



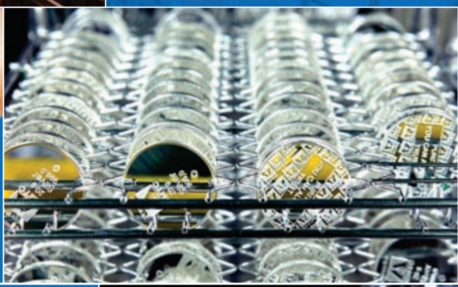
एमएमटीसी लिमिटेड
MMTC LIMITED
भारत सरकार का उपक्रम
A GOVT. OF INDIA ENTERPRISE
touching lives, adding value

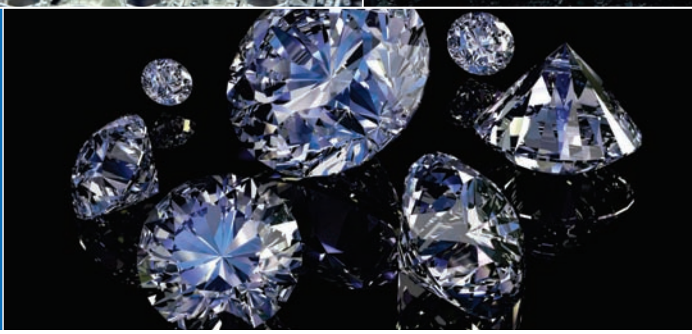
50th

गौरवपूर्ण 50 वर्ष
MMTC LIMITED
1963-2013
CELEBRATING 50 GLORIOUS YEARS

Annual Report 2012-13

Beyond the Golden Horizon


Board of Directors

VIJAYLAXMI JOSHI
Chairman cum Managing Director
upto 05.10.12

D S DHESI
Chairman cum Managing Director
w.e.f. 08.10.12

GOVERNMENT NOMINEE DIRECTORS

DR. RAJAN KATOCH
upto 22.05.12

MADHUSUDAN PRASAD

ANITA AGNIHOTRI
w.e.f. 22.05.12

FUNCTIONAL DIRECTORS

SUNIR KHURANA
Director (Marketing)
upto 18.09.2012

VED PRAKASH
Director (Marketing)

RAJEEV JAIDEVA
Director (Personnel)

M G GUPTA
Director (Finance)

ANAND TRIVEDI
Director (Marketing)
w.e.f. 03.07.12

P. K. JAIN
Director (Marketing)
w.e.f. 15.05.13

INDEPENDENT DIRECTORS

ANIL BAIJAL
upto 11.06.12

ARUNA MAKHAN
upto 14.06.12

H L ZUTSHI
upto 11.06.12

ANIL RAZDAN

G. S. VEDI

ARUN BALAKRISHNAN

ARVIND KALRA
w.e.f. 1.4.13

RANA SOM
w.e.f. 17.04.13

N. BALA BASKAR
w.e.f. 22.4.13

SUBAS PANI
w.e.f. 7.5.13

S R TAYAL
w.e.f. 9.7.13

CONTENTS

Corporate Mission

As the largest trading company of India and a major trading company of Asia, MMTC aims at improving its position further by achieving sustainable and viable growth rate through excellence in all its activities, generating optimum profits through total satisfaction of shareholders, customers, suppliers, employees and society.

Corporate Objectives

- To be a leading International Trading House in India operating in the competitive global trading environment, with focus on bulk as core competency and to improve returns on capital employed.
- To retain the position of single largest trader in the country for product lines like Minerals, Metals and Precious Metals.
- To render high quality of service to all categories of customers with professionalism and efficiency.
- To provide support services to the medium and small scale sectors.
- To streamline system within the Company for settlement of commercial disputes.
- To promote development of trade-related infrastructure.

REGD. OFFICE: CORE #1, SCOPE COMPLEX, 7, INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI-110003

50th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE

Notice is hereby given that **50th Annual General Meeting** of the Members of MMTC Limited will be held at **SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003** on Monday, **the 30th September, 2013 at 1130 hours** to transact the following business:

ORIDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, Profit and Loss Account for the year ended 31st March 2013, Report of Board of Directors, Statutory Auditors' Report and the Comments thereupon of Comptroller & Auditor General of India.
2. To declare dividend on equity share capital for the financial year ended 31st March 2013.
3. To re-appoint Shri Arun Balakrishnan, Non-official Part time (Independent) Director who retires by rotation at the AGM, as Non-official Part time (Independent) Director of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Non-official Part time (Independent) Director.
4. To re-appoint Shri M G Gupta, Director (Finance) who retires by rotation at the AGM, as Director (Finance) of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Director (Finance).
5. To re-appoint Shri Madhusudan Prasad, Part Time Director who retires by rotation at the AGM, as Part time Director of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Part time Director.
6. To re-appoint Smt. Anita Agnihotri, Part time Director who retires by rotation at the AGM, as Part Time Director of the company on the same terms & conditions as approved by the President of India. Being eligible, she has offered herself for re-appointment as Part Time Director.
7. To authorize Board of Directors of the company in terms of the provisions of Section 224(8)(aa) of Companies Act, 1956 to fix remuneration of the Statutory/Branch Auditors of the company appointed by Comptroller & Auditor General of India u/s 619 of the Companies Act, 1956 for the financial year 2012-13.

SPECIAL BUSINESS

8. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

> "RESOLVED THAT Shri D S Dhesi, who was appointed as Chairman-cum-Managing Director w.e.f. 8.10.2012 vide Department of Commerce, Ministry of Commerce & Industry Office Order No. 45/2012-(WD Series)(File No.A-42011/3/2012-E.I) dated 8th October 2012 and by the Board of Directors in circulation on 16.10.2012 under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Chairman-cum-Managing Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

9. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

> "RESOLVED THAT Shri Arvind Kalra who was appointed by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry, Government of India communication No.11/9/2011-FT(M&O) dated 15th February 2013 and by the Board of Directors in circulation on

4th April, 2013 as Part time Non-official (Independent) Director w.e.f. 01.04.2013 under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part time Non-official (Independent) Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

10. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri Rana Som who was appointed by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry, Government of India communication 11/9/2011-FT(M&O) dated 10th April 2013 and by the Board of Directors in circulation on 20.05.2013 as Part time Non-official (Independent) Director w.e.f. 17.04.2013 under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part time Non-official (Independent) Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

11. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri N Bala Baskar who was appointed by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry, Government of India communication 11/9/2011-FT(M&O) dated 10th April 2013 and by the Board of Directors in circulation on 20.05.2013 as Part time Non-official (Independent) Director w.e.f 22.04.2013 under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part time Non-official (Independent) Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

12. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Dr Subas Pani who was appointed by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry, Government of India communication 11/9/2011-FT(M&O) dated 10th April 2013 and by the Board of Directors in circulation on 20.05.2013 as Part time Non-official (Independent) Director w.e.f. 07.05.2013 under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part time Non-official (Independent) Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

13. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri P K Jain, who was appointed as Whole Time Director (Marketing) w.e.f. 15th May 2013 by the President of India, in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry communication no. A-12022/13/2012-E.IV dated 15th May 2013 and by the Board of Directors in its 402nd Meeting held on 30.05.2013 under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Whole Time Director (Marketing) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

14. To consider and, if thought fit, to pass with or without modification the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT Shri Skand Ranjan Tayal who was appointed by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry, Government of India communications No.11/9/2011-FT(M&O) dated 10th April, 2013 & 09th July 2013 and by the Board of Directors in circulation on 24.07.2013 as Part time Non-official (Independent) Director w.e.f. 09.07.2013 under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part time Non-official (Independent) Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

By Order of the Board

Dated: 14.8.2013
Place: New Delhi

sd/-
(G.Anandanarayanan)
Asstt. Company Secretary

GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken up "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Reports can be sent by e-mail to its members. To support this green initiative of the Government in full measure, **members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses**, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get their e-mail addresses registered with MCS Limited, New Delhi, RTA of the Company.

NOTES:

1. 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.

2. Transfer Books and Register of Members will remain closed from **7th to 30th September 2013** (both days inclusive). The Board of Directors, in its Meeting held on 30th May 2013, has recommended a final dividend @ 10% (Re.0.10 per share of face value Re.1.00 each) on the paid-up equity share capital of the company. The dividend, subject to the provisions of Section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid in October, 2013 to the Members whose names appear on the Company's Register of Members on 30th September, 2013 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on **6th September, 2013.**

3. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund (IEPF) of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.

4. **Members are requested to:**

   i) note that copies of Annual Report will not be distributed at the Annual General Meeting.

ii) bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.

iii) deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counters at the venue to be exchanged with the attendance slip.

iv) note that the attendance slip/ proxy form should be signed as per the specimen signature registered with M/s MCS Limited, Registrar & Transfer Agent (RTA)/ Depository Participant (DP)

v) note that in case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

vi) quote their Folio / Client ID & DP ID Nos. in all correspondence.

vii) note that no gifts will be distributed at the Annual General Meeting.

5. Non-Resident Indian Shareholders holding shares in physical form are requested to inform the Company immediately:

   a) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank.

   b) The Change in the Residential Status on return to India for permanent settlement.

6. As per SEBI Guidelines, it has been made mandatory for all companies to use the bank account details furnished by the depositories for distributing dividends and other cash benefits, etc. through Electronic Clearing Service to the investors wherever ECS and bank details are available. Accordingly, the shareholders holding shares in Demat form should furnish the bank account details to their depository participants to avail the above facility.

7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting

8. M/s. MCS Ltd. F–65 Okhla Industrial Area, Phase I, New Delhi –110020 have been appointed as Registrar and Transfer Agents for carrying out its entire share related activities viz. Transfer / transmission/ transposition / dematerialisation / rematerialisation / split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. **Shareholders are requested to make all future correspondence related to share transfers and allied activities with this agency only.**

9. The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to RTA of the Company to enable them to print these details on the dividend warrants.

10. **Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its RTA along with relevant Share Certificates.**

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their DP with whom they are maintaining their demat accounts. It has also made mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company / RTA.

12. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the Form-2B as prescribed in the Companies (Central Government's) General Rules and Forms, 1956, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding

shares in physical form may obtain form and send Form-2B in duplicate to RTA of the Company. In case of shares held in dematerialized form, the nomination /change of address has to be lodged with the respective DP.

13. Members desirous of getting any information on any items of business of this Meeting are requested to address their queries to the Company Secretary at the registered office of the company at least fifteen days prior to the date of the meeting, so that the information required can be made readily available at the meeting.

14. Annual listing fee for the year 2013-14 has been paid to all Stock Exchanges wherein shares of the Company are listed.

15. None of the Directors of the Company is in any way related with each other.

16. All documents referred to in the accompanying notice are open for inspection at the registered office of the Company on all working days (barring Saturday and Sunday) between 11.00 a.m. to 1.00 p.m. prior to the Annual General Meeting.

17. The relevant explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Businesses, as set out above is annexed hereto.

18. As mandated under Clause 49 of the Listing Agreement with the Stock Exchanges, brief Profile/ Resume of the Directors seeking re-appointment is annexed hereto.

Explanatory Statement pursuant to Section 173(2) of Companies Act, 1956

Item No.8

In accordance with Office Order no.45/2012(WD Series) (File No.A-42011/3/2012-E.I) dated 8th October 2012 from Department of Commerce, Ministry of Commerce & Industry, and Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Shri D S Dhesi, IAS(HR:82), Additional Secretary, Department of Commerce, Ministry of Commerce & Industry, Govt of India was appointed as Chairman-cum-Managing Director on the Board of MMTC Limited w.e.f. 8th October 2012. Shri D S Dhesi holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri D S Dhesi as Chairman-cum-Managing Director of the company.

Shri D S Dhesi, an IAS-1982 batch (Haryana Cadre), aged 54 years, is a Post Graduate in Economics. Prior to his joining the Ministry of Commerce & Industry as Director General of DGS&D on 17th August 2012, Shri D S Dhesi held the position of Joint Secretary in Department of Commerce, Ministry of Commerce & Industry since 24th June 2010.

Board considers it desirable that the Company should continue to avail itself of his services as a Chairman-cum-Managing Director on the Board of MMTC Ltd. and recommends this resolution for approval of the shareholders.

None of the Directors other than Shri D S Dhesi to the extent of his appointment as Chairman-cum-Managing Director is concerned or interested in the above resolution.

Item No.9

In accordance with communication No 11/9/2011-FT(M&O) dated 15th February 2013 from Department of Commerce, Ministry of Commerce & Industry, and Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Shri Arvind Kalra, Practicing Chartered Accountant, was appointed as Part Time Non-official (Independent) Director on the Board of MMTC Limited w.e.f. 1st April 2013. Shri Arvind Kalra holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri Arvind Kalra as Part Time Non-official (Independent) Director of the company.

Shri Arvind Kalra, aged 56 years, is fellow Member of ICAI. Shri Arvind Kalra has vast experience in various fields of Finance & Accounting including statutory audit of private and Public Sector Enterprises & Banks, CDR proposals etc.

