

Operator: Ladies and gentlemen, good day and welcome to MSTC Ltd. Q1 FY27 earnings call. As a reminder, all participant lines will be in 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 signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Deep Modi from Equirus Securities Private Limited. Thank you, and over to you, sir.

Deep Modi – Equirus Securities: Good morning, everyone. On behalf of Equirus Securities, I welcome you all to the Q1 FY27 earnings conference call of MSTC Ltd. From the management, we have with us today Mr. Manobendra Ghoshal, Chairman and Managing Director; Ms. Bhanu Kumar, Director Commercial; Mr. Subrata Sarkar, Director of Finance; and Mr. Ajay Kumar Rai, Company Secretary. We will begin the call with opening remarks from the management, after which we will open the lines for Q&A. I now hand over the call to Mr. Manobendra Ghoshal. Over to you, sir. Thank you.

Manobendra Ghoshal – Chairman and Managing Director: Thank you. Thank you. Good morning, Deep, and all our esteemed stakeholders. A very warm welcome to all of you to MSTC's Q1 FY27 investor call. I take great pleasure in being able to report to you that your company has been able to maintain the momentum gained in FY26 and has delivered a sterling Q1 performance across multiple metrics.

Revenue from operations was 94.25 crores, which is a nearly 22% year-on-year increase over the corresponding period last year. Riding on the highest-ever Q1 e-commerce revenue of 89.49 crores, this is the highest in a Q1 since your company was listed in March 2019. EBITDA as a percentage of total income was 69.05%, also nearly 3% higher than the corresponding period of FY26. This drove the highest-ever Q1 PBT and PAT since listing.

All of this is something to look forward to. Throughout this period, we have also been systematically identifying our strengths, the areas we should expand into, the new possibilities to follow and explore aggressively, and what we should exit from. We took a decision in FY26 to completely exit the trading and corporate marketing segment and have seamlessly recovered our dues under the 110% BG-backed model, closing the chapter on this legacy segment in this quarter. With this, we have moved forward from being a canalizing agency and trading house, which MSTC primarily started out as, to being a digital solutions provider.

We have simultaneously looked to identify suitable opportunities that can be capitalized on by leveraging MSTC's domain expertise, developed over the last 23+ years through e-commerce application development. As part of that, development of the electronic trading platform for EPR certificates is now complete, along with all the integrations necessary for immediate operationalization. We are now awaiting the go-ahead to start operating this portal for the trading and settlement of EPR certificates from all notified sectors by the stakeholders.

Similarly, a team has been working towards developing MSTC's travel portal at mstcsmarttravel.in. This is under operationalization for the B2B segment, with the B2C rollout expected shortly. Our Director Commercial will provide more details on this during her briefing.

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Development of a Trade Receivables Discounting System, or a TReDS platform, has also been taken up as one of the areas showing commercial viability. We have been steadily working towards putting in place a robust application, the requisite financial services integration, and necessary security protocols, while also approaching the Reserve Bank of India for the necessary approvals. This project is also at an advanced stage and, subject to obtaining regulatory approvals, we should be able to operationalize it sometime during FY27. Apart from strengthening your company's credentials in the digitalization space, this particular initiative will also help further the push being given by the government to enable the MSME sector to flourish.

As a corporate entity, over the last 2 financial years, we have tried to identify our strengths, the areas where we found that business models were no longer in sync with our expertise, and those new possibilities where our presence and the know-how available within the organization could best be deployed for developing opportunities showing a good commercial outlook. We also took a decision to remain an asset-light company. So, apart from scaling our existing e-commerce business by aggressively expanding our client footprint, we decided to venture into a limited number of new verticals, stabilize them, scale them up, and then think of expanding further. That is the model that we have been following.

I am also very glad to report that the operations of our joint venture with Mahindra, MMRPL, have picked up significant momentum over the last 3-4 quarters. For the first time in quite a few sequential reporting periods, the venture has shown a positive PAT. This has largely been driven by significantly higher feedstock inflows, which in turn are predicated upon the government's push towards Extended Producer Responsibility norms being implemented for automobile manufacturers. This caused the end-of-life vehicles that had until now been going to the grey market, resulting in uncontrolled and unethical scrapping, to be diverted to RVSFs. Higher incentives provided for new car buyers who trade in their old vehicles, as well as discounts and rebates from the OEMs and the government, have helped this flow positively, and we expect this trend to strengthen and continue, driving this company towards a healthy financial outlook.

I will now request my Director Commercial to give us a brief overview of the business highlights for this Q1, followed by the Director of Finance, who will provide a detailed review of the financials. Over to you, ma'am.

