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Q. *What have been the major innovative financial steps taken during your tenure with this organization to gain more competitive edge?*

A MSTC being a trading and e-Commerce company, its major expenditure are of administrative and committed nature. Hence in order to provide services at the competitive rate always a watch has to be kept on containing the overhead to operating income ratio. While taking any decision we always ensure that administrative expenses do not increase unnecessarily. We also give emphasis on training of manpower to increase their productivity. This is evident from the fact that MSTC which handled a business volume of Rs.14100 Crores with a manpower of 310 nos. in 2010-11 has handled a business volume of Rs. 30538 Crores with a manpower of nos.324 in 2011-16. Apart from this I have given emphasis on better treasury management to increase interest income and reduce interest expenses on short-term borrowings for our trade segment. All these have contributed to improve and maintain the bottom line in spite of competition in the market and falling commodity prices.

Q *How has been the initiative in e-Commerce in Agricultural and Forest products different from*

e-Commerce in Mineral products in bringing more revenue to your organization?

A Forest produce which are not perishable and have more demand can be sold through simple forward auction as competition can be generated. For products where supply is more than demand Principal/Seller has to be convinced that as supply is more than the demand their products may be booked at the floor price only. In case of Kerala Forest Department floor/start price is declared and the bidders have to bid over the disclosed price. Our Bangalore office has signed agreement with Karnataka Cashew Development Corporation (KCDC) for sale of cashew plantation. In this case bidding is to be done at the flowering stage.

Q *What are the major challenges for sale of Agro Products?*

A Main challenges for sale of Agro Products are: presence of middle man, illiteracy and poverty of the farmers making them vulnerable to exploitation at all levels by all concerned, farmers' inaccessibility to information of market or technology and pressure from middle men to sell under distress at throw away prices. As a result, prices at which they are forced to sell

INTERVIEW

is much lower than the rate at which consumers buy from the market. For example, Pomegranates are sold for Rs 120 to 150 per kg in the market, whereas farmers have sold for Rs 20 to 30 per kg. This amount is not sufficient for them to meet their daily expenses forget about repayment of debt. Another important issue is the logistics. Even if we can arrange for auctions on behalf of small group of farmers logistics has to be strong so that material is delivered in the shortest possible time considering perishable natures of the product.

Q *MSTC is going to set up Auto-Shredding Plant for supply of shredded Scrap to various steel industries. How will this sort of strategy shape more revenue to in your organisation?*

A At present MSTC is in service sector – trading and e-Commerce. MST has planned its foray in manufacturing with setting up first Auto-Shredding Plant in India for manufacturing shredded scrap with use of end of life vehicles (ELVs) as its feedstock. This will bring a major change in scrap industry and help in saving precious foreign exchange spent on import of shredded scrap and also save natural resources like coal and iron ore used in normal process of steel making. Apart from earning revenue, MSTC plans to do it in national interest and save the precious metals which is otherwise wasted in the manual method of scrap recovery. However, it will not add any revenue directly to MSTC since we are planning to set up the unit under JV with a private company Mahindra Intertrade Ltd. (a part of Mahindra Partners).

Q *Who are your strong competitors in e-commerce segment of business? What are the major opportunities and threats of this sector in India?*

A We are providing e-Commerce service in B2B and our competitors are mainly Mjunction, ABC Procure, C1 India, Matex and Nexttender. However, we are providing services along with Mjunction in e-auction of Coal for Coal India and SCCL.