Board considers it desirable that the Company should continue to avail itself of his services as a Part Time Non-official (Independent) Director on the Board of MMTC Ltd. and recommends this resolution for approval of the shareholders.

None of the Directors other than Shri Arvind Kalra to the extent of his appointment as Part Time Non-official (Independent) Director is concerned or interested in the above resolution.

Item No.10

In accordance with communication No.11/9/2011-FT(M&O) dated 10th April 2013 of the Department of Commerce, Ministry of Commerce & Industry, and Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Shri Rana Som, was appointed as Part Time Non-official (Independent) Director on the Board of MMTC Limited w.e.f. 17th April 2013. Shri Rana Som holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri Rana Som, as Part Time Non-official (Independent) Director of the company.

Shri Rana Som, aged 61 years, superannuated as CMD, NMDC on 31.12.2011. He started his career in Calcutta Port Trust and also worked as officiating CMD Hindustan Copper Ltd. and Director (Personnel) State Trading Corporation.

Board considers it desirable that the Company should continue to avail itself of his services as Part Time Non-Official (Independent) Director on the Board of MMTC Ltd. and recommend this resolution for approval of the shareholders.

None of the Directors other than Shri Rana Som, to the extent of his appointment as Part Time Non-official (Independent) Director, is concerned or interested in the above resolution.

Item No.10

In accordance with communication No-11/9/2011-FT(M&O) dated 10th April 2013 from Department of Commerce, Ministry of Commerce & Industry, Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Shri N Bala Baskar, former IAS (Retd.) was appointed as Part Time Non-official (Independent) Director on the Board of MMTC Limited w.e.f. 22nd April 2013. Shri N Bala Baskar holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri N Bala Baskar, as Part Time Non-official (Independent) Director of the company.

Shri N Bala Baskar, aged 63 years is an IAS (Retd.) Officer of 1975 batch and has 34 years of experience in government departments. He had superannuated from the post of Principal Advisor (Finance), Ministry of External Affairs, Govt. of India on 31.08.2009.

Board considers it desirable that the Company should continue to avail itself of his services as a Part Time Non-official (Independent) Director on the Board of MMTC Ltd. and recommends this resolution for approval of the shareholders.

None of the Directors other than Shri N Bala Baskar, to the extent of his appointment as Part Time Non-official (Independent) Director, is concerned or interested in the above resolution.

Item No.12

In accordance with communication No-11/9/2011-FT(M&O) dated 10th April 2013 of the Department of Commerce, Ministry of Commerce & Industry, and Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Dr Subas Pani, was appointed as Part Time Non-Official (Independent) Director on the Board of MMTC Limited w.e.f. 7th May 2013. Dr Subas Pani holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Dr Subas Pani, as Part Time Non-official (Independent) Director of the company.

Dr Subas Pani, aged 64 years, as Non-official Part Time (Independent) Director. Dr Subas Pani, is an Indian Administrative Services (IAS) officer of Orissa cadre 1972 batch. He also served as Secretary Planning Commission, Govt. of India. He also served as CMD, ITPO.

Board considers it desirable that the Company should continue to avail itself of his services as Part Time Non-official (Independent) Director on the Board of MMTC Ltd. and recommend this resolution for approval of the shareholders.

None of the Directors other than Dr Subas Pani, to the extent of his appointment as Part Time Non-official (Independent) Director, is concerned or interested in the above resolution.

Item No.13

In accordance with communication No A-12022/13/2012-E.IV dated 15th May 2013 from Department of Commerce, Ministry of Commerce & Industry, Government of India and pursuant to provisions of Section 260 of the Companies Act 1956, Shri P.K. Jain, ex-CGM, PEC Ltd., was appointed as Whole Time Director(Marketing) on the Board of MMTC Limited w.e.f. 15th May 2013. Shri P.K. Jain holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri Shri P K Jain as Whole Time Director (Marketing) of the company.

Shri Shri P K Jain, aged 48 years, is a B.E.(Mechanical) and has a wide experience of more than 27 years in international trade. Prior to his appointment as Director (Marketing) in MMTC Ltd. he has served in various capacities in PEC Ltd.

Board considers it desirable that the Company should continue to avail itself of his services as a Whole Time Director (Marketing) and recommend this resolution for approval of the shareholders.

None of the Directors other than Shri P K Jain, to the extent of his appointment as Whole Time Director (Marketing), is concerned or interested in the above resolution.

Item No.14

In accordance with communications No-11/9/2011-FT(M&O) dated 10th April 2013 & 9th July 2013 of the Department of Commerce, Ministry of Commerce & Industry, and Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Mr Skand Ranjan Tayal, was appointed as Part Time Non-official (Independent) Director on the Board of MMTC Limited w.e.f. 9th July 2013. Shri Skand Ranjan Tayal holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri Skand Ranjan Tayal, as Part Time Non-official (Independent) Director of the company.

Shri Skand Ranjan Tayal, aged 61 years, is Post Graduate in Chemistry from IIT, Kanpur. Shri Skand Ranjan Tayal is a former Indian Foreign Service Officer(1976 batch). He served as Ambassador of India to the Republic of Korea during 2008-11 prior to his superannuation. Shri Tayal has wide experience in both bialateral and multilateral diplomacy and has been a frequent speaker on contemporary affairs and at present he is Visiting Professor in Delhi University in the Department of East Asian Studies.

Board considers it desirable that the Company should continue to avail itself of his services as Part Time Non-official (Independent) Director on the Board of MMTC Ltd. and recommend this resolution for approval of the shareholders.

None of the Directors other than Shri Skand Ranjan Tayal, to the extent of his appointment as Part Time Non-official (Independent) Director, is concerned or interested in the above resolution.

BRIEF PROFILE OF DIRECTORS SEEKING RE-ELECTION AT THE 50TH AGM:

SHRI ARUN BALAKRISHNAN

Shri Arun Balakrishnan, aged 63 years is B.Sc.in Chemical Engineering from Calicut University, PG in Management from IIM-Bangalore. Prior to his appointment as Non-Official Part Time (Independent) Director in MMTC, Shri Arun Balakrishnan former Chairman, HPCL, is also the founder of HPCL-Mittal Energy Ltd. (HMEL) a Joint Venture of HPCL and L.N. Mittal Investments and is engaged in the construction of a 9 million tonnes per annum refinery at Bathinda Punjab. He has introduced Balanced Score Card for setting targets and performance appraisals. He was also a key player in carrying out Business Process Re-engineering (BPR) with Accenture as Consultant. Mr Balakrishnan was awarded “CEO with HR Orientation” by World HRD Congress and “HR Ratna” by National Institute of Personnel Management. He is the recipient of “The Distinguished Alumni Award in 2008” from his Alma-Mater, the IIM.