Bhanu Kumar – Director Commercial: Thank you. Good morning, everybody. The highlights of the business for the first quarter of this financial year are that we have continued our services for the sale of minor and major mineral blocks across the country. With the thrust being given to critical minerals, we have had a significant number of events for the allocation of critical mineral blocks as well. The EL blocks, or exploration license blocks, have also been successfully allocated in the seventh tranche of critical mineral auctions.

We have entered into an agreement with the Tamil Nadu Forest Department. We conducted this exercise about 4-5 years ago, when we sold some red sanders, and this time also we have entered into an agreement. This tranche will take place shortly for the sale of approximately 100 tonnes of red sanders available in the state, through international competitive bidding.

We also informed the stakeholders last time that we had won the contract with Coal India for coal linkage auctions. The first tranche of auctions for the same is underway right now, and it is

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expected to be extended to other sectors. This is the NRS linkage, and thereafter it will be sector-wise. We will also be conducting the sector-wise auctions shortly.

We have entered into a very niche kind of auction for Rashtriya Ispat Nigam Limited. They have a lot of process scrap, generated during the steelmaking process, which has to be cleared in a very time-bound manner. The parameters and methodology for the sale are slightly different from those used for normal scrap auctions. We have had quite a good transaction with them, the sale is going on right now, and we will be expanding the market for this kind of product shortly.

Another first that we have achieved in this quarter is the auction for liquor licenses for the Government of Karnataka. We conducted this exercise for the Government of Rajasthan in the past, but right now the other states are very slow in adopting this model. The Karnataka government has now come up with this plan for conducting auctions for liquor licenses.

We have also been steadily conducting land parcel auctions for the state of Telangana, both for HMDA, the Hyderabad Metropolitan Development Authority, and the Telangana Industrial Infrastructure Corporation. This gives us steady business and steady remuneration.

Commercial coal block auctions are also continuing, and this is the 15th round, which has been going on for almost 6-7 years now.

For the first time, we have also conducted an auction for the selection of charge point operators for the Kerala State Electricity Board. This is a model that can probably be replicated by other states. We will therefore be approaching other states for this kind of model for the allocation and selection of charge point operators, given the impetus being provided to EVs and other electric vehicles.

That is the highlight for FY26-27. The projects currently underway, which are likely to bring in future revenue in the near future, include, as already highlighted by our CMD, the travel portal, which is ready. As of now, we are booking tickets for our own corporate travel, and we have approached other PSUs and sister PSUs to use this portal. Simultaneously, we are applying to IATA for empanelment, and we have obtained empanelment with some airline operators. This process is likely to be completed shortly. After we receive the IATA clearances, we will be able to enter the B2C segment, where we expect some revenues to start coming in. This is one area that we entered into very recently.

You might have learned about the government's intention to set up coal and mineral exchanges. MSTC is also exploring various possibilities and the ways and methodologies for establishing its own exchanges, and we are working towards that. Initial discussions with certain stakeholders are already underway. We will update you about the progress in due course.

As the CMD highlighted, the TReDS platform is almost ready, and we are in discussion with the RBI for the necessary clearances. So far, the feedback that we have received from the RBI is quite encouraging, and we hope to establish this TReDS platform in the next few months.

The EPR ETP, or electronic portal for EPR certificate exchange, is also ready for CPCB. We are just waiting for the government nod to formalize it so that the transactions can take place. As already intimated in the past few conference calls, this will, as of now, be opened only for 5 sectors, but

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slowly it will expand to approximately 15 sectors. Once this exchange is operational, more and more sectors will be added to it.

This is the plan for the near future. I will now hand it over to our Director of Finance for the financials.

Subrata Sarkar – Director Finance: Very good morning to our stakeholders. Our CMD and Director Commercial have briefed you about the business highlights. I will now elaborate on the financial figures.

The first highlight is that the last marketing segment that we were operating under the 110% BG-backed model has been discontinued. With that, the revenue from this segment has dropped to zero, and we have stopped segmental reporting from this quarter because we now have only one segment, which is e-commerce revenue. E-commerce revenue has shown significant growth to 89.49 as compared to 70.03 last year. Other income, or other operating revenue, is also 28.51 as compared to 23.27 last year, representing growth of 22.52%, and expenses have increased to 36.51 as compared to 31.78.

This is a normal increase, considering the increase in the scale of operations. Pan-India operations have increased, and we now have a corporate office in New Delhi, which is in line with the future business prospects. Depreciation has increased from 2.25 to 2.96, and tax has accordingly increased from 15.31 to 20.41. EBITDA stands at 81.49 as compared to 61.88, a growth of around 32%, and PBT stands at 78.53 as compared to 59.63, again a growth of 32%.

