



225C, A.J.C. BOSE ROAD, KOLKATA - 700 020. INDIA
PHONE : 91-33-2290-0964, 2287-9627 / 7557 / 0568
FAX : 2287-8547/2290-7211/2281-3089, 2287-4915 (ERO)
website : www.mstcindia.co.in • www.mstcecommerce.com

6th June, 2019

MSTC/CS/SE/17

1. The Dy.Manager (Listing)
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street, Mumbai 400 023.
(Scrip Code: 542597)
2. The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, BandraKurla Complex
Bandra (E), Mumbai 400 051
(Scrip Code: MSTCLTD)

Dear Sir/Madam,

Sub: Transcript of Conference Call with the Investors/ Analyst

The Company had organized a conference call with the Investors / Analysts on Friday, 31st May, 2019 at 11:00 A.M. A copy of transcript of conference call held with the Investors/ Analysts is enclosed herewith for your information and records.

Copy of aforesaid transcript is also hosted on company's website www.mstcindia.co.in.

Thanking you,

Yours faithfully,
For MSTC Limited

(Ajay Kumar Rai)
Company Secretary and Compliance Officer



Encl: as above



“MSTC Limited
Q4FY2019 Earnings Conference Call”

May 31, 2019



ANALYST:

**MR. ABHISHEK SHINDADKAR – EQUIRUS
SECURITIES**

MANAGEMENT:

**MR. BAM BAHADUR SINGH – CHAIRMAN AND
MANAGING DIRECTOR – MSTC LIMITED**

**MS. BHANU KUMAR – DIRECTOR
(COMMERCIAL) – MSTC LIMITED**

**MR. SUBRATA SARKAR – CHIEF FINANCIAL
OFFICER & DIRECTOR FINANCE – MSTC
LIMITED**

**MR. AJAY KUMAR RAI – COMPANY SECRETARY
AND COMPLIANCE OFFICER – MSTC LIMITED**

Moderator: Ladies and gentlemen good day and welcome to MSTC Limited Q4 FY2019 earnings conference call, hosted by Equirus Securities Private Limited. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please inform the operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Shindadkar. Thank you and over to you Sir!

Abhishek Shindadkar: Thank you Good morning everyone, on behalf of Equirus Securities, I would like to welcome you all to the Q4 FY2019 earnings conference call of MSTC Limited. From the company, we have with us the key senior management team including Mr. B.B. Singh, Chairman and Managing Director, Ms. Bhanu Kumar, Director Commercial, Mr. Subrata Sarkar, Chief Financial Officer and Director Finance and Mr. Ajay Kumar Rai, Company Secretary and Compliance Officer. I would like to hand over the call to the management for their opening comments and then we would open the call for Q&A. Thank you and over to you Sir!

Bam Bahadur Singh: Good morning to all of you. With regard to the operational performance during the year, the company has crossed INR 1100 billion in terms of value of goods transacted through its marketing and the e-commerce vertical has shown very impressive growth of 36% over the value of goods traded in FY2018.

The growth in value of goods transacted through e-commerce only was 43% higher than that of the figure of last year.

Now with regard to the financial performance consolidated, the revenues were Indian INR 33,403.2 million in FY2019 as compared to the revenues of INR 27931.5 million in FY2018, a growth of 20%. The provisioning PBT of INR 3016.8 million in the FY2019 as compared to the INR 2435.5 million in FY2018, a growth of 23.9% .

Now, the cash profit for the year 2019 Was INR 2467.1 million as compared to the cash profit of INR 2160.1 million in FY2018, a growth of 14% yoy.

Now a couple of key businesses what we have performed in the year by gone is that we have signed milestone agreement with Reliance Industries Limited for providing e-commerce services initially for the disposal of the scrap and later on it may be extended to other businesses also, so this is going to offer a huge business opportunity for MSTC and this is in line with what we had told everywhere that the MSTC is aggressively pursuing the e-commerce business among the private companies, so this is one such great example of that.

Now we have also developed very unique software portal for Indian oil corporation to facilitate the export and import of petroleum products. This project has been in the offing for one and half years and this has been collaborative project as I have been discussing everywhere in every forum and now both the portals for export and import have been unveiled in presence of the

management of the IOC and this is going to give us a business from other petroleum companies in the country or may be tomorrow from abroad.