SHRI M G GUPTA

Shri M G Gupta, aged 55 years, Mr Gupta is a Chartered Accountant and has other qualifications like CFA & DFM (Netherlands)Mr M G Gupta has a wide experience in the field of Corporate Finance & Accounts spanning over a period of more than 30 years inclusive of experience as Regional/Zonal Incharge of MMTC for a period of more than 5 years. Prior to his appointment as Director (Finance) Shri M G Gupta was serving MMTC as Chief General Manager (Finance & Accounts- In charge).

SHRI MADHUSUDAN PRASAD

Shri Madhusudan Prasad, an IAS Officer of 1981 Batch Haryana Cadre, aged, 56 years, is B.A. (Economics) and M.A. (Economics) and Shri Madhusudan Prasad has served as Financial Commissioner & Principal Secretary in the Department of Renewable Energy Sources, Govt. of Haryana, prior to his joining in the Department of Commerce, MOC&I Govt. of India as Additional Secretary in December 2011.

SMT ANITA AGNIHOTRI

Smt. Anita Agnihotri, aged 56 years, belongs to IAS 1980 Batch-Orissa Cadre and is a Post Graduate in Art Econometrics & Art Development Economics, She was serving as Member Secretary in National commission for Women, Ministry of Women & Child Development prior to her joining the Ministry of Commerce & Industry as Additional Secretary & Financial Adviser in May 2012. She has varied experience in various capacities in both administrative offices and operations across the country.

DIRECTORS' REPORT

The Members
MMTC Limited,
New Delhi.

Ladies & Gentlemen,

On behalf of Board of Directors, I have pleasure in presenting 50th Annual Report on the performance of your company for the financial year ended 31st March 2013 along with audited statements of accounts and Statutory Auditor's Report.

RESULTS OF OPERATIONS

Your company, one of the leading trading companies in India, recorded a business turnover of Rs. 284156.2 million during 2012-13 as against the business turnover of Rs. 659291.1 million registered last fiscal. This business turnover includes Exports of Rs.29795.4 million, Imports of Rs. 209544.1 million and domestic trade of Rs. 44816.7 million. The other trade related earnings contributed Rs.1837.9 million. The trading profit earned by your Company stood at Rs. 2997.5 million as against Rs 2766.1 million during last fiscal. The Company has reported Net Loss of Rs.706.2 million during the year due to provisions made in respect of Extraordinary items relating to bullion transactions at Regional Offices Hyderabad and Chennai amounting to Rs.2443.6 million .

The highlights of the Company's performance during 2012-13 are as below: -

(**Rs in Millions**)

	2011-12	**2012-13**
Net Sales/Trade Earnings	663,248.84	**285,983.59**
Cost of Sales	660482.70	**282,986.11**
Trading Profit	2766.14	**2,997.48**
ADD: Dividend and other Income	811.94	**382.58**
Less: Establishment & Administrative Overheads, and exceptional items etc	2364.59	**2639.80**
Less: Debts/Claims Written off	1.35	**0.70**
Less: Provisions for Doubtful Debts/ Claims/Advances/Investments	133.11	**62.53**
Profit Before Interest, Dep., Prior Period & Taxes	1,079.03	**677.03**
Add: Interest Earned (Net)	693.92	**601.81**
Profit Before Dep., Prior Period & Taxes	1,772.15	**1278.84**
Less: Depreciation	120.03	**119.70**
Less: Prior Period Adjustment	(109.26)	**(6.12)**
Profit Before Taxes and extra ordinary items	1,762.18	**1165.26**
Less: Extraordinary item	1,002.05	**2,443.64**
Less: Provision for Current Taxes	432.41	**167.14**
Less: Provision for Deferred Taxes	(379.47)	**(739.28)**
Profit After Taxes	707.19	**(706.24)**
Add: Balance brought forward from the previous year	6,915.56	**7,257.19**
Balance Which the director have appropriated as under to:		
(I) Proposed Dividend	250.00	**100.00**
(II) Dividend Tax	40.56	**-**
(III) General reserve	75.00	**-**
(IV) Sustainable Development Reserve	-	**2.11**
(V) Corporate Social Responsibility Reserve	-	**4.36**
TOTAL		
Leaving a balance of to be carried forward	7,257.19	**6444.48**

The performance of different business groups of your Company is highlighted in the Management Discussions and Analysis Report, which is annexed and forms part of this Report.

AWARDS & RANKINGS

Following Awards and Rankings were conferred on your Company during 2012-13:

- Most Caring Companies of India Award to MMTC presented by "The World CSR Congress" recognizing Organisations for contributions made in the field of CSR.
- Star Performer Award for the year 2011-12 in the product group of Basic Iron and Steel (Large Enterprise) by EEPC (National Award)
- Top Exporters for the year 2010-11, Silver Trophy, Medium Enterprise by EEPC India (N.R.)
- TCC Exim Award (II position) in the import category for 2011-12 by The Tamil Chamber of Commerce, Chennai.
- 11th rank in 2012 on the basis of net sales and 14th rank in terms of Market Capitalization by Business India's Super 100 rankings published in Business India on 23rd Dec.2012.

EQUITY SHARE CAPITAL & DIVIDEND

The Board of Directors recommends declaration of dividend @10% on the equity capital of Rs 1,000 million of the Company for the year 2012-13 out of accumulated past profits of the Company.

DISINVESTMENT BY THE GOVERNMENT

In accordance with the SEBI directions on minimum public shareholding requirement in the listed companies, Govt. of India, the promoter of your Company holding 99.33% of the total equity capital as on 31.3.2013 divested its 9.33% equity through "Offer for Sale" of shares through stock exchange mechanism pursuant to SEBI guidelines in this regard. The said OFS issue was made by the Govt through stock exchange platform at NSE and BSE on 13th June, 2013 thereby reducing Govt. of India’s equity to 90% of the total paid up equity of your Company.