EBITDA was {? 1.70 ?}, which was almost the total EBITDA component. PAT has also shown growth of 31.14%, from 44.32 to 58.12. With that, EPS stands at 8.26 as compared to 6.02.

On a consolidated basis, this is the first time after many years, after 4 years, that our joint venture has shown a profit. Accordingly, it is a small token profit, but it has shown a positive PBT. We have a share of around 10 lakhs coming out of that. With that, profit before tax for the group has come to 78.63, and profit after tax is 58.22. EPS is 8.27 as compared to 6.01, representing growth of around 37.51%.

If we look further at the P&L, revenue from operations is 94.25 as compared to 77.43. Other income has grown from 16.23 to 23.75. Employee benefit expense has increased to 27.50 from 22.25. Depreciation has increased from 2.55 to 2.96. Other expenses have increased from 8.53 to 9.01. Tax expenses have increased from 15.31 to 20.41. PAT is around 58.12 as compared to 44.32.

To highlight the key point, while we have tried to increase our income and scale up our operations, this has not had much bearing on our overheads, because we have increased revenue by around 22%, while our total expenses have increased by 14%. This is generally a normal increase due to higher salaries and wages and inflationary pressure. It has hardly had any impact on the scalability of the operation.

This is the highlight of this quarter. With that, I hand over the microphone for the question-and-answer session.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

The first question is from the line of Shilpa from Lotus Wealth. Please go ahead.

Shilpa – Lotus Wealth: Hello, thank you for taking my question. My first question is that the market size for EPR trading will be 2 billion dollars by 2030, while CPCB gets a 4% transaction fee of approximately 800 crores. What will our revenue share be in this? I will ask my second question later.

Management: If you have seen the EOI, it is very clearly mentioned that 4% will be the charge of CPCB. It is also very clearly mentioned what the exchange operator will receive. I think the bifurcation is clear. I will have to go back to the EOI, and I do not recall it at this moment. However, it is very clearly mentioned in the EOI, so you will get the figures from there.

Shilpa – Lotus Wealth: Okay, ma'am. Our cash and cash equivalents are around 13 crore. Will that be used for capex or for dividends?

Management: Ma'am, can you repeat the question?

Shilpa – Lotus Wealth: I am saying that our cash and cash equivalents are around 13 crore.

Management: We have not published the balance sheet for cash and cash equivalents. It is only the P&L for Q1.

Shilpa – Lotus Wealth: No, sir. I am talking about last year, FY26.

Management: We have already replied to that, I think. We are now concerned about the Q1 results. Can we please ask specifically about Q1?

Shilpa – Lotus Wealth: Yes, okay. Thank you. If there is anything else, I will take it offline.

Operator: Thank you. The next question is from the line of Saurabh Binodia from SMIFS Limited. Please go ahead.

Saurabh Binodia – SMIFS Limited: Thank you, and a very good morning. First, congratulations to the management team on delivering 20% year-on-year growth in the e-commerce vertical over the last 2 quarters. I have 2 or 3 questions, and I will ask them one by one. What are the key drivers behind this growth, and do you see this 20% year-on-year growth sustaining in the next few quarters?

Management: Regarding the 20% growth that you have seen compared to the first quarter of last year, it is mainly due to the higher number of mineral blocks and the minerals that we are selling. Because of that, the numbers have increased. Of course, our main income is coming from scrap sales. We have had a good run with the sale of plants all over the country. That is a major contributor as far as e-commerce revenue is concerned.

Regarding the second part of your question, whether it is sustainable, as far as mineral sales are concerned, it is sustainable. However, scrap has always been cyclical. The steel sector as such is very cyclical, so the rates keep going up and down, and the volume of scrap also keeps changing from time to time. It is not always necessary that plants or some large-ticket sale will come up.

On average, we have seen that most of our income, almost 50–55% of our e-commerce revenue, has been coming from scrap sales over the past many years. That is somewhat sustainable.

Given the combination, I do not see it going down, but I do not know whether it will keep going up at 20–25%. Secondly, as we had highlighted, we are also venturing into 2–3 new areas, and once they take off, the revenues will definitely come in.

Management: If I may supplement this, we have been saying for the past few investor calls that what we have been aiming at is to try to sustain double-digit growth. Whether that translates into the growth recorded over the corresponding period last year, or whether it is more or less, the average would be double-digit growth, which we would be trying to maintain. That would equalize over a longer period because there would certainly be some periods where the growth would be lower and some periods where the growth would be higher. Our aim is to maintain a double-digit number.