With the Govt. of India emphasising on transparency in Govt. transactions and public procurement, there is a tremendous scope in coming years particularly in e-procurement. Since MSTC has created strong credentials in providing hassle free and transparent e-Commerce services to the Govt. departments and the PSUs, MSTC is quite hopeful to garner a good amount of business in e-Procurement in coming days. We are already providing e-procurement services to NHPC, Andrew Yule, MOIL, NTPL, KoPT and other organizations. We have also signed agreement with RBI and Bank of Baroda very recently. We have developed a separate portal for Power Ministry in the name of Deen Dayal Updadhya Gram Jyoti Yojna (DDUGJY) for procurement of certain major equipments/materials centrally for various users and already

there have been transactions worth more than Rs.5000 crores. We expect to get more business only by proving our credentials and based on our performance record. For this we are regularly updating of portal and getting it periodically certified by STQC, an arm of Dept. of IT, Govt. of India. What is more important is that, being a PSU, our portal complies with all the requirements of CVC, Dept. of IT and GFR. Other e-procurement portals lack these. No doubt we have a competitive edge over others on this account. But there are a number of small players in e-Commerce segment who do not have proven track record and who do not comply with all the requirements of public procurement, But they get business from PSUs and the Govt. by influencing or by offering very low rates of service charge.

Q *Ten years down the line what sort of growth do you see in this sector?*

A There is a scope for phenomenal growth over coming ten years both in B2B and B2C particularly in the private sector where it is not mandated as on date like those in the Govt. and the PSUs to use electronic platform in sale and purchase transactions. In PSUs and Govt. also there is expected to be huge growth in e-procurement. Since our e-procurement is more user friendly and secured complying all the statutory requirements, we expect to garner quite a large volume of business to handle which we have already started planning and training our manpower. We are also planning to a major play in B2C in metal market in coming months.

Q *What are the major strategies undertaken by your company to bring cost competitiveness?*

A Majority of expenditure are on employees and other administrative expenses which are of fixed nature. We always try to keep our expenditure under control and try to handle more business without increasing unnecessary expenditure of fixed and committed nature. That is why although our volume of business has increased by 117% over last five years, our administrative expenses have gone up by only 50%. This has helped us to a great extent to make profit in a market of falling commodity prices.

Q *Cost Management and Waste Management are the buzzwords in the modern business. Please suggest in what ways Cost and Management Accountants may offer their expertise more effectively in this quest?*

A Since we are in IT related services where product wise / service wise costing is not possible, there is no scope as such for cost management. However, there is a scope for judicious overhead management in line with the growth of business volume and service income. What is our major strength is the widest reach

amongst our clients with a lean manpower of around 320.

Q *What policy framework and initiatives would you expect from the Government to boost up e-Commerce?*

A Govt. should make it mandatory to use e-Commerce beyond a threshold value of purchase and sale transactions initially in the Govt. and PSUs and thereafter in the private sector. It should also come out with certain standards/parameters to judge the quality of services rendered by the e-Commerce service providers in different segments. If required, there should be a regulatory body to monitor this. Unless this is done, transparency and fairness cannot be ensured in an e-commerce transaction whether it is for purchase or for sale.

Q *Would you like to give any message to those aspirants who want to be a part of your organization?*

A There is a tremendous scope for making a career in e-Commerce field today. My message is for making a successful career they should try to know the basics of e-Commerce transactions with its variants, interact with the clients/principals to understand what really want and their constraints and how to meet/tackle them to their maximum satisfaction, be it in terms of higher realization (for sale) and lower cost (for procurement), and then actively participate and interact in designing/customizing the portal. If there is a wide gap between understanding of client's requirements and bidders' expectations and what are provided in the system/portal, e-Commerce transaction cannot succeed and achieve the desired objective. For this, they are required to work as a team, whether they belong to system, operation or finance. They are to keep in mind they are not manufacturing a product but giving a particular service which is very much client and customer sensitive.

Q *As an esteemed member of this Institute what do you feel ICAI-CMA should do to initiate associations and tie-ups towards effective Industry-Institute interface?*

A Yes, there is a necessity for this. Unless there is a regular interface between the two, the requirements/expectations of the industry from the cost and management accountants cannot be known. These requirements are regularly changing under today's fast changing business scenario. If there is a regular interface between the two, this can help in properly designing and timely updating the course curriculum of the Institute and also arranging proper training for the passed out cost and management accountants so that they can contribute effectively wherever they are working and meet the aspirations of the management.