RESERVES

A sum of Rs.13214.01 million was available in the reserves and surplus of your Company as on 1st April 2012. Your Directors have proposed that Dividend at the rate of 10% to be paid out of accumulated past profits of the Company. Accordingly an amount of Rs.12407.78 million shall be available in "Reserves and Surplus" of your Company as on 31st March 2013.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo of your Company during 2012-13 has been as under:-

	EARNINGS		**OUTGO**
	Rs. In Million		Rs. In Million
Exports	29,792.32	Imports	201,656.19
Others	214.35	Interest	773.99
		Others	915.41
Total	30,006.67	Total	203,345.59

SUBSIDIARY COMPANY

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd. Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. During the year 2012-13, MTPL achieved business turnover of USD 600 million. The Profit after tax earned by MTPL during 2012-13 amounted to USD 2.11 million. The net worth of MTPL stood at USD 15.45 million as on 31st March 2013. MTPL has so far paid total dividends of US$ 15.04 million as against capital of US$ 1 million contributed by your company.

MTPL continues to enjoy prestigious "Global Trader Programme" (GTP) status awarded to it by International Enterprise, Singapore since FY 2000

Pursuant to the provisions of Section 212 of the Companies Act, 1956, the audited financial statements of MTPL together with Director's Report & Auditor's report are attached herewith.

MMTC'S PROMOTED PROJECT-Neelachal Ispat Nigam Ltd. (NINL)

Your company has set up Neelachal Ispat Nigam Limited (NINL) - an iron & steel plant of 1.1 million tonnes capacity, 0.8 million tonne coke oven and by product unit with captive power plant, jointly with Govt. of Orissa. The project has been granted Iron ore mining lease with an estimated reserves of 110 million tons. The phase-II of the Project for production of steel, with Basic Oxygen Furnace, Oxygen Plant and SMS got commissioned in March 2013 and Steel Billets Production also started. During the year 2012-13, NINL achieved a sales turnover of Rs.16,256.1 million which includes export of pig iron worth Rs.2657.0 million, domestic sales of pig iron valued at Rs 8680.7 million and BF coke valued at Rs.2400.2 million as against the total turnover of Rs.19391.17 million during 2011-12. With the commissioning and stabilization of steel making facility and starting of iron ore mining probably during later part of current year, NINL's performance is expected to improve. In the first five months of the current financial year we have finalized contracts for export of 7 vessels of pig iron compared to only 4 vessels exported in FY 2012-13.

Projects/ Joint Ventures

To evolve a new business model for taking advantage of new opportunities emerging in the free market environment, your company has promoted a number of joint ventures following the public- private partnership route. These value multiplier initiatives are briefed hereunder:

(i) Your company had promoted a Commodity Exchange under the name and style of "Indian Commodity Exchange Limited" which commenced operations in November 2009. The said exchange has reported a net loss of Rs.102.6 million for the year 2012-13 as against a net loss of Rs.255.6 million during 2011-12.

(ii) Your company has participated in the equity of a Currency Futures Exchange under the name and style of "United Stock Exchange of India Ltd." The said Currency Futures Exchange which commenced its operations in September 2010 has reported a profit of Rs.4.6 million for the year 2012-13 as against a net loss of Rs.47.1 million during 2011-12.

(iii) Your company has joined hands with an international producer as a joint venture partner for setting up a gold/silver medallion manufacturing unit, which would also include a gold refinery as an integral part, under the name and style of "MMTC-Pamp India Private Limited". The said medallion manufacturing unit which commenced commercial production in April 2011 has reported a net profit of Rs.378.48 million for the year 2012-13 as against a net loss of Rs.220.5 million during 2011-12.

(iv) For effective marketing of the finished products from above unit, as well as jewellery from other sources, your company has set up in partnership with a leading Indian company, a chain of retail stores at various cities in India for medallions, jewellery and its homegrown brand of 'SANCHI' silverware. Towards this end a JV Company was promoted under the name and style of "MMTC-Gitanjali Private Limited" with 8 retail outlets presently functioning. MMTC-Gitanjali Private Limited has reported a net profit of Rs.3.52 million for the year 2012-13 as against Rs.1.2 million during 2011-12.

(v) Your company had set up a permanent berth with loading facilities for iron ore at Ennore Port jointly with SICAL and L&T Infrastructure Ltd. under the name and style of M/s. SICAL Iron Ore Terminals Limited (SIOTL). Due to non-availability of iron ore for exports, commercial operations of SIOTL could not commence. The JV company has been pursuing with Ennore Port Authorities for permission to modify the facility for handling coal discharge instead of iron ore so as to meet growing demand for thermal power plants in Tamil Nadu.

(vi) Your company had participated in development of a deep draught iron ore loading berth at Paradeep Port (Orissa) jointly with Noble Group Ltd. and Gammon Infrastructure Projects Ltd. under the name and style of M/s. Blue Water Iron Ore Terminal Private Ltd. It could not commence construction in view of the project being rendered unviable as a result of inordinate delay in getting mandatory clearances, change in iron ore export trade scenario, restrictions imposed by State Govts. on mining of iron ore, refusal of Paradip Port Trust to give concessions, etc. The JV Company is being wound up.

(vii) Towards investing in mining exploration your Company has set up a joint venture company with M/s. TATA Steel Ltd. under the name and style of TM Mining Ltd.(TMML) for mining exploration and allied activities had applied for mineral concession(mining leases) for manganese ore in Odisha. One of the lease applications has been cleared by the Forest and Mining Depts. while clearance from Revenue Dept. is awaited. Once clearance from the Revenue Dept. is received, the same would be forwarded to Mines Dept. of Govt. of Odisha.

(viii) To facilitate promotion of two-way trade, the SPV promoted by your Company in association with IL&FS has been allotted land to set up free trade and warehousing zones at Haldia and Kandla on lines similar to Special Economic Zones. Action is being taken to develop these Zones for promotion of trade.

(ix) Your company has been allotted a coal mine in the Jharkhand State having estimated reserves of about 251.18 million tones classified with proved category. Prospecting license for the same has since been issued by the concerned authorities and the pre-feasibility study completed. The drilling/exploration work in conformity with Govt of India norm has since been completed in April, 2013 and the final Geological Report has been prepared. Your Company has signed an MOU with M/s Singareni Collieries Ltd, (A Govt of India Enterprise) for joint mining of coal from the said coal block.

INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

Cordial and harmonious industrial relations continued to prevail in your company with no man-days lost during the year. Regular meetings were held with the Unions / Associations/ Federation for attaining an amicable resolution of HR related issues to achieve Company's goals and objectives.

The aggregate manpower of the company as on 31st March 2013 stood at 1,605, excluding Board level executives, comprising of 602 Officers and 1,003 staff. This includes 15 officers, 138 staff / workers of erstwhile Mica Trading Company Ltd., which had been merged with your company pursuant to the orders of BIFR. While the composite representation of the total manpower consisted of women employees representing 19.31% (310 employees) of the total manpower, the representation of SC, ST, OBC & persons with disabilities (PWD) was to the extent of 21.62% (347 employees), 8.35% (134 employees), 8.53% (137 employees) and 2.30% (37 employees) respectively. During the year 26 officers were inducted through campus recruitment. Presidential Directives on reservations for SCs, STs, OBCs and PWD in services were followed fully in recruitment and promotion.