Now, the other key business what we have done during FY2019 is the signing of agreement with Kerala State Electricity Board, which has fetched a good business. We have also received work order from Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited for eProcurement services. We have also been telling all along that the eProcurement is the new area for MSTC and we have to go full throttle in e-procurement. This work order which has been received from Uttar Pradesh government is a milestone agreement, which we have signed with them and this will auger well for eProcurement business in the state as well as in the country.

Now, we have also entered into an agreement with Assam Forest Department for major and minor mineral blocks, you know that we have been nominated agency by the Ministry of Mines for e-auction of both major and minor mineral block and we have been extending this services to almost 10 states. Assam per se, is the latest state which has given this job to us and some of the auctions for the major mineral blocks are all in the offing.

Now, we have also conducted an auction for Hyderabad Metropolitan Development Authority for 67 open plots valuing INR 6770 million, so this is also a prestigious auction what we have been conducting for HMDA. Now, one of the important developments is that the company has already appointed Mr. VP Haran and Mr. GC Chaturvedi as an independent external monitor to MSTC.

Now, coming to the consolidated financial highlights for FY2019, if you look at the total value of goods traded through MSTC ecosystem, we have done INR 1112.7 million which is 35.7% more than that of the corresponding figure of FY2018. Now if you look at the pre-provisioning EBITDA in the current year FY2019 we have done 3770.8 million Indian rupees which is 16.2% more than that of the corresponding figure during the FY 2018. If you talk about the cash profit, here also we have registered growth. We have done INR 2467.1 million as compared to INR 2160 million during the last fiscal and we have again registered a growth of 14.2% in the cash profit.

Now if you look at the only the e-commerce business of the company, we have been telling that we have grown at a rate of 40% in e-commerce, here we have registered a growth of 43% in e-commerce which has been led by a 60% growth in eProcurement, 55% growth in e-sale and 27% growth in value of the scrap traded whereas, there has been minor decline in the coal and iron-ore business, the coal per se if you remember that for two to three months all the auctions for coal were put on hold because there was acute shortage of coal and all the coal were being supplied to the thermal power plant, so that has caused a little depletion in the coal business; however, the current year, we are expecting much more.

Now the net revenues for the year 2019, we have marketing revenues of INR 27483 million and if you talk about the e-commerce revenue, which is INR 2133 million. If you add revenue from subsidiary, then this becomes 3782 million INR, so the total net income had become INR 7489

million.

Then the other key financial parameters I am talking about the consolidated figure, the employee benefit expenses has been lesser than that of the FY2018, during FY2019, the employee benefit expense has been INR 1690 million as compared to INR 2115 million during the year FY2018. If we talk about the finance cost, again there has been decline in the FY2019 as compared to the FY2018; the finance cost was reduced for the period FY2019 to INR 578 million from INR 674 million during FY2018.

In the other expenses there has been a slight increase, but this is due to the increase in the equipment rent and the other expenses and cost of services.

Now the pre-provisioning profit and cash profit as we have already discussed during our previous discussions, if you talk about the cash profit, the FY2019 we have done INR 2467.1 million as compared to INR 2160.1 million during the year FY2018, so there has been a growth of again 14% in the cash profit that we have already talked about.

Now, the provision and write of related expenses, I will request our Director Finance and CFO to throw some light on this.

Subrata Sarkar:

The total provisioning figures is INR 5420.8 million, but if you look at these figures out of these four parties, Adunik Metaliks Limited INR 1100.8 million, Concast Steel and Power Limited INR 1908.40 million and old outstanding INR 1739.20 million and Global Coke Limited INR 179.80 million. All of it has already been factored in our restated financials in our DHRP, and RHP which is already disclosed. So majority of the provisioning are pertaining to the prior period which are more than 3 years or 5 year, 6-year-old, which are not during the period of operation. So accordingly, all the provisioning that has been provided for in the books of accounts that pertain outstanding going back to the last period that is FY2012 and other periods.