Saurabh Binodia – SMIFS Limited: Thank you for the elaborate answer. My second question is on the TReDS platform. Can you help us understand the proposed business model for this? Specifically, how will MSTC generate revenue from this platform? Will it be through transaction charges, subscription charges, or a combination? What kind of transaction volume scale-up would be required for this business to be meaningful?

Management: To answer your questions one by one, first of all, as the CMD has indicated, we are waiting for the regulatory approvals. The business model is as simple as it can be. It is a discounting platform, so the transaction fee will be the main source of revenue from this. We are primarily focusing on the transaction fee. Other charges will depend upon the clientele base and the traffic that we receive, but as of now, our primary focus will be to earn transaction fees from this. That is number one.

Number two, as far as scalability is concerned, it will depend upon the ecosystem. The ecosystem seems to be very positive because the government has given a major thrust to MSME financing. We are quite positive that there will be a good amount of traffic and traction. Of course, this will be once the platform stabilizes, because we are targeting the first couple of years for stabilizing the platform, which also happens with other platforms.

Saurabh Binodia – SMIFS Limited: Do you expect any meaningful revenue from this in this financial year, or will it come in the next financial year?

Management: It is very much contingent because obtaining RBI clearance is very important. Once we receive the RBI clearance, everything actionable will begin. Until we receive RBI approval or the other necessary regulatory clearances, we are unable to indicate how much revenue we can generate this year. It is very difficult to project at this moment. However, the way forward that we have told you is the plan on the management's side.

Saurabh Binodia – SMIFS Limited: Understood. Is there any timeline by which we can expect this approval from the RBI?

Management: It is very difficult because the RBI, as the regulator, is the only authority that can decide. We do not decide, and we cannot decide. There are a lot of compliances that need to be completed. We are hoping that this should happen during this financial year. We should hopefully be able to get the approval and then operationalize it. Our internal target is hopefully {? FY27 ?}, within {? FY27 ?}.

Saurabh Binodia – SMIFS Limited: Understood. My third question is on the ETP for the EPR certificates. You indicated that the platform has been developed on behalf of the CPCB and that we are now awaiting the go-ahead for operations. The same commentary was also given in the last call. Can you help us understand what is holding up the approval, and when do we expect to receive the go-ahead for commercial operations?

Management: At that point, we were still in the process of completing the integration and putting our security testing and other requirements in place, all of which have now been completed. It is now ready to roll. Obviously, to start operating an exchange, a specific notification must first be issued by the government. We are waiting for that notification, which should hopefully happen at any time.

Management: These are policy matters, actually, so we cannot predict when the government will issue the notification.

Saurabh Binodia – SMIFS Limited: Okay. And, sir, a very—

Operator: Sorry to interrupt, Saurabh. Please rejoin the queue for the follow-up question. Ladies and gentlemen, to ensure that every participant gets an opportunity, please restrict your questions to 2 per participant. The next question is from the line of Surbhi from NB Alpha. Please go ahead.

Surbhi – NB Alpha: Thank you for the opportunity. My first question is regarding the fact that some of the large recyclers are currently transferring EPR certificates directly to brand owners. Once the exchange is live, will this transfer volume also be routed through the platform? Has CPCB committed a minimum volume for the platform for the first couple of years?

Management: The government's idea is to regulate these one-to-one transactions and ensure that market-driven transactions take place. Even the value of these certificates should be market-driven. That is the government's idea, and that is why the government will look into all aspects of such transactions before giving a formal go-ahead for launching this portal. Once it comes into operation, all transactions will have to be routed through this exchange.

Surbhi – NB Alpha: Have they committed a minimum volume for the portal for the first couple of years so that our revenue is ensured?

Management: Not really, but they have given some indication in the EOI. I would request that you go through the EOI. Whatever is happening in the grey market or through one-to-one transactions, the government may not know the actual value of those transactions. Once the transactions come onto the exchange, we will know the actual value. There is no minimum guarantee as such, but the

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government will ensure that these transactions happen through the exchange.

Surbhi – NB Alpha: Got it. I have another question regarding the JV with Mahindra. What kind of volumes have we seen in terms of the number of vehicles that have now been routed through this? Could you provide some details on that?

