

एम एस टी सी
लिमिटेड
(भारत सरकार का उपक्रम)



MSTC
LIMITED
(A Govt. Of India Enterprise)

CIN : L27320WB1964GOI026211

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

MSTC/CS/SE/81

14th November, 2019

1. The Dy. Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 023.
(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: Presentation of Conference Call with the Investors/ Analyst

In continuation of our yesterday's letter on the Standalone and Consolidated Financial Results for the quarter and half year ended 30th September, 2019 enclosed please find a copy of presentation in relation to conference call with the Investors / Analysts which will be held on Thursday, 14th November, 2019 at 01:30 P.M.

This is for your information and records.

Thanking you,

Yours faithfully,
For MSTC Limited

(Ajay Kumar Rai)
Company Secretary and Compliance Officer

Encl: as above

November 14, 2019



Earnings Release Q2FY20 and H1FY20

Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by MSTC Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever; and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks.

The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

A photograph of a server room with rows of server racks on both sides, illuminated by a blue light. The racks are filled with various electronic components and have many small lights. The perspective is looking down a long aisle. A semi-transparent white box with the text "Key Highlights" is overlaid on the left side of the image.

Key Highlights

Key Highlights

Financial Performance (Consolidated)

- Revenues of INR 2,792.77 mn in Q2 of FY20 vis-à-vis revenues of INR 8,512.29 mn in Q2 of FY19; decline of 67.19%, largely driven by 79.50% degrowth in marketing business
- PBT of INR 452.37 mn in Q2 of FY20 vis-à-vis INR (4,030.69) mn in Q2 of FY19; improvement in profitability is on account of decline in provisions
- No incremental provisions for the period

Business update

- Executed agreement with various private sector conglomerates such as Larsen and Toubro, ADANI Group
- Entered into MoU or agreements with various other players such as Burn Standard Co, HMEL ENERGY & HMEL Pipelines, Northern Coalfields, Bihar State Road Transport Corporation, Securities Exchange Board of India, Andhra Pradesh Industrial Infrastructure Corp
- Developing a dedicated e-Auction platform which will be directly linked with Indian Banking Association portal for sale of NPAs through SARFAESI Act. Under this platform a bidder once registered will be able to participate in auctions for all banks

Standalone Financials Segment Reporting -Q2 of FY20

Particulars (INR mn)	Q2FY20	Q2FY19	YoY % chg.	Q1FY20	QoQ % chg.
Total Revenue	1,854.43	7,581.03	(76%)	3,999.95	(54%)
Revenue – E-commerce	415.22	565.83	(27%)	503.30	(18%)
<i>E-Auction/E-Sale</i>	<i>345.56</i>	<i>503.67</i>	<i>(31%)</i>	<i>396.15</i>	<i>(13%)</i>
<i>E-Procurement</i>	<i>27.40</i>	<i>38.30</i>	<i>(28%)</i>	<i>46.20</i>	<i>(41%)</i>
<i>Other Income</i>	<i>42.26</i>	<i>23.86</i>	<i>77%</i>	<i>60.95</i>	<i>(31%)</i>
Revenue – Marketing	1,437.88	7,013.41	(79%)	3,495.76	(59%)
Total Expenses	1,481.11	11,730.90	(87%)	3,612.77	(59%)
Profit Before Tax	373.32	(4,149.87)	NA	387.18	(4%)
Profit After Tax	243.82	(4,424.06)	NA	251.93	(3%)

Standalone Financials Segment Reporting -H1 of FY20

Particulars (INR mn)	H1FY20	H1FY19	YoY % chg.
Total value of goods traded through MSTC eco-system (INR bn)	497.73	595.64	(16%)
Total Revenue	5,854.38	13,123.69	(55%)
Revenue – E-commerce	918.54	1,045.71	(12%)
<i>E-Auction/E-Sale</i>	<i>741.71</i>	<i>962.47</i>	<i>(23%)</i>
<i>E-Procurement</i>	<i>73.60</i>	<i>40.90</i>	<i>80%</i>
<i>Other Income</i>	<i>103.23</i>	<i>42.34</i>	<i>144%</i>
Revenue – Marketing	4,933.64	12,075.18	(59%)
Total Expenses	5,093.88	16,554.39	(69%)
Profit Before Tax	760.50	(3,430.70)	NA
Profit After Tax	495.75	(3,926.59)	NA