Bam Bahadur Singh:

Now, again coming back to the e-commerce, as I said that e-commerce is our mainstay of business and we are going to do much better in e-commerce sector, so to say that MSTC is having the numero uno position in the e-commerce, we are the market leader in e-commerce and MSTC has a very strong presence in mineral sector, if you talk about mineral blocks or any minerals like lignite, chromite, iron ore, manganese, coal and all that, we are conducting a regular auctions for these minerals as well as the mineral blocks. We have started with the auctions of coal block and now Ministry of Mines has nominated MSTC as the auctioning agent for the conduct of the auction for mineral blocks.

If you talk about the major mineral blocks, we have already conducted auctions for 55 iron blocks of which more than 10 has commenced operations also and we have a number of other minerals for which we have conducted an auction. In the very recent past in Maharashtra we have conducted auctions for the iron ore, bauxite and the limestones. The result of which has been very very encouraging. We have also a very deep penetration in the forest and agri sector.

We have very dedicated portal for e-Rakam, and JavakKheti is gaining footage, and through JavakKheti we will be selling selected organic products and talks are going on to include the naturally grown products also, so this is also going to be a huge opportunity for MSTC, then we have been conducting regular auctions for NPAs like parcels confiscated items. As I told you that we have also forayed into the eProcurement and we have added many e-customers into the eProcurement domain and we have also provided unique features in our eProcurement that is multiprocessor systems which we feel that the same is not available with anyone else and other service provider, so this is going to give an edge to us compared to others.

Now, we are also targeting very aggressively the private companies and the e-commerce business from private companies was almost untapped, but now we are focusing on the private companies and we have also gained successes as I mentioned in the beginning that recently, we have signed milestone agreement with Reliance Industries for scrap sales and the volume will be very huge, I do not think that any existing customers has given as much business as we are expecting from the Reliance Industries. So we will be going for many other key private companies for e-commerce business.

Now, the other upcoming vertical of MSTC, eRetail software. This area is also untapped, and we are making a rapid stride in getting the customers and gaining the business in eRetail software. Now, in the trading segment, we are already in the 110% bank guarantee model which is the risk free and also in associates model where again is risk free due to back to back contracts, but the e-commerce enabled trading business, we are planning to go for PSUs which will be again risk free type of business. So this is our footprint in the e-commerce as far as the future outlook of the company is concerned, we have told that we have very big opportunity in the private companies for e-commerce as well as other verticals of MSTC, the recycling business, we have already gone ahead and we have setup in cycling center at Greater Noida. So this recycling collection center has already commenced operations and very soon we are going to setup three more collection center across the country, some of them are in the advanced stage and will be operated very soon. Now, the ship breaking industry also has been the dream of MSTC, we are targeting ship breaking industry also where we feel that e-commerce business will give us a lot of topline and bottom-line. Last but not the least; we have been concentrating on the agri horti business which again holds a lot of opportunity for MSTC.

To wrap up everything, I would say that we are working for tremendous growth in the e-commerce and with our concerted efforts; there has been reduction in the trade receivables. Trade receivables, we also had been caused some concern, but with our concerted effort in this direction, there has been reduction in trade receivable and we will continue to work in further reduction in the trade receivable and we are not foreseeing any significant provisioning in the days to come. These three things we feel that will be our line of actions and with this, we hope that the company is going to achieve a much more milestones in the e-commerce sector as well as in other sectors of our business. So, our Director Commercial would like to say over and above this.

