain and loss if any is passed on to the customer. Sometimes forward cover is taken to hedge the related foreign currency exposure in terms of discussion with the customer. 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 transacts 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 customer. 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. Furthermore, in case of Marketing Segment, the business is done with a backup of Bank Guarantee.

(c) Liquidity Risk Management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, if required, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual undiscounted cash obligations of financial liabilities including estimated interest payments as at 31st March 2023, and as at 31st March 2022.

(Amount in ₹ Lakhs)

Financial Liabilities	31 st March 2023				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Borrowings	14,500.20	14,500.20	14,500.20	-	-
Trade payables	19,446.51	19,446.51	19,446.51	-	-
Other financial liabilities	1,35,389.72	1,35,544.58	1,35,053.92	180.08	310.58
Total	1,69,336.43	1,69,491.29	1,69,000.63	180.08	310.58

(Amount in ₹ Lakhs)

Financial Liabilities	31 st 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	20,874.08	20,874.08	20,874.08	-	-
Other financial liabilities	79,101.18	79,278.79	78,734.25	190.72	353.82
Total	1,14,925.74	1,15,103.35	1,14,558.81	190.72	353.82

(d) Fair value Measurement

None of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period.

39 - 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 and Managing Director
Shri Subrata Sarkar	Director (Finance) & CFO
Smt. Bharu Kumar	Director (Commercial)
Shri Ajay Kumar Rai	Company Secretary
Smt. Aparna Chaturvedi (upto 13.12.2021)	Independent Director
Shri Acha Prasad Pantley	Independent Director
Shri Vasant Ashok Patil	Independent Director
Shri Satadal Mitra	Chief Financial Officer
Shri Ashok Mishra	Company Secretary



(ii) Transaction with Related Parties

(a) Compensation to Key Managerial Personnel

(Amount in ₹ Lakhs)

Particulars	Nature of related party / relationship	Remuneration			Total
		Short Term Benefit	Post Employment Benefits	Other Long Term Benefits	
For the year ended 31st March 2023					
Shri Surinder Kumar Gupta	Chairman and Managing Director	79.16	4.61	4.93	88.72
Shri Subrata Sarkar	Director (Finance) & CFO	61.86	1.71	(0.11)	63.46
Smt. Bhanu Kumar	Director (Commercial)	72.21	2.72	(0.22)	74.71
Shri Ajay Kumar Rai	Company Secretary	39.71	2.37	0.71	42.79
Shri Atya Prasad Pandey	Independent Director	4.95*	-	-	4.95
Shri Vasant Ashok Patil	Independent Director	3.15*	-	-	3.15
Shri Satadal Mitra	Chief Financial Officer	41.16	0.98	(1.21)	40.93
Shri Ashok Mishra	Company Secretary	20.80	0.49	0.87	22.16
For the year ended 31st March 2022					
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 Ajay Kumar Rai	Company Secretary	35.97	3.04	1.54	40.55
Smt. Aparna Chaturvedi	Independent Director	5.85*	-	-	5.85
Shri Atya 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

Note : * Indicates 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 remuneration 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 st March 2023	31 st March 2022
Investment in Joint Venture	140.00	600.00
Amount received towards reimbursement of expenditure	33.37	24.24
Amount paid towards reimbursement of expenditure	4.08	6.00
Amount Received for providing E-Auction Service	18.18	8.18

40. Employee Benefits

Defined Contribution Plans

1. Provident Fund

An amount @12% of Basic Pay and Dearness Allowance is 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 Group 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.

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 90 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 service severance in respect of eligible employees.

(a) Executives:

The Gratuity is calculated and paid as per the Payment of Gratuity Act, 1972.

(b) Non-Executives:

The Gratuity is payable as per the Payment of Gratuity Act, 1972 except for:

- (i) The Gratuity is calculated at the rate of one month's wages last drawn by the employee for every completed years of service in excess of 30 years.
- (ii) In case employees who joined before 1st July, 2014, the Gratuity is payable without any ceiling.