Management: So far, the volumes are picking up. However, the key consideration is how much you realize per vehicle. That is more important than the traction. Of course, more and more traction is expected in the coming years because of government policies, and this EPR is also related to it. Once the Extended Producer Responsibility requirement is in place and—

Management: —in the full chain, the vehicle owners will obviously opt for these channels more and more. State government incentives will also play a role. More and more state governments are now introducing incentives. We are hopeful that the traction will increase and that, in monetary terms, it can be profitable.

Surbhi – NB Alpha: Got it. That is already visible in this quarter. This is the last question from my end. IEX is also looking to start a coal exchange. Will our volumes be affected by this? Could you provide some details on that?

Management: There are other entities also planning to launch their own coal exchanges. There will be multiple exchanges. The gazette notification itself very clearly mentions that there will be multiple exchanges. The transactions that take place on the exchanges, and the volumes that go through those platforms, will determine how much volume comes to each exchange.

We definitely see an advantage because we have understood this sector and have been in it for quite some time. The credibility associated with this exchange is, I think, somewhat higher compared to other exchanges and platforms. As of now, we are examining the possibilities. There will be multiple platforms, and we will have to compete with them. That is very clear. However, the volumes are quite high, so we expect there will be enough volume for multiple platforms.

Surbhi – NB Alpha: That is something you will be examining right now. To close the loop, how much revenue are we currently generating from coal alone on the e-commerce platform?

Management: Currently, we do not have that kind of segmental revenue figure because it keeps changing. Coal India has multiple auctioneers from time to time, and some volumes go to other auctioneers.

Management: They have forward auctions through linkages.

Management: Yes, through linkages. Government policies also keep changing. However, it is always a focus area for us because it is a very important sector. More than the revenue that we earn, the credibility that we bring to the entire system and ecosystem is more important for the Government of India.

Surbhi – NB Alpha: Got it. Is it possible to squeeze in one last question, please?

Management: Please.

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Surbhi – NB Alpha: We have applied for the {? ETA ?} designation with respect to LTC travel. Are we also now looking to cater to a different segment? How will monetization work in B2B and B2C in the travel segment? Could you also provide a timeline?

Management: As of now, as I said, we have just launched the B2B segment. This is basically for the government. We saw an opportunity in the government travel sector because Balmer Lawrie was probably the largest player and was probably handling almost 90% or more of the volumes.

For the government and PSUs, the business is governed by certain DPE guidelines and government directives from time to time. Therefore, the revenue stream for that segment will be quite different from what we can do for the private sector and the B2C individual segment. We are examining all these aspects. To enter the B2C segment and cater to other types of clients, we need to obtain IATA empanelment. That process is ongoing.

As we said, we will be competing with large players that are already established in the market, so it will take some time for meaningful revenue to flow from this venture. Nevertheless, we saw an opportunity in the government sector, which is why we are proceeding with it.

Secondly, we had a considerable degree of confidence because the cost associated with establishing such platforms, as far as MSTC is concerned, was not high. We already had the infrastructure required for this kind of new business venture. That is why we entered this area. However, it will take time. Stabilizing this sector and conducting transactions will take time. It is a slow and steady process.

Management: It is primarily a transaction-fee-based business.

Surbhi – NB Alpha: Got it. Thank you so much.

Operator: Thank you. The next question is from the line of Kumar Saurabh from Scientific Investing. Please go ahead.

Kumar Saurabh – Scientific Investing: Congratulations on a great set of numbers. If I look at the numbers for the last 8 or 10 quarters before March, we were somewhere in the 65–90 crore revenue range, with a 55–60% EBITDA margin. It is encouraging to see double-digit growth continuing for the last 2 quarters, and you have also indicated that the intention is to maintain double-digit growth. Our margins have also increased beyond 60%, to 61% and 64%. Given the current push for double-digit growth, can we expect margins of more than 60% to continue with the operating leverage of our business?

Management: As I explained during my discussion of the financials, one aspect is revenue and the other is expenses. We are trying to keep our overheads under control. However, as we have said repeatedly in the past conference calls, if we go beyond a certain scalability level, the margins will obviously be squeezed because of the effort required to achieve higher volumes. There will therefore be some pressure on the margins. Although our endeavor would be to maintain an average margin in this range, at a higher volume it may dip somewhat.

Management: If I may add, a word of caution is always pertinent because very high growth is obviously not sustainable over a continuous period. There will always be periods of higher growth

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followed by periods of comparatively lower growth. Things average out over the long run.

Kumar Saurabh – Scientific Investing: Got it. My second question is that we are trying to enter several new businesses, such as liquor auctions. Before coming to us, where did these clients conduct such auctions? That is question number one. Are we competing with multiple other peers for the same business? What is the level of stickiness once these parties come to us? Is it repeatable revenue going forward, or do they come for 1 year and not the next? I am asking because, as you said, there could be multiple coal auction platforms, so we have to increase our client base and revenue base and ensure that it is sticky. Could you provide an overall view of the business?