- Bhanu Kumar:** I would just like to add that with the continuity of the government at least the focus on digitizing all the government transactions and even the eGovernance projects that I think should be in sync and we are already well equipped to cater to all the requirements and as everybody knows e-commerce the more the efforts we put more business we will get. There is nothing called saturation of the business, anything that can be done on paper in black and white can be translated to a digital platform, so that is going to be our focus area and has already told by our CMD, we are now going to focus more in the private sector where we feel traditionally they have been doing business on phone and fax and word of mouth, but now they are actually seeing the benefits of introducing e-commerce, so Reliance is one good example of that, so we will be aggressively foraying into the sector and we hope that the results will continue like this like 40% volume growth year to year basis and about 15%-20% on revenue basis, so that is going to be the focus area for that, so we are going to be e-commerce company basically. So, I think we can take the questions.
- Moderator:** Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. First question is from the line of Nisarg Vakharia from Lucky Investments. Please go ahead.
- Nisarg Vakharia:** Good morning everyone. Sir I would first ask you that with your experience of running the e-commerce business for so many years successfully, what sort of contribution we can expect from this landmark agreement with Reliance Industries?
- Bam Bahadur Singh:** With Reliance Industries, our expectation is that we will be doing INR 300 Crores plus and only from the scrap, I am not talking about other businesses which might come to us at a later date, but only scrap they say that they had been doing 300 Crores, but once they switch over to our business domain, then definitely there will be increase in this figure and 2% so that could be the contribution.
- Nisarg Vakharia:** 2% of 300 Crores.
- Bhanu Kumar:** That is our expectation for this year and maybe we can have better more business relationship with Reliance and this will just the one example, the private sectors has huge opportunity, there are other big groups which we are targeting and so this is just one group that we are talking about where we are expected to earn this line.
- Bam Bahadur Singh:** Shortly, we are eyeing the corporate offices, for example, the Rosneft who has taken over the Essar Oil also there, Rosneft has lot of this scraps, so we are going to meet shortly and once we have taken the business from the Reliance Industries, I think that will augur well for future benefits from the private companies. They have selected us after a proper due diligence, it is not that they have simply signed agreement with us, we have already conducted few pilot projects and they have seen the results and our performance. Based on the performance, they have signed an agreement, so I think our job will be much easier with other private sectors because this can help us through word of mouth.

- Nisarg Vakharia:** 6-8 Crore rupees what we can expect incrementally from the Reliance contract?
- Bam Bahadur Singh:** We have to perform, we have to do this, but we are very confident that we are doing because day in and day out we have been doing the scrap businesses and all that for all PSUs, the state government, central government and even for private, so we are confident that if everything goes well, we will be able to do this much.
- Nisarg Vakharia:** I understand. Secondly, you mentioned that the growth in e-commerce is 40%, but there has been a stall in auctioning of coal mines and also of that because of which our e-commerce reported topline is lower, is that correct.
- Bhanu Kumar:** No actually as far as coal block auctions are concerned, we are not actually monetizing it that is not included in these figures because these leases are given for a very long period and you cannot actually assess as to what is the annual benefit that anybody is going to get, so these are not included, so the coal block auctions whether it happens or not, it does not actually affect our top line.
- Nisarg Vakharia:** No, I am saying that our topline in this year, in e-commerce has grown at 12%, so do we expect 12% growth, or do we expect a growth of 20%-25% going forward is my question?
- Bhanu Kumar:** Going forward is the volume wise if you grow at 35%-40% which we have been seeing for the past three or four years, but revenue wise it will be in the range of 15%-20%.
- Nisarg Vakharia:** Also, I appreciate that the management is now purely focused on developing the e-commerce business and also you have given a very detailed presentation which is elaborating the same, but by when do you think that the trading business can become miniscule in terms of the balance sheet or the P&L, so that investor can truly appreciate what we do in the e-commerce space?
- Bhanu Kumar:** So, basically our focus is pursuing the trading business which are very secure models and e-commerce is going to be the main stay of the company.
- Nisarg Vakharia:** Okay, but we cannot make this trading business zero ever?
- Bhanu Kumar:** No actually trading there are three different models, one of the model has been risky for which we had to have some setbacks, but the other two models that we are talking about the associate supply model as we said we are supplying coal and pipes and all two government organizations and the other one is BG backed procurement that again is absolutely risk free, so these are two lines of business that we will be pursuing in the days to come.
- Nisarg Vakharia:** What is the economics of this business that we tend to pursue I am saying that since you want to pursue this business in e-commerce from what I understand on a 200 Crore topline you have some 70-80 Crores of fixed cost and balance is pure cash flow and pure profit right?
- Bhanu Kumar:** Yes.