2. Post Retirement Medical Benefit:

The Post Retirement Medical Benefit is a medical benefit to the superannuated employees and their spouse. The members are covered through Group Mediclaim Insurance admitted of the Insurance Company. This is available to superannuated employees at any hospital under the Group Mediclaim Insurance Policy. In addition to the expenses incurred in domiciliary treatment is also reimbursed as per prescribed scheme. 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 Group 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.



4. Risk Management

Investment Risk	The present value of the certain 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.
Interest Risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity Risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary Risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(a) The Group has recognised an amount of ₹ 1,427.47 Lakh (Previous Year ₹ 1,374.08 Lakhs) in Statement of Profit and Loss for the current year as expenses under defined contribution plans.

(Amount in ₹ Lakhs)

Benefit (Contribution to)	31 st March 2023	31 st March 2022
Provident Fund & others*	1,111.09	1,075.81
Pension	316.38	297.27
Total	1,427.47	1,374.08

* This represents the provision for ₹ 100.00 Lakhs (Previous Year ₹ 60.65 Lakhs) towards the contribution for deficit in income of PF Trust for FY 2022-23 (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 :

1. Assumptions

(Amount in ₹ Lakhs)

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Discount rate (per annum)	7.10%	6.20%
b. Estimated rate of return on plan assets (per annum)	7.10%	6.20%
c. Rate of escalation in salary (per annum)	8.00%	8.00%
In case of subsidiary, rate of escalation in salary (per annum)	Executive and Non-Executive-First Year 10% Thereafter 6%	Executive and Non-Executive-First Year 10% Thereafter 6%

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 st March 2023	31 st March 2022
a. Current service cost	254.18	364.14
b. Service Cost	254.18	364.14
c. Net Interest on net defined benefit liability / (asset)	23.56	22.60
d. Cost recognized in P&L	277.74	386.74
Remeasurement on the net defined benefit liability/(asset):		
a. Actuarial (gain)/loss due to DBO Experience	92.38	431.63
b. Actuarial (gain)/loss due to DBO assumption changes	(334.50)	(5.09)
c. Actuarial (gain)/loss arising during period	(242.12)	426.54
d. Return on plan assets (greater)/less than discount rate	(65.91)	(66.77)
e. Actuarial (gains)/losses recognised in OCI	(298.03)	359.77
f. (Income)/Cost recognized in OCI	(298.03)	359.77

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 st March 2023	31 st March 2022
a. Obligation as at the beginning of the year	8,899.42	9,118.43
b. Current Service Cost	254.18	364.14
c. Interest Cost on DBO	501.44	502.59
d. Past Service Cost- Plan Amendment	-	-
e. Acquisitions credit/cost	-	-
f. Actuarial gains and losses arising from changes in financial assumptions	(334.50)	(5.09)
g. Actuarial gains and losses arising from experience adjustments	92.38	431.63
h. Actuarial gains and loss arising demographic assumption	-	-
i. Benefits paid from plan asset	(1,545.76)	(1,512.28)
J. Closing defined benefit Obligation	7,867.16	8,899.42

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

(Amount in ₹ Lakhs)

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Fair value of the assets at the end of prior period	8,133.21	8,508.27
b. Interest Income on plan assets	477.88	479.99
c. Employer Contributions	825.41	590.46
d. Return on plan assets greater/(lesser) than discount rate	55.91	66.77
e. Benefits paid	(1,545.76)	(1,512.28)
f. Fair Value of assets at the end of current period	7,946.65	8,133.21



6. Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary escalation. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Amount in ₹ Lakhs)

