



MSTC E-commerce Portal to give Further Fillip to Metal Trade

- B. B. SINGH

MSTC Limited is a Mini Ratna Category-I PSU under the administrative control of the Ministry of Steel, Government of India. The company was set up in September

1964 to act as a regulating authority for export of ferrous scrap.

MSTC became a subsidiary of SAIL in 1974. In 1982, it got delinked from SAIL and became an independent company under Ministry of Steel. It was a canalizing agency for import of ferrous scrap till 1992.

Of late, MSTC has emerged as a major player in the country for promoting e-commerce. It has presented with e-Auction portal namely, www.mstcecommerce.com which has become an immensely popular tool for transacting business over the Internet in a most transparent and fair manner.

MSTC CMD BB Singh, in an interview to **Sanjay Singh, Associate Editor of Steelworld**, outlined the company's various initiatives. He says that the Digital India drive and GST rollout by GOI will put maximum thrust for use of e-commerce platform both for the sale of the products and payment. This will lead to enormous opportunities for e-commerce portal and cashless transactions for metal product business. Excerpts.

MSTC Limited e-commerce platform is slowly gaining popularity in the metal industry. Can you give more details on this initiative and how many members are registered on this site ?

- MSTC's e-commerce business has come a long way since it commenced operations in the year 2002. Presently we have more than 500 principals and 70,000 buyers registered on our e-commerce platform. Over the years, MSTC has grown into a full blown e-Commerce service provider with list of clients as diverse as Ministry of Defence, Govt. of Andhra Pradesh, Govt. of NCR, Prime Minister's Office, Supreme Court, major PSUs like ONGC, BHEL, IOCL, CIL, NTPC, DVC, PGCIL State Road Transport Corporations, State Electricity Boards and Customs etc.

MSTC's e-commerce has taken all metal related commodities in its fold be it iron ore,



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barite, chrome ore, manganese ore, diamond etc. Even mineral blocks to produce metals are being e-auctioned in all the host states which have proved to be generating very high revenue for the state much beyond anyone's expectation. MSTC has been providing services to Coal India, SECL and JSMDCL for sale of Coal through its e-commerce platform.

Secondly, MSTC Metal Mandi 'M3' portal showcasing the array of products being offered by registered manufacturer will play an important role in boosting the demand of metals among the buyers particularly in the regions with their scanty presence.

The portal will serve as one stop shop for metal sector with the features of logistics and e-payment facility and provide ease of doing business to both buyers and sellers. The number of sellers and buyers registered on the portal are 44 and 472 respectively. Steel manufacturer like Jindal Steel & Power, Essar Steel Limited etc have already registered with "M3".

Steel and Metal industry business has been typically one of close relationship between manufacturers and dealers. Do you think there would be a huge shift to e-commerce platform in the coming years and what quantum of business you foresee ?

The sale of metal and steel products is mostly done through distributors, dealers or retailers. At present, the mode of business

transactions is mostly physical and not through e-commerce. The Digital India drive and GST rollout by GOI will put maximum thrust for use of e-commerce platform both for the sale of the products and payment. This will lead to enormous opportunities for e-commerce portal and cashless transactions for metal product business.

In the coming years we foresee 3/4th of the business in metal sector to happen through e-commerce platform. MSTC Metal Mandi 'M3' portal will serve this sector to a greater extent in the coming years.

Since the main role of MSTC is procurement of raw material for the domestic industry. How much turnover was achieved by the company in the last financial year?

MSTC has two business verticals'- e-Commerce and trading. The desired results could not be achieved due to prolonged slowdown in global economy particularly in Steel sector for which MSTC does procurement of raw materials primarily for the secondary steel sector.

However, it is expected that due to improvement in Steel sector in recent times, due improvement of domestic prices and enhancement of installed capacity, the

volume of trading segment will improve. Moreover, to plug/mitigate the risk of market fluctuations, MSTC is introducing new model of business to improve top line of the segment.

The overall volume of business of the company for the financial year 2015-16 was recorded at Rs.30,819 crores and out of that e-commerce business volume stood at Rs. 26,437 crores.

Has MSTC limited itself to doing business for its India client or do you also procure raw materials on behalf of foreign clients ?

- MSTC is making stride to spread its wings in the neighboring countries like Nepal, Bhutan, Dubai etc for e-commerce which includes procurement also.

In your opinion how Digital India is transforming ways of doing business in the country. What future you foresee in the coming decade ?

- Digital India drive is really a change agent and rapidly transforming everyone's life and augurs well for ease of doing business in India. The economy of our country is fast approaching towards e-commerce and cash-less economy.

I foresee a sea of opportunity in India for Digital drive which will have a positive impact on each and every sector of the economy. MSTC has also taken initiatives in this direction along with some banks to spread awareness and to make rural people to embrace technology.

MSTC has been in the news recently for e-auction platform for power purchase agreements. What other areas in e-commerce is the company planning to venture in the coming years ?

- MSTC has been providing e-commerce services for implementation of several flagship schemes of GOI including Power Purchase Agreements (PPA). It started from e-auction of coal blocks, mineral blocks, Power System Development Fund (PSDF), Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Discovery of Efficient Electricity Price (DEEP), Discovered Smaller Oil & Gas Blocks, Ude Desh ka Aam

Naagrik (UDAN), e-Transmission to name a few.

Going forward MSTC has undertaken milestone ventures into developing e-commerce portals for handicrafts, Arts and numerous Govt /State Govt. cottage industries and the Agri/forest produces particularly for the North East region.

The Ministry of Steel has been active in boosting the confidence and business environment of the steel sector. What role does MSTC envisage for itself to give a further fillip to this industry ?

- With the guidance of Ministry of Steel, MSTC has undertaken three major initiatives to assist in improving the environment of the steel sector.

- Under the aegis of Ministry of Steel, MSTC has recently launched MSTC Metal Mandi ("M3"), a virtual marketplace for trading of products of ferrous and non-



ferrous sector which provides a one stop platform for sellers and buyers of metal sector.

- As of now there is no Metal Recycling Policy in India. Recycling of used metal conserves our natural resources, save Forex and also fulfills the Government's vision of clean India supporting "Swachh Bharat Mission". A concept paper on "Metal Recycling Policy for India" has been prepared and submitted to Ministry of Steel for consideration. The concept paper also envisages the setting up of recycling zones

both for metals and e-waste.

- In order to have Environmentally Sound Management (ESM) of End of Life Vehicles (ELVs), a JV company namely: Mahindra MSTC Recycling Pvt. Ltd. has been formed between MSTC & Mahindra Intertrade Ltd. to setup first of its kind auto shredding and recycling plant in India.

Going forward MSTC JV is setting up collection and dismantling centre in India which will provide feedstock for the shredding plant.



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