Aiming towards further enhancing / upgrading the skills of employees in the constantly changing business scenario 666 employees were imparted training during the year in different spheres of company's activities. This was done through programmes organized both with in-house expertise as well as external resources from renowned institutions / organizations. The employees deputed for training included 127 employees belonging to SC, 50 to ST, 23 to OBC, 9 to PWD and 149 women employees. In terms of man-days such training works out to 2,102 training man-days during the year 2012-13.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company is committed to uphold Official Language Policy of the Government. During the year 2012-13, your company consistently strived to adhere and implement the Official Language Policy to meet the targets given in the annual programme issued by the Department of Official Language, Ministry of Home Affairs, govt. of India. Towards this and to promote usage of the Official Language by employees of the company, several programs in the form of Hindi Workshops, Hindi Week/ Fortnight were organized at the Corporate Office and Regional Offices.

During the year, the Company had the privilege of interacting with the Parliamentary Committee on Official Languages, which inspected your company's Hyderabad, Bengaluru Regional Office and Kochi Sub Regional Office whereat the Hon'ble Committee gave valuable suggestions with regard to the implementation of the Official Language Policy in MMTC..

VIGILANCE

Continuing to foster the goodwill & confidence stemming from value based business practices and strengthening the Company as a professionally managed, globally competitive & internationally reputed organization, the vigilance group of your company carried further its focus on preventive vigilance. During the year regular inspections were conducted by vigilance & non-vigilance officers and based on the feedback received, corrective/ preventive measures were suggested. Special emphasis was also laid on updation of trade related drills/ manuals and suggesting systemic improvements in the areas related to e-tendering, KYC norms, creation of price monitoring cell, implementation of integrity pact, whistle blower policy and preparation of vigilance manual

During the year under report Vigilance group of your Company was also instrumental in organizing "Vigilance Awareness Week" in various offices of MMTC from 29.10.2012 to 3.11.2012. The theme for the week was "Transparency in the Public Procurement".

Your company has made an extraordinary ad-hoc provision of Rs 2,288.20 millions in the accounts for the year ended 31st March 2013 against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at your company's Regional Office, Hyderabad relating to Bullion transactions. A reference in the matter has been made to CBI which registered a case in January 2013 against the defaulting Party, officers of MMTC and unknown public and private persons.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

Your Company has been a constructive partner in the communities in which it has operated since its inception in 1963, embracing responsibility and encouraging a positive impact on the environment, communities, stakeholders and the society at large. Based on Profit After Tax(PAT) of 2011-12 of Rs.707.2 million, the MMTC Board of Directors approved CSR and SD budget of Rs.21.2 million and Rs.3.5 million respectively in accordance with the DPE guidelines on CSR & Sustainable Development. During 2012-13, projects valuing Rs.19.7 million were undertaken under CSR and Rs.3.5 million under Sustainable Development.

The Sustainable Development initiatives of MMTC had Energy conservation and management as a major focus area. An "energy audit" of corporate office was conducted by Energy Efficiency Services Limited. Implementation of recommendations are underway. The various energy efficiency measures would be introduced in phases.

In addition, MMTC underwent a third party assessment for measuring the impact of its CSR activities undertaken during the year. A Prospective Plan outlining the CSR/SD initiatives was also drawn up with external assistance which would guide the CSR/SD activities of MMTC over the next ten years.

CORPORATE GOVERNANCE

Corporate governance is an area of major significance not only to governments and business but to all who are affected by organizations in some way, whether as investors, directors, employees, suppliers, customers or the community in general. Your Company reposes its firm faith in continuous development, adoption and dedication towards the best corporate governance practices.

A separate report on corporate governance along with Statutory Auditor certificate regarding compliance of the stipulations relating to corporate governance specified in clause 49 of the listing agreement(s) signed with stock exchanges is annexed to and forms part of this report.

CODE OF CONDUCT

Pursuant to Clause 49 (I)(D) of the Listing Agreement signed with Stock Exchanges, a detailed Code of Conduct for Board Members and Senior Management Personnel has been laid down and hoisted on the website of your company. All Board Members and Senior Management Personnel, except one General Manager(under suspension) on the regular rolls of the Company as on 31st March 2013, to whom the said Code is applicable have affirmed compliance of the same for the period ended 31st March 2013.

BUSINESS RESPONSIBILITY REPORT

In accordance with the directives of SEBI and provisions of Clause 55 of Listing Agreement signed with stock exchanges, based on the list of top 100 companies given by BSE, your Company has prepared the Business Responsibility Report for inclusion in the Annual Report for the year 2012-13. The framework and principles suggested by SEBI to assess compliance with environment, social and governance norms pertaining to Corporate Social Responsibility and Sustainable Development activities of the Company. The first Business Responsibility Report of your Company is annexed herewith and forms part of the Annual Report.

PUBLIC DEPOSIT SCHEME

As on 1st April 2013, there were no outstanding public deposits and the company did not invite/ accept any public deposit during the year ended 31st March 2013.

STATUTORY AUDITOR’S REPORT

The report of Statutory Auditors for the year 2012-13 alongwith Management's reply to the observations of the Statutory Auditors is annexed herewith.

COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The comments of Comptroller & Auditor General of India(C&AG) under section 619(4) of the Companies Act, 1956 on the accounts of the Company for the year ended 31.03.2013 alongwith Management's reply on the comments are annexed herewith.

CONSERVATION OF ENERGY

During the year 2012-13, there was no activity in Mica group of your company. Pursuant to Section 217(i)(e) of the Companies Act, 1956, a statement on conservation of energy is annexed to this report.