Effect of a 1% change in discount rate	31 st March 2023	31 st March 2022
Increase		
(i) aggregate current service and interest cost	(337.96)	(398.48)
(ii) closing balance of obligation	7,529.20	8,500.94
Decrease		
(i) aggregate current service and interest cost	375.04	442.82
(ii) closing balance of obligation	8,242.20	9,342.24
Effect of a 1% change in salary escalation rate	31st March 2023	31st March 2022
Increase		
(i) aggregate current service and interest cost	118.35	95.84
(ii) closing balance of obligation	7,985.51	8,995.26
Decrease		
(i) aggregate current service and interest cost	(116.79)	(102.46)
(ii) closing balance of obligation	7,750.37	8,796.96

7. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

8. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(d) Details of the Post Retirement Medical Benefit Scheme are as follows :

1. Assumptions

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Discount rate (per annum)	7.10%	6.20%
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 st March 2023	31 st March 2022
a. Current service cost	124.98	140.11
b. Service Cost	124.98	140.11
c. Net Interest on net defined benefit liability / (asset)	368.81	270.18
d. Cost recognized in P&L	493.79	410.29
Remeasurement on the net defined benefit liability/(asset):		
e. Actuarial (gain)/loss due to DBO Experience	490.62	1,165.91
f. Actuarial (gain)/loss due to DBO assumption changes	(854.46)	73.49
g. Actuarial (gain)/loss arising during period	(363.84)	1,239.40
h. Return on plan assets (if greater)/less than discount rate	6.71	(18.92)
i. Actuarial (gains)/losses recognised in OCI	(357.13)	1,220.48
j. Adjustments for limit on net assets	-	-
k. (Income)/Cost recognized in OCI	(357.13)	1,220.48

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 st March 2023	31 st March 2022
a. Obligation as at the beginning of the year	7,233.47	5,765.41
b. Current Service Cost	124.98	140.11
c. Interest Cost	442.13	332.95
d. Actuarial gains and losses arising from changes in financial assumptions	(854.46)	(253.85)
e. Actuarial gains and losses arising from experience adjustments	490.62	1,165.91
f. Actuarial gains and loss arising from demographic assumption	-	343.34
f. Benefits paid directly by the Company	(330.72)	(244.40)
g. Closing defined benefit Obligation	7,106.02	7,233.47

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 st March 2023	31 st March 2022
Increase		
(i) aggregate current service and interest cost:	(785.25)	(883.02)
(ii) closing balance of obligation	6,320.77	6,350.45
Decrease		
(i) aggregate current service and interest cost:	959.69	1,097.85
(ii) closing balance of obligation	8,065.71	8,331.32
Effect of a 1% change in medical inflation rate	31st March 2023	31st March 2022
Increase		
(i) aggregate current service and interest cost:	847.69	955.76
(ii) closing balance of obligation	7,953.71	8,189.23
Decrease		
(i) aggregate current service and interest cost:	(702.09)	(778.71)
(ii) closing balance of obligation	6,403.93	6,454.76

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 :

1. Assumptions

Description	For the year ended	
	31 st March 2023	31 st March 2022
a. Discount rate (per annum)	7.10%	6.20%
b. Medical Inflation (per annum)	Not Applicable	Not Applicable



2. Amounts recognised in Consolidated statement of profit and loss in respect of defined benefit plans under Contributory Scheme for Post Retirement Medical Facilities (Domiciliary) are as follows:

(Amount in ₹ Lakhs)

Description	31 st March 2023	31 st March 2022
a. Current service cost	5.89	5.38
b. Service Cost	5.89	5.38
c. Net Interest on net defined	15.85	13.62
d. Immediate recognition of (gains)/losses-other long term employee benefit plans	-	-
e. Cost recognized in P&L	21.74	19.00
Remeasurement on the net defined benefit liability/(asset):		
a. Actuarial (gain)/loss due to DBO Experience	5.06	16.15
b. Actuarial (gain)/loss due to DBO assumption changes	(26.32)	7.37
c. Actuarial (gain)/loss arising during period	(21.26)	23.52
d. Actuarial (gains)/losses recognised in OCI	(21.26)	23.52
e. (Income)/ Cost recognized in OCI	(21.26)	23.52