- Nisarg Vakharia:** So it is infinite ROCE business, so what are the economics of trading business?
- Bhanu Kumar:** See the revenue from the trading business is likely to go down, this year it will be shown it at around 80 crores or so, but it is likely to come down to about 40-50 Crores, but then the focus in e-commerce is so much that definitely we will be not only compensating, we will take it forward, it will be much higher than what we have shown this year.
- Nisarg Vakharia:** No my question is that suppose you get a new business opportunity in trading and for example let say it is 100 or 200 Crore contract, I am saying how much money be make on their 200 Crores contract and how much capital to be block for that 200 Crore contract?
- Subrata Sarkar:** Basically two things are there, whenever there is out of pocket expenses, we charge certain finance cost to our customers also and secondly we have got our topline margin which is around 0.80 on the trading business, so it is all that we are not concentrating on that trading whatever windfall come into these foray and the person who comes with the BG or an associate model, on the straight cases, we will do that thing, otherwise our main focus is on e-commerce.
- Nisarg Vakharia:** I am saying that while you have given the topline breakup across our segment can you also give cost associated with eCommerce business and absolute EBITDA and PAT in the eCommerce business in the future?
- Subrata Sarkar:** I would like to request that any of these financial related question and everything you can call me up, I am ready to clarify because I think there is some interruption in the line, I will be in the better position to answer you on one to one basis.
- Nisarg Vakharia:** Thank you.
- Moderator:** The next question is from the line of Piyush Laddha from Serendib. Please go ahead.
- Piyush Laddha:** This is again with regards to the trading business, now that you are defocusing on the trading business, looking at your pre-provisioning EBITDA what would be the reduction in the preprovision EBITDA? We just explained that we are going to defocus on the trading business, will that reduce the kind of EBIDTA numbers that we have produced this year that fall?
- Subrata Sarkar:** Of course, it will be a bit reduction, but we are trying to compensate it through the growth in the e-commerce business which is the very relatively risk free and requires no provision as we have seen in the history. I will further add to that in trading business, the 110% BG backed procurement, we are again pursuing it aggressively because this is the risk free, but we never know how much you know more business will bring in under 110% BG category, now the second one is the business associate model, you know that we have been importing thermal coal from Indonesia and all that and also supplying pipelines to GAIL, Gas Authority of India Limited. I am also told that other oil marketing companies, they also need a time for the pipeline, so one such business emerges in front of us definitely we will try to grab that and the associate model, the import of thermal coal as we foresee there would be an increase in the import, so may

this will also give a kind of fillip to us in trading business and during my deliberation, I have told that the e-commerce enabled trade business with PSU, we are making an attempt, if this is the success, then I think that there should not be any reduction in the current year, but as Director Commercial had pointed out that there could be reduction of 30-40 Crores as we foresee today, that can be made good by e-commerce because e-commerce we are going full throttle, full hog and e-commerce opportunities are tremendous and we are well positioned and we are well geared up to bring more business in e-commerce that is our strategy for the current year.

Piyush Laddha: On the trading side, what is the normal provisioning we should look at and we are over 500 Crores of provisioning and write-offs this year, what is the normal run rate and every year should be expect 20, 30, 50, 100 Crores what kind of number would be normal for our company?

Bam Bahadur Singh: Actually we are not expecting any provisioning, but because there are no leftover trading businesses with us and they are making payments, but if at all we have to make some provisioning, then it will be very minor, it will not be much. It is not going to too much, but they are making payment and we are making all our efforts to realize all the our dues, but even if we have continue though there are dossile customers and they are giving this so we do not think that we will have to provide for this. If any we have to provide it will be very minor provisioning.

Bhanu Kumar: Plus I would like to add that you know we are expecting some payments which we have already been provided for in the last couple of years, so that will actually that add to the profits, so they are probably net off if you will see it will be very minuscule if at all we have to go for any provisioning.

Piyush Laddha: Thank you so much.

Moderator: Thank you. We have the next question from the line of Amit Kochhar from Individual Investor. Please go ahead.

Amit Kochhar: Good morning Sir. Wanted to hear something more on CERO, our tie up with Mahindra, in many of the articles we have read that we are aggressively working towards opening increasing number of units even more than 25. What are the targets set for the same like FY2019-2020, 2020-2021, and what should be the revenue mix up of the same of that JV?