PARTICULARS OF EMPLOYEES

Pursuant to provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, it is stated that there were no employees who were in receipt of remuneration exceeding Rs.60 lakhs per annum or Rs. 5.00 lakhs per month during the year 2012-13.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:

i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year ended 31.3.2013;
iii) That the Directors have taken a proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv) That the Directors have prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

Following are the changes in the Board of Directors of your company since 1st April 2012: -

- Shri D.S. Dhesi, Additional Secretary, Department of Commerce & Industry assumed the additional charge of Chairman-cum-Managing Director on 08th October 2012.
- Smt. Vijaylaxmi Joshi, Additional Secretary, Department of Commerce & Industry relinquished the additional charge of CMD on 05th October 2012.
- Dr. Rajan Katoch, AS&FA, Department of Commerce, Ministry of Commerce & Industry relinquished the charge of Part Time Director on the Board of MMTC on 22nd May, 2012.
- Smt. Anita Agnihotri, AS&FA, Department of Commerce, Ministry of Commerce & Industry took the charge of Part Time Director on the Board of MMTC vice Dr. Rajan Katoch w.e.f. 22nd May, 2012.
- Shri Anil Baijal relinquished the charge of Part Time Non-Official(Independent) Director on 11th June, 2012.
- Smt. Aruna Makhan relinquished the charge of Part Time Non-Official(Independent)Director on 14th June, 2012.
- Shri H.L. Zutshi relinquished the charge of Part Time Non-Official(Independent) Director on 11th June, 2012.
- Shri Anand Trivedi took over the charge of Director(Marketing) on the Board of MMTC w.e.f. 3rd July, 2012.
- Shri Sunir Khurana relinquished the charge of Director(Marketing) on 18th September, 2012.
- Shri Arvind Kalra took over the charge of Part Time Non-Official(Independent) Director on the Board of MMTC w.e.f. 1st April, 2013.

- Shri Rana Som took over the charge of Part Time Non-Official(Independent)Director on the Board of MMTC w.e.f. 17th April, 2013.
- Shri N. Bala Baskar took over the charge of Part Time Non-Official(Independent) Director on the Board of MMTC w.e.f. 22nd April 2013.
- Dr. Subas Pani took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 7th May, 2013.
- Shri P.K. Jain took over the charge of Director(Marketing) on the Board of MMTC w.e.f. 15th May, 2013.
- Shri Skand Ranjan Tayal took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 9th July 2013.

The Board places on record its deep appreciation for the commendable services and the contributions made by Smt. Vijaylaxmi Joshi, Dr Rajan Katoch, Shri Anil Baijal, Shri H L Zutshi, Smt Aruna Makhan and Shri S.Khurana towards effective discharge of the functions of the Board and its Committees. The Board also welcomes Shri D.S. Dhesi, Smt Anita Agnihotri, Shri Anand Trivedi, Shri Arvind Kalra, Shri Rana Som, Shri N. Bala Baskar, Dr. Subas Pani, Shri P.K. Jain and Shri Skand Ranjan Tayal and expresses confidence that the Company shall immensely benefit from their rich and varied experience.

In terms of provisions of Article 87(4)(A) of Articles of Association of the Company regarding rotational retirement of Directors, Shri Arun Balakrishnan, Non-official Part Time(Independent) Director, Shri M.G. Gupta, Director(Finance), Shri Madhusudan Prasad, Part Time Director and Smt. Anita Agnihotri, Part Time Director shall retire at the AGM and being eligible have offered themselves for reappointment.

ACKNOWLEDGEMENTS

Your Directors would like to acknowledge and place on record their sincere appreciation of all stakeholders- shareholders, Department of Commerce, all Govt. Agencies, RBI and other Banks, Railways, Customs, Ports, NMDC, Customers, Suppliers and other business partners for the excellent support and cooperation received from them during the year. Your Directors also recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

By the Order of the Board

sd/-

(D.S. Dhesi)
Chairman-cum-Managing Director

Dt. 14.8.2013

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2012-13

Overview of global trade and developments

The global economic slowdown that began during the end of 2011 has continued throughout 2012-13 and the same trend is still persisting during the current year i.e. 2013-14. The overall economic activities around the globe have slowed down further, growth rates in the developed as well as emerging markets have fallen as they are still continuing their struggle to come out of the depressing economic environment. All the major economies - namely US, EU, China, India & Japan are impacted.

World merchandise trade value surpassed the pre-crisis (2008) level of US $ 16 trillion, reaching US $ 18.26 trillion in 2011 after an interregnum of two years. However, world trade volume decelerated sharply by 2.8 per cent in 2012 as per World Trade Organization (WTO) statistics. As per the January 2013 update of the IMF, world trade volume is projected to grow by 3.8 per cent in 2013 which is down 0.7 percentage points compared to its October 2012 update. Import and export volume growth rates of emerging market and developing economies are however projected to be higher than those of advanced economies. Global economic uncertainty including doubts about the ultimate resolution of the crisis in the Euro area, doubts about the pace of fiscal withdrawal in the US, challenges to sustaining growth after the earthquake reconstruction rebound in Japan and trade disruptions with China, though of a passing nature, continue to cast their shadows on the trade growth of emerging and developing economies (EDEs) including India. However, the deceleration in world growth and trade in 2012 and forecast of only a gradual upturn in global growth by international institutions, portend a weak and slow recovery for world trade.

Overview of developments in India during 2012-13

India's growth rates have also fallen during last year to 5% and growing current account deficit is putting further pressure on the Indian Rupee vis-à-vis US Dollar. INR was at 53.74 on 3rd May 2013 and fell to 56.45 on 3rd June 2013 before touching an all-time low of 61.81 on 6th August 2013. Such a steep fall is expected to have an adverse effect on imports to India. The falling growth rates have been adversely impacted trade sectors, pulling down the demand for commodities and thereby affecting the trade turnover and profitability of trading as well as manufacturing companies.

India's exports, which had surpassed pre-crisis levels within a year in 2010-11 with a record 40.5 per cent growth, continued growing even in 2011-12, but were finally affected by the global slowdown in 2012-13 with exports declining even more at - 4.9 per cent in the first ten months than the -3.5 per cent recorded during the crisis-ridden year of 2009-10 (full year).

MMTC- 2012-13 in retrospect

Financial Review

Your Company achieved a business turnover of Rs.284,156.2 million during 2012-13 as against the business turnover of Rs. 659,291.1 million registered last fiscal. This business turnover includes Exports of Rs. 29,795.4 million, Imports of Rs. 209,544.1 million and domestic trade of Rs. 44,816.7 million. The other trade related earnings contributed Rs.1,837.9 million. Your Company earned trading profit of Rs.2,997.5 million as compared to Rs. 2,766.1 million in 2011-12. The profit before tax from ordinary activities is Rs.1,165.3 millions as compared to Rs.1,762.2 million in 2011-12. However the extra-ordinary episode that occurred in RO-Hyderabad and Chennai on the bullion front to the extent of Rs.2,293.20 millions leaving the company in loss at Rs. 706.2 millions in 2012-13. Thus the earnings per share of face value of Re.1/- each for the financial year 2012-13 after the said extra-ordinary activity led to a negative figure of Rs. 0.71. The company's management of financial resources yielded net interest earnings of Rs.601.8 million. There was a corporate tax liability of Rs.257.23 million on the Company during 2012-13. MMTC continues to be a zero long-term debt company.