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 st March 2023	31 st March 2022
a. Obligation as at the beginning of the year	(266.84)	(237.52)
b. Current Service Cost	(5.89)	(5.38)
c. Interest Cost	(15.85)	(13.62)
d. Actuarial gains and losses arising from experience adjustments	-	-
e. Benefits paid directly by the Company	22.35	13.20
f. Amounts recognized in OCI	21.26	(23.52)
g. Closing defined benefit Obligation	(244.97)	(266.84)

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 st March 2023	31 st March 2022
Increase		
(i) aggregate current service and interest cost	(24.67)	(29.13)
(ii) closing balance of obligation	(269.64)	(295.97)
Decrease		
(i) aggregate current service and interest cost	29.52	35.28
(ii) closing balance of obligation	(215.45)	(231.56)
Effect of a 1% change in medical inflation rate	31 st March 2023	31 st March 2022
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.

41. Expenditure Incurred on Corporate Social Responsibility Activities.

- a. In accordance to Section 135 of the Companies Act 2013, The minimum gross amount required to be spent by the group during the year - ₹ 272.00 Lakhs (Previous Year ₹ 80.00 Lakhs).
- b. In accordance to Section 135 of the Companies Act, 2013, the group has incurred ₹ 301.70 Lakhs in current year (Previous Year ₹ 17.84 Lakhs) as CSR expenditure.

(Amount in ₹ Lakhs)

Particulars	31 st March 2023	31 st March 2022
(1) Construction/ Renovation of any asset	6.15	17.84
(2) Purchase of Medical Equipments	226.70	-
(3) Mobile, Medical Vans	63.57	-
(4) Plantation of Timber	4.98	-
Total	301.70	17.84

c. There is no related party transaction involved in CSR expenditure.

d. Above figures are disclosed separately in note no 30(z).

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 ₹ 89.00 Lakhs (Previous Year ₹ 80.00 Lakhs) has been set off from the excess contribution of ₹ 353.00 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.

42. Balances of Trade Receivables, Trade Payables and Advances includes balances subject to confirmation/reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made.

43. The shareholders of MSTC Limited in Extra-Ordinary General Meeting dated 22nd 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 Group did not have any unrecorded transactions in the Books of Accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

45. The Group 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 ₹ 1,740.50 Lakhs (Previous Year ₹ 365.67 Lakhs).

47. The Board of Directors of the Company adopted the Financial Statements in 319th Board Meeting held on 23rd May 2023.

48. The Board of Directors of the Company in its 319th Meeting held on 23rd May 2023 has proposed a final dividend of ₹ 3.20 per share in respect of year ending 31st March 2023, @ 32% 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 ₹ 2,252.80 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

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

Place : Kolkata
Date : May 23, 2023

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



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
Parent								
MSTC Limited	69.70	54,821.72	85.24	20,623.23	74.79	340.50	85.04	20,963.73
Subsidiary								
Ferro Scrap Nigam Limited	27.83	21,890.00	15.86	3,837.87	25.15	114.51	16.03	3,952.38
Joint Venture								
Mahindra MSTC Recycling Pvt Ltd	2.45	1,938.67	(1.10)	(265.43)	0.06	0.27	(1.09)	(265.16)
Total	100%	78,650.39	100%	24,195.67	100%	455	100%	24,650.95



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

MRO, NEW DELHI, 30/31A Jeevani Vikas Building,
1st Floor, Asaf Ali Road (opp. Hamdard),
New Delhi - 110002
Tel : (011) 2321 4201, (011) 2321 3945
E-mail : mstcnro@mstcindia.in
GSTIN : 07AACCM0021E1Z9

WRO, MUMBAI, 607-608 Raheja Centre, Nariman Point,
Mumbai - 400021
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 - 600034
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 : mstcbn@mstcindia.in
GSTIN : 29AACCM0021E1Z3