Bam Bahadur Singh: JV companies between Mahindra & Mahindra and MSTC, it is 50%-50% and we have already setup one collection cum dismantling centers at Greater Noida which has become operational last year in the month of November and the similar collection cum dismantling center is going to become operational may be next month in Chennai and then again the third quarter will be opening at Bengaluru and the last quarter will be opening at Kolkata. Now, the scrappage policy for end of light vehicles is in the very advanced stage, now the new government has already taken over and we hope that this scrappage policy should be announced anytime sooner and once that is there, we are well positioned to ramify our operations further and this shredding plant which is going to come up at Gujarat, then I think the path will be clear for setting up the

shredding plant at Gujarat. Now, the collection cum dismantling centers, we feel that this will be a profit center in itself, shredding plant will be separate, but this collection cum dismantling centers, we are making it profit oriented by way of sale of the serviceable spare parts and we have succeeded also and there has been very encouraging results by the way of sale of the serviceable spare parts, people are keen buy the serviceable items and that we hope that in all the upcoming collection cum dismantling centers, we will try to make profit out of it. Now, next year and next to next year, as I told you that we have our standard operating procedures in place, we will not take much time in opening a new collection and dismantling centers, so numbers as of now I will not be able to tell you, but definitely it will be more than 4 and it could be anything once scrappage policy is announced, I think there won't be looking back and since this is a 50-50 JV so we hope to have some revenue from this sector. This is the sunrise sector.

- Amit Kochhar:** Right Sir, could you please share the topline of 2018-2019 for the same JV?
- Bam Bahadur Singh:** Topline not much significant as there would be a breakeven time, so that breakeven earlier it was more as I told you that we are now selling the serviceable spare parts, so this break-even time is going to be very shorter. So, the revenue which will be coming from this initially it will not be very much, but as going forward, we will have sizable.
- Amit Kochhar:** Right Sir, are we looking for any forward integration in that company Sir.
- Bam Bahadur Singh:** Yes, it is recycling and may be tomorrow, we will go for solid risk management in all, and we will increase our presence in the recycling sector on the whole. There may be solid waste and plastic papers and all that.
- Amit Kochhar:** Last question Sir, can you share the ageing of debtors of more than one year, who are all current 1900 Crores debtor?
- Bhanu Kumar:** You are talking about debtors in the e-commerce segment or the trading.
- Amit Kochhar:** No trading Madam.
- Subrata Sarkar:** Right now not there more than one year.
- Amit Kochhar:** Thank you sir. That is all from my side.
- Bam Bahadur Singh:** Hello actually the question was not clear, you are asking about the debtors of MSTC that is aged more than one year, trading only?
- Amit Kochhar:** Debtors of MSTC for more than one year in trading segment?
- Bam Bahadur Singh:** I think it is 700 Crores plus.
- Amit Kochhar:** 1900 Crores of just 7 Crores for trading.

Subrata Sarkar: You just call up, we will give you the exact figures that is not handy right now, and we will give you the exact figures of the trading business after that..

Amit Kochhar: Sure Sir.

Moderator: Thank you. The next question is from the line of Abhishek Shindadkar. Please go ahead.

Abhishek Shindadkar: Thank you for the opportunity. Madam if you can briefly give an overview of the e-commerce industry in India, would be helpful for the benefit of all of the participants given, you know there are not many listed players or competition, so if you can just keep an overview about the competitive landscape and the overall opportunity in terms of e-commerce that would be helpful.

Bhanu Kumar: Actually in all our roadshows also we have been mentioning that there has been no resource mapping or any market assessment has been done as to what will be the e-commerce business volume opportunity in India, so but going by very thumb rule it should be in the range of about 35 lakh Crores and even if we go by just 10% of grabbing that business, it should be in the range of 3.5 lakh Crores and what we have done last year is just about 110000 Crores, so three times increases what we are envisaging in the next couple of years that is as far as the volume goes. Now as you are aware the e-commerce segment especially B2B business and the kind of space that we are operating in, lot of things are happening from the government side, but opportunities there in the private sector also, so we are now upgrading our skills and we want to keep our heads above competition, there are a few things, few initiatives that we have taken and one of the things is being more user-friendly by introducing browser independence and platform independence and although we are working on all that and we are more into the area of customized e-solutions. As you have understand most of the big organizations do not have the bidding solution or the integrated solutions for all their operations, so there are gaps in all those areas and that is what we want to fill in, so that is something that cannot be quantified and the kind of expertise that we have gained over the years has given us a little level of confidence and I can confidently say that we have no competition at all, but then we are being a very small company, we are not equipped to take over everything at the same time, so we have going by the thumb rule of the business as to wherever it is more remunerative we are focusing and we want to remain the numero uno in the section. So as I see another two to three years, the volume should go at least two to three times from the existing one.