Consolidated Financials Highlights-Q2 of FY20

Particulars (INR mn, unless stated)	Q2FY20	Q2FY19	YoY % chg.	Q1FY20	QoQ % chg.
Total Revenue	2,792.77	8,512.29	(67%)	4,915.43	(43%)
<i>Marketing</i>	<i>1,437.88</i>	<i>7,013.41</i>	<i>(79%)</i>	<i>3,495.76</i>	<i>(59%)</i>
<i>E-commerce</i>	<i>415.22</i>	<i>565.84</i>	<i>(27%)</i>	<i>503.30</i>	<i>(18%)</i>
<i>Scrap recovery and allied jobs</i>	<i>938.34</i>	<i>931.25</i>	<i>1%</i>	<i>915.50</i>	<i>2%</i>
<i>Others</i>	<i>1.33</i>	<i>1.79</i>	<i>(26%)</i>	<i>0.87</i>	<i>53%</i>
EBITDA	571.51	(3,837.27)	NA	577.73	(1%)
Profit before Tax	452.37	(4,030.69)	NA	453.54	0%
Profit after Tax	293.28	(4,347.88)	NA	290.77	1%
EPS (in INR)	4.17	(61.76)	NA	4.13	1%

Consolidated Financials Highlights-H1 of FY20

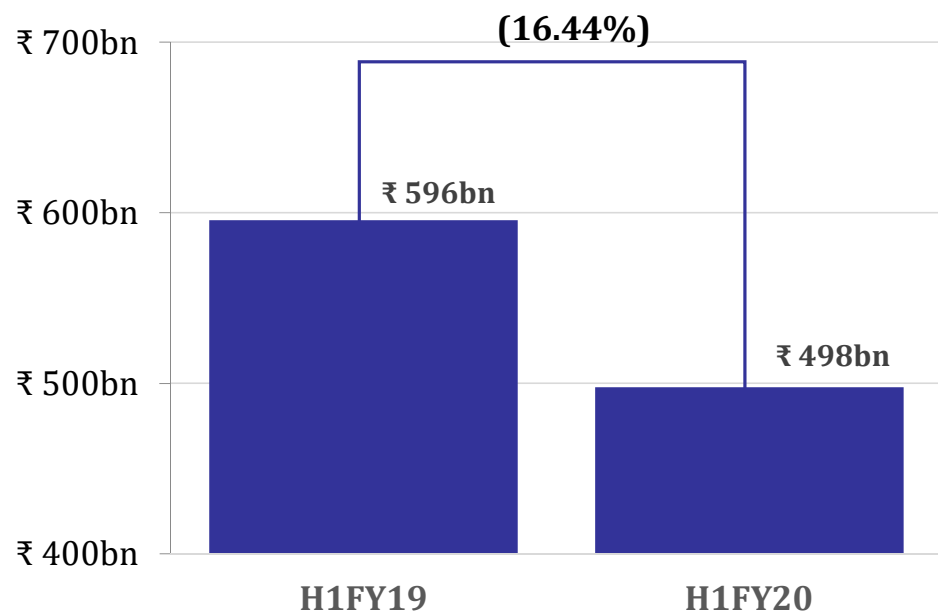
Particulars (INR mn, unless stated)	H1FY20	H1FY19	YoY % chg.
Total Revenue	7,708.20	14,915.50	(48%)
<i>Marketing</i>	4,933.64	12,075.18	(59%)
<i>E-commerce</i>	918.52	1,045.71	(12%)
<i>Scrap recovery and allied jobs</i>	1,853.84	1,791.81	3%
<i>Others</i>	2.20	2.80	(21%)
EBITDA	1,149.24	(2,844.68)	NA
Profit before Tax	905.91	(3,243.01)	NA
Profit after Tax	584.05	(3,806.55)	NA
EPS (in INR)	8.30	(54.07)	NA



Performance Analysis

Value of goods transacted – H1FY20 (INR bn)

(Standalone)