Management: There are 2 separate aspects. As far as coal is concerned, it is a very large sector, and lakhs of tonnes of coal are transacted almost daily. That is why the government would always want to have more than 1 platform.

As far as liquor licenses or any such new, small ventures are concerned, this depends on the period for which the license is valid. If a license is allocated today and is valid for 3 years, then obviously no further allocation or similar event will take place for the next 3 years.

What we are saying is that this is a completely new area, and it has been started by 1 state government. There is ample scope to approach other states with this successful model, tell them about the revenue that has been generated, and suggest that they replicate the model, with us as the service provider.

Regarding competition in this area, the government is more interested in the credibility of the process than in having multiple providers or selecting one on an L1 basis. As far as the Karnataka liquor auction is concerned, we were in discussions with them and approached them directly. They were more than happy to use our services based on our experience with Rajasthan.

These matters are again policy-driven. Sometimes licenses are auctioned, and sometimes they are allocated through a lottery. There are many models.

Management: Regarding your question about ensuring stickiness, it is our process transparency, process integrity, and the robustness of our system that ensure stickiness. That is why our clients normally come back to us.

Kumar Saurabh – Scientific Investing: Got it. My last question is that, for any business, if there is a high revenue concentration in a particular geography, product, or client, it is always a risk. We are more involved in coal auctions and scrap, and we are actively looking for new businesses, including EPR and other new verticals. Do we have a target in mind that, 4 or 5 years down the line, no single vertical should account for more than a certain percentage of our revenue? Have we created any such aspirational target to de-risk the business?

Management: First of all, you need to understand that when I said more than 50–55% of our revenue comes from scrap, it does not mean that it comes from a single seller. It probably comes from 3,000 sellers. Even if 1 or 2 sellers are not keen on conducting transactions with us, we already have another set of clients that are onboarded.

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The focus, as we have emphasized in the last few conference calls, is that in the past many years our focus was on government business. However, we have now been able to provide good services to the private sector, which has continued using our services for many years. We are therefore interested in expanding the private-sector business for scrap and other commodities as well.

In the past, we have clearly mentioned that large entities such as Tata, Reliance, Vedanta, and ArcelorMittal conduct their scrap and iron ore auctions, as well as some coal auctions, through our platform. Our interest and our plan going forward are to expand this private-sector clientele so that the growth and the plans for the near future can be achieved.

Kumar Saurabh – Scientific Investing: That was very detailed. Thank you. Thank you, ma'am, and I wish you all the best. I will come back into the queue.

Management: Thank you.

Operator: Thank you. The next question is from the line of Vinayak Mohta from Bubna Capital. Please go ahead.

Vinayak Mohta – Bubna Capital: Hello. Am I audible?

Management: Yes, Vinayak, you are audible.

Vinayak Mohta – Bubna Capital: Perfect. Hi, team. Congratulations on a great set of numbers. I have a couple of questions. First, on the travel portal, I have a 2-part question. When you move into the B2C model, will it be similar to what the current OTAs offer, perhaps focused on a particular mode of travel or hotels? Will it be similar to that? Secondly, what kind of revenues do you see being generated on the B2B, or corporate, side that you are catering to right now?

Management: I will take the second question first. Since we are right at the beginning, it would not be fair to speculate on the revenue that will be generated. We have obviously projected a certain revenue stream from this, which is why we entered this business. We will update you over the next few quarters once it is operationalized and moving. Regarding the first question on similarity, I will ask the Director Commercial to comment further.

Bhanu Kumar – Director Commercial: There are many platforms already, and even airlines have their own applications for booking flights. Our initial focus is on flight bookings only. Thereafter, we will gradually expand into other allied services such as hotels, last-mile connectivity, packages, and other services.

Balmer Lawrie has already been in this business for many years. Something similar is being developed on our platform as well. However, we would like to provide a better user experience, probably at slightly lower charges. As of now, we have not finalized the charges or taken any decision because they will depend entirely on the volumes and the type of clientele that we are able to onboard.

As far as government travel is concerned, there will be many guidelines that will determine how much revenue we can expect from the government sector. As the CMD said, we can probably address these queries over the next few quarters.