Abhishek Shindadkar: That is very helpful and second question is to Mr. BB Singh, Sir how important is you know the technology aspect in the overall auction process, if you can just give and elaborate you know compare to competition as to why anybody would choose MSTC is technology the main differentiation or the mechanics of winning a contract that would be helpful?

Bam Bahadur Singh: We will start with our data center where we have the IPV6 complaint, IBM server which is the latest technology servers with us and if you talk about the security features, we have SSL; Right once Media is the software which captures the audit trails on a no editable media. This Right work Media per se the other service providers they may not have or they have you know what we

call the duplicate ones, but this software what we have prevents all the hacking whatsoever and then we have the other security features with us such as security Firewall, 2, 3 layers of Firewalls, so this is with regard to the security of our system. Now, we have our team of experts, we have IT engineers and programmers, we do everything of our own, we are not outsourcing this activity to outside agency, so we have developed over a period of time the expertise and capability to develop complex portals for our client. As I told you that for very recently we have done it for Indian Oil Corporations, the portal for export of products and import of products and the third one is for e-tender for import of LNG. IOC they say that this is the unique portal in the world and this portal will bring lot many other businesses from the petroleum sector in India and abroad. Then we have done one such complex portal development for e-transmission lines wherein the people have to bid looking at 25 years of this thing. So the parameters which need to be controlled in this development of portal is not less than 30, 33, or 35, so what we want to say that during the 20 years of time, our team has developed the skills and expertise to develop very complex portal for our clients. Customization is I would say our forte, so we can do any type of customization unlike other service provider who provides only the standard portal services. So these are the technology which gives us an edge over the other service providers in the sector.

Bhanu Kumar:

I will just add to that on other question that you asked was why people should come to MSTC. The main thing is as you know all the natural resources of the country are being auctioned through our portal, so the most important aspects is the data security, so that is one thing that comfort level the government is having in MSTC. We have the state of the art security systems and data privacy and securities are the key point that the government is looking at as on date and apart from that we are under the ambit of all the financial rules, the CVC guidelines, CAG audits and all those things, RTI Acts and everything, so this we have complaint with all the requirements it is probably the go to service provider as far as wherever whoever is interested in transparency plus as CMD has already said customized portal is our forte, so this is something that even lot of big companies are not able to get it to, so we take pride in the fact.

Bam Bahadur Singh:

Just to add this actually I forgot. We have more than one lease line, so one lease line if it has gone out of order, the other lease line will work. Then we have better disaster recovery service there at Mumbai, so if the main server fails on account of natural calamity and all that, the auction will be interrupted, it will go uninterrupted, the disaster recovery site in Mumbai will takeover, so that is we are going to go for all latest whatever is latest technology in the market for providing good e-commerce services, we are going to have it.

Abhishek Shindadkar:

Thank you Sir that is very helpful and the last one from my side if I may. Madam what I wanted to understand and the question was earlier asked as well about the receivables, can we have or are we trying to create any resolution mechanism for the provisions that we have made, will there be any conscious effort in FY2020 to kind of resolve and receive the money for which we have already provided.

Bhanu Kumar:

We have actually taken all the steps that are required under the existing laws, so that is one thing that is going on, apart from that we are also looking at resolving this and getting some payment

out of that. We may even go in for one-time settlement or we may even go in for sale of the receivables, there are lots of ideas that are floating around, so we are doing everything that is possible in our capacity.

Abhishek Shindadkar: It is very helpful. Thanks for taking my questions.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for the closing comments. Thank you and over to you.

Bam Bahadur Singh: Thank you very much. Thanks a lot. Anymore questions from anyone. Thank you very much.

Abhishek Shindadkar: Thank you MSTC management for giving Equirus Securities the opportunity to host the conference call. Thank you and we may close the call.

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