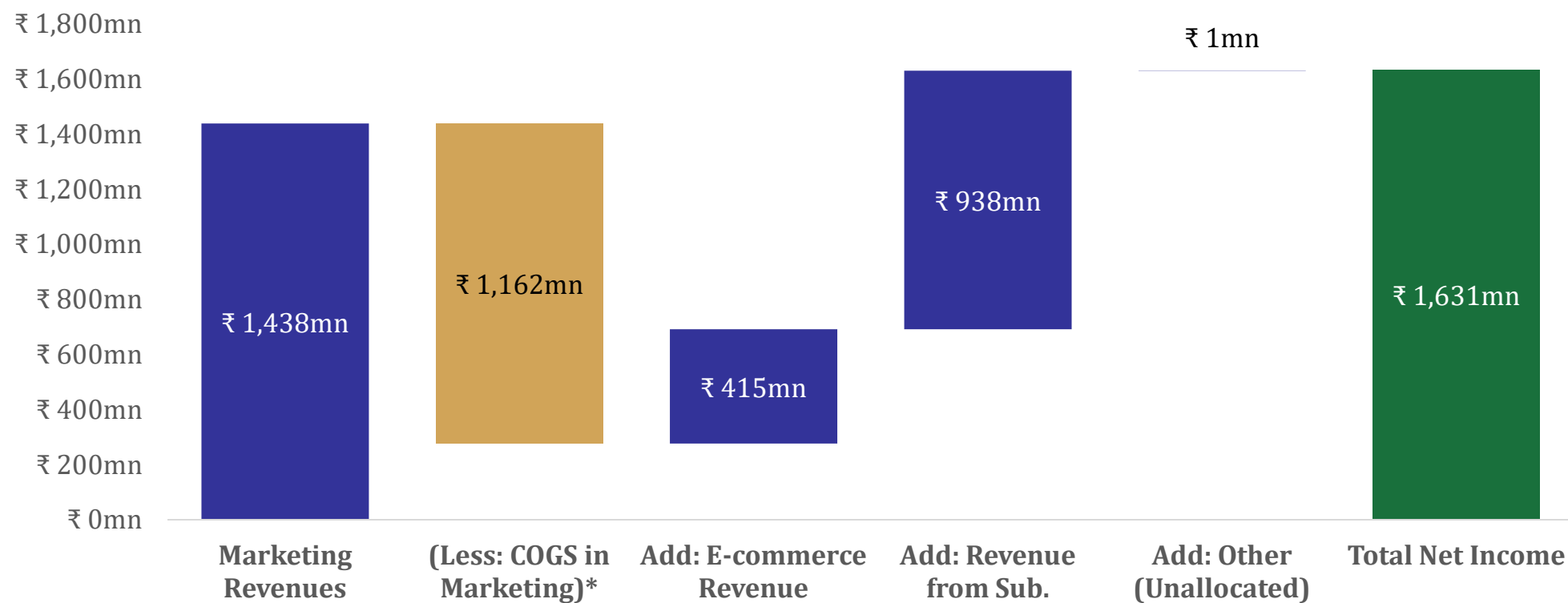


E-commerce business fell by 10%, led by 50% decrease in e-sale, 64% decrease in coal and 24% decrease in scrap. The same was partially offset by 20% increase in iron ore, and 17% growth in e-procurement.

E-commerce business growth was partially impacted by General Elections during the quarter, weak industrial conditions and decrease in scrap prices

The aforementioned slowdown in marketing revenues is a result of conscious shift in business initiated by the management

Net Revenues – Q2FY20 (INR mn) (Consolidated)



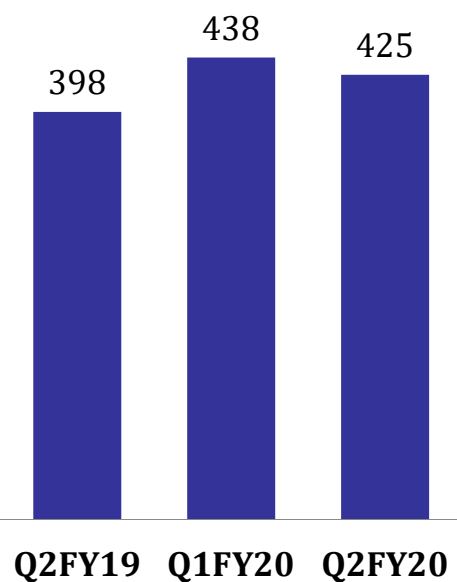
**Standalone*

The above table has been prepared in-line with the segmental financials

Other key financial parameters (INR mn)

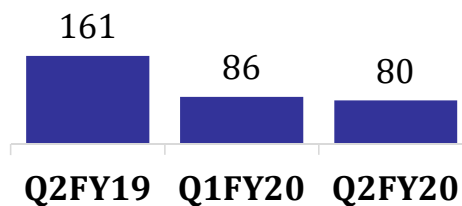
(Consolidated)

