

44th ANNUAL REPORT



REGISTERED OFFICE

225C, AJC BOSE ROAD

CALCUTTA 700 020

2008-2009



NOTICE

NOTICE is hereby given that the 44th Annual General Meeting of the members of MSTC Ltd. will be held on 16th September, 2009 (Wednesday) at the Registered Office of the Company located at 225-C, Acharya Jagadish Chandra Bose Road, Kolkata-700 020 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March 2009 and the Balance Sheet as on the date, together with Directors' Report, Auditors' Report and comments of Comptroller and Auditor General of India, thereon.
2. To declare dividend for the financial year 2008-2009.

SPECIAL BUSINESS

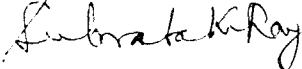
Item No. 3: To appoint Shri George Elias, as director

Item No. 4: To appoint Shri L. Siddhartha Singh, as director

Item No. 5: To appoint Shri G.S.Chugh, as director

Item No. 6: To appoint Ms. Anusua Basu, as director

By Order of the Board of Directors


(Subrata Kumar Ray)
Company Secretary

Registered Office:
225-C, Acharya Jagadish Bose Road,
Kolkata - 700 020

Dated 22nd August 2009

225-सी, आचार्य जगदीश चन्द्र बोस रोड, कोलकाता - 700 020, भारत
225-C, ACHARYA JAGADISH BOSE ROAD, KOLKATA - 700 020, INDIA
PHONE : 2287-0568 / 7557 / 9627, 2290-0964, FAX : 2290-4294 / 5637, 2281-3089, 2283-1002
Website : www.mstcindia.com, E-mail : mstcindia@mstcindia.com

MSTC Limited

Continuation Sheet.....

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**Item No. 3: To appoint Shri George Elias, as director**

Shri George Elias, Joint Secretary to the Govt. of India Ministry of Steel, has been nominated as director of the company by Ministry of Steel, Government of India, as Govt. director vide order No. 3(12)/ 2007 - MF/ dated 26.12.2008. As per article 71(32) Board of Directors can appoint additional director only in between two AGMs. Therefore, he was appointed as additional director on 232nd Board meeting held on 14th January 2009. He is being proposed as director of the company in this annual general meetings. None of the directors except Shri George Elias is interested in his appointment.

Item No. 4: To appoint Shri L. Siddhartha Singh, as director

Shri L. Siddhartha Singh, Director, Ministry of Steel, has been nominated as director of the company by Ministry of Steel, Government of India, as Govt. director vide order No. 3(12)/ 2007 - MF/ dated 28.11.2008. As per article 71(32) Board of Directors can appoint additional director only in between two AGMs. Therefore, he was appointed as additional director on 232nd Board meeting held on 14th January 2009. He is being proposed as director of the company in this annual general meetings. None of the directors except Shri Siddhartha Singh is interested in his appointment.


Item No. 5: To appoint Shri G.S.Chugh, as director

Shri G.S.Chugh, ex-CMD of Western Coalfield Limited, has been nominated as non-official director of the company by Ministry of Steel, Government of India, vide order No. 3(14)/ 2007 - MF/ dated 04.08.2009. As per article 71(32) Board of Directors can appoint additional director only in between two AGMs. Therefore, she was appointed as non-official director on 235th Board meeting held on 21st August 2009. She is being proposed as director of the company in this annual general meetings. None of the directors except Shri Shri G.S.Chugh is interested in his appointment.

Item No. 6: To appoint Ms. Anusua Basu, as director

Ms Anusua Basu, former deputy Comptroller & Auditor General -cum-Chairperson, Audit Board, office of the Comptroller & Auditor General of India, New Delhi, has been nominated as non-official director of the company by Ministry of Steel, Government of India, vide order No. 3(14)/ 2007 - MF/ dated 04.08.2009. As per article 71(32) Board of Directors can appoint additional director only in between two AGMs. Therefore, she was appointed as non-official director on 235th Board meeting held on 21st August 2009. She is being proposed as director of the company in this annual general meetings.

None of the directors except Ms Anusua Basu is interested in her appointment.