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Vinayak Mohta – Bubna Capital: Understood. My second question focuses on the EPR side. A previous participant indicated a volume of 2 billion dollars, on which the turnover would be around 4%. Our share of that would broadly be 50% of the same. On a rough calculation, that gives us a revenue figure of around 400 crores. I wanted your view and understanding of this number because there is a lot of confusion in the market regarding the potential revenues this could generate [inaudible].

Vinayak Mohta – Bubna Capital: —further out to {? 2030, 2031 ?}, and a follow-up to that is, is it fair—

Management: It is a little premature to discuss those numbers because they are projections for 5 years from now. How many of these transactions will actually come through this platform? To what extent will the government enforce the routing of all transactions through this platform? These questions can be answered only when the transactions start taking place.

It is therefore a little premature, and we should not speculate on the numbers based on figures that are not really verifiable at this stage. This is something that we will have to observe. As of today, everything is happening completely in the dark. Nobody knows how many certificates are being transacted, what the value of the certificates is, how the process is being operationalized, or how the certificates are being authenticated. Nothing is known about any of these matters.

Once the system is operationalized through a dedicated platform, then, over a period of time, some speculation regarding the numbers may be possible. At this stage, it is not fair to speculate.

Vinayak Mohta – Bubna Capital: Understood. One small follow-up on this: is it fair to say that we are the only party that has applied for this license, or has another exchange done the same as well?

Management: For {? APDR ?}, this is going to be the only exchange at this point.

Vinayak Mohta – Bubna Capital: Perfect. Thank you so much. All the best.

Operator: Thank you. The next question is from the line of Mithun from Heartwell Investment Advisory Limited. Please go ahead.

Mithun – Heartwell Investment Advisory Limited: Thank you for the opportunity, and congratulations on a really good set of numbers. I have 2 quick questions. On your current revenue of 94 crores, you said around 50–55% is from scrap sales. Of the balance 40–45%, what would be the top 2 or 3 significant contributors? Which sectors would they come from?

Management: Mineral sales, of course—the minerals that we transact, including mineral blocks, coal, and other minerals—would constitute a substantial part of it. Then there are other platform services, software development, and dedicated solutions for clients. These are other smaller activities that we undertake under the e-commerce segment, across multiple sectors that we aggregate.

Mithun – Heartwell Investment Advisory Limited: Procurement services. Then what comes under other income for you?

Management: Other income is miscellaneous income, including treasury income and some bank interest. These are miscellaneous items.

Mithun – Heartwell Investment Advisory Limited: So it does not take into account any of the block allocation revenues at all?

Management: No. Those are part of our operations.

Mithun – Heartwell Investment Advisory Limited: One last thing. For all your auctions or e-commerce activities, is the revenue based on the transactions conducted on your portal or on the value of the transactions?

Management: Both models exist. For certain products, the revenue is a percentage of the transaction value, while for certain products it is based on the events themselves. As I said, we are also involved in software development for clients and customized solutions. In those cases, there is a development charge followed by AMCs. Depending on the scope of work, these aspects vary. We have a mix of all kinds of revenue models.

Mithun – Heartwell Investment Advisory Limited: There is no—my reason for asking was that I was trying to understand how this lumpiness can be averaged out as we move forward. Will the business always be lumpy, or will there be some sustained, regular revenue?

Management: As we said, the scrap business is a major contributor to our e-commerce revenue stream, and it has remained steady for more than 2 decades. That is a focus area, and we expect it to remain so.

As far as the other products are concerned, we are continuing to add new products. Even if there are losses in certain products or sectors, they are more than compensated for by entering newer areas and sectors, such as property auctions. These are sectors that we entered only in the last 3–4 years. However, we have seen traction in them only now.

Mithun – Heartwell Investment Advisory Limited: Okay. Thank you very much.

Operator: Thank you. The next question is from the line of Amit from Resonance. Please go ahead.

Amit – Resonance: Good afternoon, everybody. My question is regarding the travel portal. MSTC would be launching a travel booking portal. Would you be doing this in collaboration with another company, perhaps ITDC, EaseMyTrip, or a similar company? When do we expect it to become operational?

Management: As I said, the B2B segment is ready, and we are using it internally and possibly for other PSUs. To start with, we have partnered with EaseMyTrip because they have been in this sector for quite some time, are a large aggregator, and were ready to partner with us.

Going forward, we will be doing these activities ourselves because the infrastructure is already available with us, and the software-upgradation capabilities and skills are already available in-house. We will be operating it ourselves. We are not going to partner with many companies. As the business grows, we will assess the requirement and decide accordingly.

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Amit – Resonance: When should we expect it to become operational?