EMPLOYEE BENEFIT EXPENSES



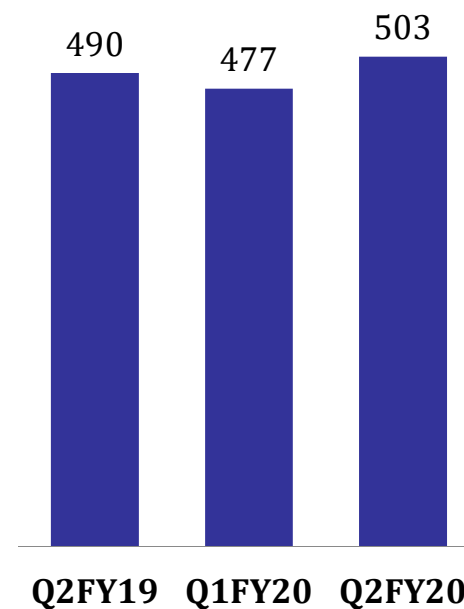
Employee benefit expenses for Q2FY20 grew by 6.78% YoY on account of increase in headcount

FINANCE COSTS



Finance cost reduced for the period led by lower borrowings on account of degrowth in marketing business

OTHER EXPENSES (EXCL. PROVISIONS)



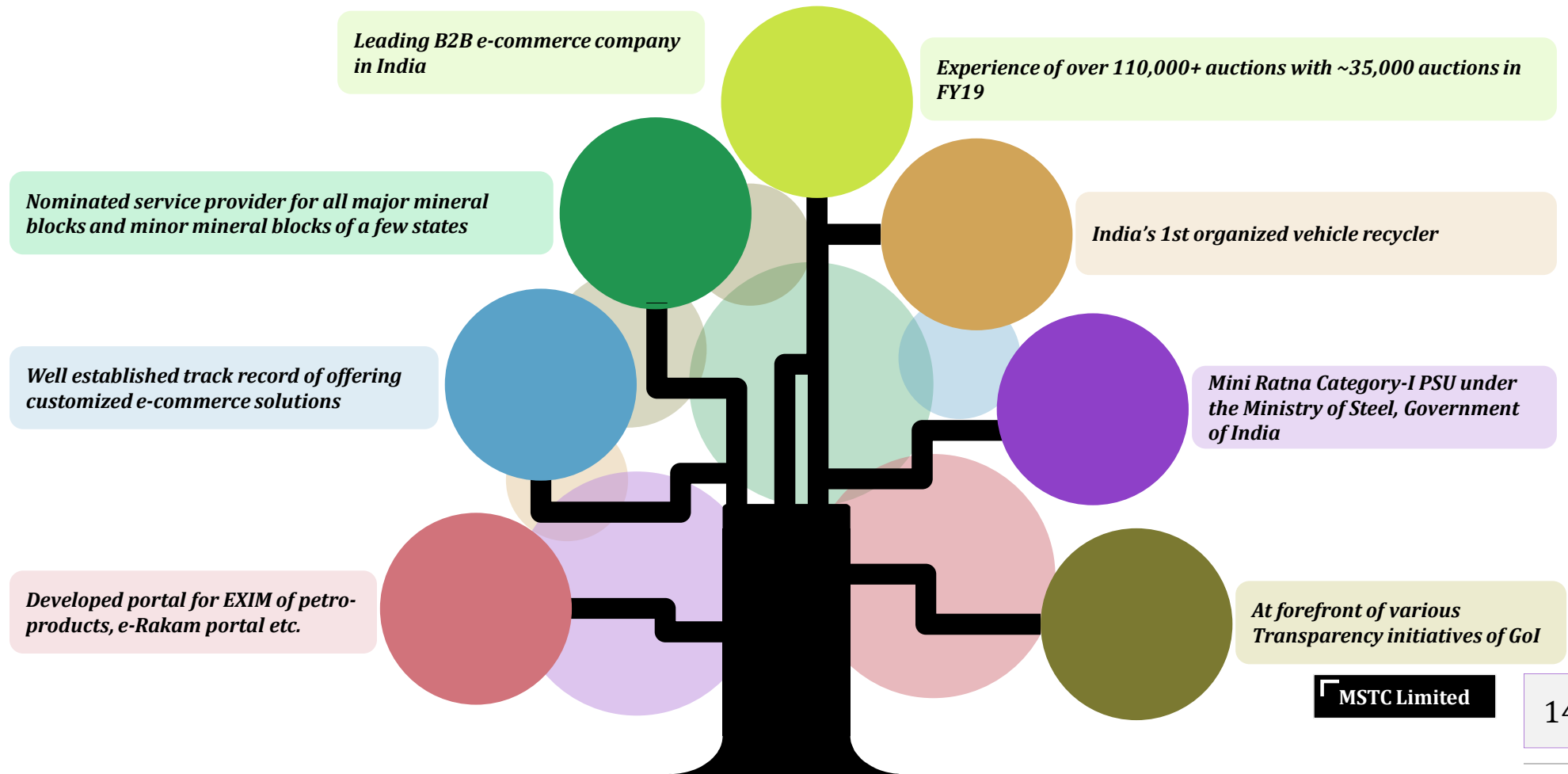
Other expenses were flat on a YoY as well as QoQ basis