(SUBRATA KUMAR RAY)
(COMPANY SECRETARY)

Notes:

1. A member/authorized representative of a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company. Proxies in order to be effective, must be received at the registered office not less than 48 hours before the time fixed for the meeting, duly filled in and complete in all respect. Proxy form is attached to the notice.
2. If dividend on shares as recommended by the directors is declared at the meeting, payment of such dividend will be made to those members whose names appear on the company's register of members as on 16th September, 2009 (Wednesday) i.e. the date of Annual General Meeting.
3. Shareholders are requested to notify immediately any change in their addresses to the company.
4. Unpaid Dividend upto year 2000-2001 have been deposited with Investor Education and Protection Fund of Government of India . Dividend for the year 2001-2002 onwards is lying in unpaid dividend account of the company and shall be paid to shareholders on claim made by them.
5. Statutory books of the company are kept for inspection of shareholders before one hour and during the AGM.

MSTC LIMITED
225-C, A.J.C. Bose Road
Calcutta – 700 020

PROXY

Folio No.....

No. of Shares held.....

I/We..... of in the district of, being member / members of the above – named Company hereby appoint of in the district of or failing him, of in the district of as my/our Proxy to vote for me/us on my/our behalf at the annual general meeting / general meeting (not being an annual general meeting) of the company to be held on the day of and at any adjournment thereof.

Signed thisday of2009

Rupee one
Revenue
Stamp

Signature-----

Note: The Proxy and the Power of Attorney (if any) under which it is signed or notarised certified copy of that power must be deposited at the Registered Office of the Company at 225-C, Acharya Jagadish Chandra Bose Road, Calcutta 700 020 not less than 48 hours before the time for holding the meeting.

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DIRECTORS' REPORT

To
The Shareholders
MSTC Limited.

Directors are pleased to present the 44th Annual Report on the business and operation of the company together with audited accounts and auditors report for the year ended 31st March 2009.

A) MARKETING:

The performance of Marketing Division shows a total volume of business of Rs.8507.44 Crore, against volume of Rs.6642.05 Crore in 2007-08. Break-up for the year 2008-09 vis-à-vis 2007-08 is as follows:

<u>Business Segment</u>	<u>Volume of Business (Rs. Crore)</u>	
Procurement of:	<u>2008-09</u>	<u>2007-08</u>
Imported materials	6411.96	4892.86
Indigenous materials	1466.86	1492.47
Export	<u>628.62</u>	<u>256.72</u>
	<u>8507.44</u>	<u>6642.05</u>

B) AGENCY BUSINESS:

This year the total volume of Agency Business stands at Rs.11120.43 Crore, against volume of Rs.5578.54 Crore in 2007-08. Break-up for the year 2008-09 vis-à-vis 2007-08 is as follows:

<u>Business Segment</u>	<u>Volume of Business (Rs. Crore)</u>	
	<u>2008-09</u>	<u>2007-08</u>
Sale of Scrap & Manganese	1740.43	1727.65
Sale of Coal	4593.00	2906.13
E-Procurement	<u>4787.00</u>	<u>944.76</u>
	<u>11120.43</u>	<u>5578.54</u>

FINANCIAL

Profit after tax stands at Rs.85.05 Crore as against Rs.92.20 Crore last year. During the year 2007-08 Rs.12.00 Crore was realised from old debtors, which had been provided as bad debts for earlier year, by which PAT was increased by Rs.12.00 Crore. Therefore, actual amount of profit (PAT) earned during the year 2007-08 was Rs.80.20 Crore against PAT, for the year 2008-09 Rs.85.05 Crore which is 6% more than last year.

Financial results of the company for the year 2008-09 are given below: -
(Rs. in 000)

	2007-08	2008-09
Gross Income	51971118	70820900
Total expenditure (Including Financial charges, Depreciation & Provision & Write off)	50626412	69525618
Gross Profit before tax	1344706	1295282
Tax	422655	444801
Profit after tax	922051	850481
Paid up capital (Equity)	22000	22000
Reserves	2684533	3401742
Dividend (%)	840	775
Earning per share (Face value Rs.10/-)	419.11	386.58

STOCKYARD OPERATION

Company has acquired a land at Haldia and the construction of stockyard is almost complete. This will be used for commercial purpose.

DIVIDEND

The directors have recommended a dividend of 775% for the year ended 31st march, 2009. Dividend shall be paid to the shareholders once it is approved by the shareholders in ensuing Annual General Meeting and shall be paid to the shareholders whose names appear in the register of members as on the date of AGM.