Management: As I said, it is operational for the government sector. The platform is ready. However, we are waiting for IRCTC empanelment. Without that, aggregator-type operations cannot be conducted for the B2C segment.

Amit – Resonance: Okay. Thank you.

Operator: Thank you. Ladies and gentlemen, to ensure that every participant gets an opportunity, please restrict your question to 1 per participant. The next question is from the line of Manav Bansal from Multiple Wealth Management and Services Private Limited. Please go ahead.

Manav Bansal – Multiple Wealth Management: Good afternoon. I wanted to know about the gross trading volume for this quarter, which was around 73,900 CR. Can we expect this GTV to continue for the year?

Management: Gross trading volume is something that varies significantly because it includes the output from mineral blocks, coal, and so on, which is not directly related to revenue. It can go up or down depending on the number of mineral blocks. The number of mineral blocks that may come up in a particular quarter can vary drastically, and the gross trading volume can vary accordingly.

Manav Bansal – Multiple Wealth Management: Okay. What is the guidance for the dividend for this year?

Management: The dividend was already declared in the Q4 results, subject to the approval of the shareholders at the ensuing Annual General Meeting. It is already included in the published Q4 results. As far as this year is concerned, the dividend will be guided by the policy of the Government of India, namely DIPAM. The minimum dividend is 4% of net worth or 30% of PAT, whichever is higher. This is the minimum dividend that a government company has to declare. Therefore, it is guided by that principle.

Manav Bansal – Multiple Wealth Management: Just one last thing. Regarding the Mahindra JV, can we expect the profit that we have reported this quarter to continue going forward?

Management: The outlook is positive, but we cannot speculate at this moment. The outlook is nevertheless very positive. Going by the trend, we hope that the positive outlook will continue.

Manav Bansal – Multiple Wealth Management: Okay. Thank you, sir. Thank you, and all the best.

Operator: Thank you. The next question is from the line of Arjun, an individual investor. Please go ahead.

Arjun: Hi. Am I audible?

Management: Yes, you are audible. Please go ahead, Arjun.

Arjun: Hi, team. Congratulations on a great set of numbers. I have a couple of questions. Carrying on from the IEX announcement, my main question is not about what we are going to gain or lose. Structurally, you mentioned that we have experience auctioning coal blocks and hence we will be

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chosen, but IEX also has a lot of—

Management: May I correct you? I do not think we said that. We said that we have experience in this sector.

Arjun: Yes, okay. My mistake. Let me not generalize it like that. I meant experience in the sector. However, IEX also has a lot of experience running exchanges. I want to understand whether, structurally, we have any advantage over competitor exchanges that may come up. Do you see any decline in auction volumes going forward compared with the coal auction volumes we have today because of these exchanges? I would like a broad view on that.

Management: Once the exchanges are operational, the coal auctions will obviously stop. That is why we are also interested in setting up our own exchange. Regarding our experience and exposure to the sector, we expect that many participants will transact through our platform.

As of today, we cannot tell you what the market share will be or how many exchanges there will be. Even IEX has only made an announcement; nothing is on paper yet. These companies are still to be incorporated, and stakeholder onboarding and all those activities are still ongoing. We are also exploring the various possibilities available to us. Perhaps after a couple of quarters, we can provide some input on these exchanges.

I would like to supplement that, as I was saying, the process of selling coal is currently conducted through auctions and long-term linkages. The fact that it may later be conducted through exchanges, as visualized by the government, only provides a framework for the same process. Fundamentally, it is the same thing. It is simply transferring that process into something bounded by a certain framework, which is the exchange itself. That is why our experience in the sector is relevant. It is undeniable.

Arjun: Perfect. As a follow-up, apart from our overall experience, are there any other structural factors that could work to our advantage in the future? Could we potentially become the market leader in terms of volumes, or would you prefer not to comment?

Management: We would not like to comment at this stage. That is why we are evaluating the matter very thoroughly before deciding how we should proceed.

Arjun: Perfect. Thank you, sir.

Operator: Sorry to interrupt, Arjun. Please join the queue for the follow-up question. Ladies and gentlemen, due to time constraints, that was the last question. I would now like to hand the conference over to the management for closing comments.

Management: Once again, thank you for a very lively discussion. As I have said earlier, and I reiterate, these are opportunities where we get to hear someone else's viewpoint on what we are doing right and, particularly, what we are probably not doing as well as we could. Please keep those questions coming. We will try our best not only to answer the questions but also to translate them into actions that are beneficial for all stakeholders. Thank you very much.

MSTC

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Operator: Thank you. On behalf of MSTC Ltd., that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Management: Thank you.

Operator: Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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