A photograph of a server room with rows of server racks on both sides, illuminated by blue light. The racks are filled with electronic equipment and have many small lights. The perspective is looking down a long aisle. A semi-transparent white box with the text "About MSTC" is overlaid on the left side of the image.

About MSTC

MSTC Limited

A leading B2B e-Commerce player in India



A photograph of a server room with rows of server racks on both sides, illuminated by blue light. The racks are filled with electronic components and have many small lights. The perspective is looking down a long aisle. A semi-transparent white box with the text "Summary financials" is overlaid on the left side of the image.

Summary financials

Summary P&L Statement

Particulars (INR mn)	Standalone			Consolidated		
	Q2FY20	Q2FY19	% change	Q2FY20	Q2FY19	% change
Revenue from operations	1,751.85	7,515.49	(77%)	26,71.39	8,416.96	(68%)
Other Income	102.58	65.54	57%	121.38	95.33	27%
Total Revenue	1,854.43	7,581.03	(76%)	2,792.77	8,512.29	(67%)
Expenses						
Purchases of Stock-in-Trade/Operational Consumables & Spares	1,161.94	6,402.89	(82%)	1,285.40	6,523.36	(80%)
Employee benefit expense	164.41	143.30	15%	425.45	398.32	7%
Finance costs	76.30	158.99	(52%)	79.64	160.99	(51%)
Depreciation and amortisation expense	4.06	2.75	48%	39.50	32.43	22%
Provisions and write-offs	-	4,933.36	(100%)	-	4,933.36	(100%)
Other expenses	74.40	89.61	(17%)	503.26	489.69	3%
Total Expenses	1,481.11	11,730.90	(87%)	2,333.25	12,538.15	(81%)
Share of profit/(loss) of Joint Ventures				(7.15)	(4.83)	48%
Profit/(Loss) before tax	373.32	(4,149.87)	NA	452.37	(4,030.69)	NA
Tax expense	129.50	274.19	(53%)	159.09	317.19	(50%)
Profit/(Loss) for the period	243.82	(4,424.06)	NA	293.28	(4,347.88)	NA

Summary Balance Sheet

Particulars (INR mn)	H1FY20	FY19
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	758.67	750.58
Capital Work in Progress	228.50	231.81
Intangible Assets	3.65	11.53
Investment in Subs/ JVs, Associates	119.19	138.81
Financial Assets	55.36	272.42
Non-Current Tax Assets	591.74	582.42
Deferred Tax Assets (net)	2,516.34	2,615.31
Other Non-Current Assets	105.70	130.82
Total Non-Current Assets	4,379.15	4,733.70
Current Assets		
Inventories	86.91	60.35
Financial Assets		
Trade Receivables	17,157.92	18,697.26
Cash and Cash Equivalents	771.27	962.21
Other Bank Balances	1,580.78	3,204.72
Other Financial Assets	324.39	483.03
Other Current Assets	98.45	105.04
Assets Classified as Held for Sale	32.30	30.76
Total Current Assets	20,052.02	23,543.37
TOTAL ASSETS	24,431.17	28,277.07

Particulars (INR mn)	H1FY20	FY19
EQUITY		
Equity Share Capital	704.00	704.00
Other Equity	3,718.35	3,175.69
Total Equity	4,422.35	3,879.69
Non-Current Liabilities		
Financial Liabilities		
Provisions	697.30	706.23
Other Non-Current Liabilities	74.24	99.99
Total Non-Current Liabilities	771.54	806.22
Current Liabilities		
Financial Liabilities		
Borrowings	4,559.12	6,137.15
Trade Payables	7,770.74	9,523.47
Other Financial Liabilities	6,119.12	7,329.62
Other Current Liabilities	199.02	284.48
Provisions	587.24	314.46
Liabilities classified as held for sale	2.04	1.98
Total Current Liabilities	19,237.28	23,591.16
TOTAL EQUITY AND LIABILITIES	24,431.17	28,277.07



Thank You

👤 Subrata Sarkar

📞 +91-033-2281-3088

🌐 www.mstcindia.co.in