RESERVES

General Reserves of the company stood at Rs. 268.45 Crore. as on 31.03.08. During the year an amount of Rs.65.10 Crore have been transferred to General Reserve from profit and Rs.6.62 crore has been transferred to general General reserve towards creating deferred tax assets on opening balances. As on 31.03.09 the General Reserves of the Company stood at Rs. 340.17 Crore. .

HUMAN RESOURCE DEVELOPMENT (HRD)

MSTC felt the tremors of the economic meltdown from the 3rd quarter of 2008-09 just like the rest of the world. However it is encouraging to note that in spite of that adverse market conditions, the company was able to sustain the level of profits to that of the last year. A significant reason for this phenomenon could be highly skilled and dedicated human resources of the Company and its ability to manage with the available resources. Emphasis is given on providing broad based knowledge inputs and skill development of the employees through in-house training programmes as well as nomination to institutional training programmes, seminars, workshops, etc. The MOU target for the year 2008-09 was duly achieved. Approximately 48% executives were imparted training- both through in-house and institutional training programmes and seminars. In-house training programmes were organized for the executives on 'Performance Enhancement & Change Management', 'Derivatives' and for non-executives on 'Computer Application'.

Congenial the Industrial Relations situation was maintained.

WELFARE OF WEAKER SECTIONS

The Presidential Directives issued from time to time pertaining to policies and procedures of the Government in regard to reservation, relaxation, concession, etc. for the SC/ST/OBC/PH candidates have been kept in view while taking action/decision on any matter laid down therein.

Best efforts were made to comply with the directives in matters concerning recruitment and promotion. Adequate representation of SC/ST/OBC members was made available in both Departmental Promotion Committees as well as Selection Committees (in case of recruitment).

In order to improve the efficiency of the employees belonging to the reserved categories and to prepare them to take up higher positions in the future, special attention was paid to their training and development in their respective fields of function. During the year 2008-2009(till 31-03-2009), 10 SC and 5 ST employees of the Company were sponsored for training programmes, both In-House and Institutional. The ward of 1 SC employee was awarded scholarship by the company for pursuing higher studies. Apart from this, all welfare facilities provided to other employees of the Company are also extended to them.

In addition, all possible cooperation and assistance was provided to the MSTC SC/ST Employees' Council, which function primarily to safeguard the interest of the reserved section of employees of the Company.

IMPLEMENTATION OF THE PERSONS WITH DISABILITIES ACT, 1995

Status of implementation of the Persons with Disabilities Act, 1995 during the year 2008-2009(As on 31-03-2009)

Number of Employees		Number of Disabled Persons		Total BL+HI +LD	%age of disabled persons (Col. 3 & Col.1)	In case figure in Col.4 is less than 3% reasons therefore	Action taken to fill up the short fall
(1)		(2)		(3)	(4)	(5)	(6)
Group		HI	LD				Reserved vacancy for PH has been advertisement
A	157	-	3	3	1.91		
B	100	1	2	3	3.00	*	
C	42	-	2	2	4.76		
D	17	1	-	1	5.88		
Total	316	2	7	9	2.84		

*No recruitment being done in Group B

Legends: BL-Blindness or low vision HI-Hearing Impairment

MANPOWER STATISTICS OF MSTC AS ON 31-03-2008

	HO	ERO	NRO	WRO	SRO	BLR	VIZ	BHPL	HALD	VDORA	TOTAL
EX	64	15	17	17	13	10	8	2	2	9	157
NEX	69	18	19	14	10	10	9	2	0	8	159

SC/ST/OBC/PHYSICALLY HANDICAPPED/EX-SERVICEMEN STATUS
AS ON 31-03-2009

GROUP	TOTAL	SC (%)	ST (%)	OBC (%)	PHYSICALLY HANDICAPPED (%)	EX-SERVICE MEN (%)
A	157	24(15.28)	10(6.36)	17(10.82)	3(1.91)	NIL
B	100	27(27.00)	5(5.00)	2(2.00)	3(3.00)	1(1.00)
C	42	6(14.28)	NIL	10(23.80)	2(4.76)	NIL
D	17	8(47.05)	1(5.88)	1(5.88)	1(5.88)	NIL
TOTAL	316	65(20.56)	16(5.06)	30(9.49)	9(2.85)	1(0.31)