VIZAG, 4th FLOOR "Jeevan Samridhi", D No 42-1-45/1/1,
New Investment Building, Thikkana Road, Vishakhapatnam,
Andhra Pradesh - 530004
Tel : (0891) 274 6948, 270 1068
E-mail : mstcvzg@mstcindia.in
GSTIN : 37AACCM0021E1Z6

VADODARA, 21, Karmalanjali Apartment, 2nd Floor,
Opp. Tube Company, Old Padra Road, Akota,
Vadodara - 390020
Tel : (0265) 2960354 / 2960379 / 2960385
E-mail : mstcvda@mstcindia.in
GSTIN : 24AACCM0021E1ZD

BHOPAL, 1st Floor, Tilhan Singh Bhawan, 1 Arera Hills,
MPOILFED Building, Bhopal, Madhya Pradesh - 462011
Tel : (0755) 2552241 / (0755) 2570684
E-mail : mstcbpl@mstcindia.in
GSTIN : 23AACCM0021E1ZF

HYDERABAD, 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, Gombi Nagar, Lucknow - 226010,
Uttar Pradesh
Tel : 0522- 2236396, 4244702, 4240445
E-mail : mstclko@mstcindia.in
GSTIN : 09AACCM0021E1Z5

BHUBANESWAR, 2nd Floor, IPICOL House-Annexe Building,
Bhubaneswar - 751022, Odisha
Tel : (0674)- 2544199/2950091/3511215
E-mail : mstcobri@mstcindia.in
GSTIN : 21AACCM0021E1ZJ

TRIVANDRUM, 1st Floor, BSNL CTO Building,
Opp Kerala State Secretariat, Mahatma Gandhi Road,
Statue, Thiruvananthapuram - 695001
Tel : 0471-2326686
E-mail : mstctvo@mstcindia.in
GSTIN : 32AACCM0021E1ZG

RAIPUR, Hall No 6 & 7, 3rd floor, Udyog Bhawan, Teibandha,
Ring Road 1, Raipur - 492008
Tel : 0771-2432481
E-mail : mstcpr@mstcindia.in
GSTIN : 22AACCM0021E1ZH

JAIPUR, Room No. 114, First Floor, BSNL Building,
Lal Kothi, Behind Nagar Nigam, Jaipur - 302015
Tel : 0141-2742208
E-mail : mstcpr@mstcindia.in
GSTIN : 08AACCM0021E1Z7

RANCHI, MSTC LIMITED, 4, Ri-III, Exploration Building,
4th floor, CMPDI Campus, Gandhi Nagar
CMPDI Road
Ranchi - 834 008, Jharkhand
Tel : 0651-2231333
E-mail : mstcrnc@mstcindia.in
GSTIN : 20AACCM0021E1ZL

GUWAHATI, BSNL Exchange Building, Beltola Basistha
Road, Wireless Guwahati, Assam-781038
Tel : 0361-2221199
E-mail : mstcghy@mstcindia.in
GSTIN : 18AACCM0021E1Z5

CHANDIGARH, Telephonic Exchange Building,
2nd Floor, Sector-5, Panchkula - 134109
Tel : 0172-2584921
E-mail : mstccdg@mstcindia.in
GSTIN : 06AACCM0021E1ZB

PATNA, 3rd Floor, DCM cum MRT Building SBPDCL,
Road No-01, D P Rai Path, Near R Block,
Patna, Bihar - 800001
Tel : 0612-2506169
E-mail : brmpatna@mstcindia.in

NAGPUR, 1st floor, East Wing, New Secretariat Building,
Opp. V.C.A Ground, Civil Line, Nagpur,
Maharashtra - 440001
Tel : 07122550075
E-mail : ngropr1@mstcindia.in



एम एस टी सी लिमिटेड

भारत सरकार का उपक्रम

MSTC Limited

A Government of India Enterprise

CIN: L27320WB1904GC026211

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