Your company has made an additional provision of Rs. 155.4 million in the accounts for the year ended 31st March 2013 in the books of Regional Office Chennai and Rs. 2,288.2 million in the accounts of RO Hyderabad relating to Bullion transactions.

Sources and Utilization of Funds

The sources of funds of the company as on 31st March, 2013 comprises of shareholders fund amounting to Rs.13,407.78 million including equity share capital of Rs.1000 million and non-current and current liabilities of Rs.1,893.12 million and Rs.51,679.83 million respectively. These funds have been deployed inter alia towards non current assets amounting to Rs.8,220.15 million and current assets and Rs.58,760.58 million as on 31st March, 2013.

Internal Control Procedures

In MMTC, day-to-day affairs are managed at various managerial levels in accordance with a well-defined "Delegation of Powers". Major issues are deliberated to arrive at conscious decisions by the respective Committees of Directors constituted by the Board of Directors as detailed in the report on Corporate Governance annexed herewith.

MMTC has well-settled Internal Audit system & Procedures which is commensurate with its diverse functions. The company has an Internal Audit Division, to coordinate with external auditing firms in conducting internal audit all through the year. Number of initiatives started during the last fiscal for strengthening the internal controls through concurrent audit of bullion transactions, special audit for bullion transactions for earlier years, etc. continued during the year also. The exercise for further strengthening of Internal Audit by posting additional manpower has also been initiated and updation of Internal Audit Manual is underway.

The Audit Committee of Directors meets the Company's Statutory Auditors and Internal Auditors regularly to ascertain their concerns and observations on financial reports. The directions of the Audit Committee are strictly implemented by the Management.

Subsidiary Company

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd. Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. During the year 2012-13, MTPL achieved business turnover of USD 600 million. The Profit after tax earned by MTPL during 2012-13 amounted to USD 2.11 million. The net worth of MTPL stood at USD 15.45 million as on 31st March 2013. MTPL has so far paid total dividends of US$ 15.04 million as against capital of US$ 1 million contributed by your company.

Business Groupwise Review for 2012-13

Minerals

The developments like ban on Iron Ore mining and export from Bellary Hospet Sector (Karnataka & Goa) regulation of export from eastern sector, increase in railway freight for exports which is currently over 3 times that of domestic movement of ore, increase in domestic demand of ore and higher export duty etc. have had an impact on the quantum of Indian Iron Ore exports during 2012-13 as compared to other International suppliers e.g. Australia and Brazil. Despite this and the stiff competition at national and international levels, your company continued to maintain its position as a prominent exporter of minerals during the year under review. The capacity of domestic steel production has also expanded, resulting in lesser availability of Chrome ore, Chrome Concentrate and Manganese ore for exports. With the introduction of 30% ad valorem export duty on chrome ore and chrome concentrate the exports of these items has declined in Financial Year 2012-13.

In spite of above constraints, Minerals group of your company contributed a turnover of Rs.15,652.7 million during the year 2012-13, which includes exports valued at Rs.13891.4 million, imports amounting to Rs.26.8 million and domestic trade of Rs.1,734.5 million. The export made by the group includes Iron Ore valued at Rs.9,885.3 million, Chrome Ore/ Concentrate valued at Rs.3780.9 million and Manganese Ore valued at Rs.225.1 million. The group imported Manganese ore valued at Rs.21.4 million and Chrome Concentrate valued at Rs.5.4 million. The domestic trade of this group includes Iron Ore valued at Rs.1,635.7 million, Dolomite valued at Rs.69.4 million & Limestone valued at Rs.29.4 million.

Long Term Agreements with Japanese Steel Mills and Pohang Iron & Steel Company, South Korea for supply of iron ore have been finalized for a period of three years from FY 2012-13 to FY 2014-15 and the supplies under the Long Term Contract commenced from 1st July, 2012.

Precious Metals, Gems & Jewellery

Your company enjoys the position of market leader in the Indian bullion trade, having flexibility to operate from various centers spread all over the country offering novel product services, besides maintaining enduring relationship. Despite high volatility in prices of bullion as well as Indian rupee US dollar exchange rates, Precious Metals Group of your Company contributed a turnover of Rs.1,36,751.6 million during 2012-13. This performance was realized through diversified activities, which include bullion import of gold and silver at Rs. 1,31,372.8 million.

The precious metals group of your company is continuously working on improving service to customers and now has 6.71% share of India’s gold trade during 2012-13. The Precious Metals group is focusing on improving sales of value-added products, viz. Jewellery, medallions and silverware. The company's joint venture MPIPL started operation and sold gold worth Rs.1,25,950 million. and silver worth Rs.2,330 million. Your company consciously imported lower quantity of gold due to the CAD concerns of Government of India. Your company will start to gain once MPIPL comes into full production and would be marketing substantial portion of MPIPL's production both domestically and internationally.

In the current fiscal, your company has vigorously started marketing MPIPL's production. Your company has also operationalised Assaying & Hallmarking centers at Delhi, Ahmedabad, Kolkata, and Jaipur. While the demand of bullion is expected to remain low in 2013-14 due to volatile gold & silver prices, exchange rate, also government's new policies to curb gold import by various means and the continuing economic crisis in Euro zone. The company has to innovate by selling value added products and service in the bullion sector.

Concentration on marketing of MPIPL produced bullion will ease out MMTC's bullion import crunch and will contribute a good amount in turnover.

Metals and Industrial Raw Material

The Metals group of your Company contributed Rs. 14,840.4 million to MMTC’s turnover during 2012-13. The contribution of the group comprised of export of Pig iron worth Rs. 2,893.4 millions produced by NINL – a MMTC promoted Iron & steel plant, imports of Non-Ferrous Metals worth Rs 1,976.0 million & Industrial Raw Materials worth Rs.166.3 millions and domestic sales of Rs.9,804.7 millions including sale of pig iron and slag produced at NINL worth Rs. 9,106.6 millions.

While Indigenous producers dominate the domestic market of copper, zinc, aluminum etc., the International Markets for NFM continue to be influenced by less demand due to global financial turmoil, especially the sovereign debt related issues in the European Union and slowdown in major economies of the world, adversely affected NFM business. The other factors, which have adversely affected NFM business during 2012-13 are MMTC's policy of strict safeguards, like taking compulsory forward cover while extending LIBOR based secured credit and detailed documentary requirements for KYC norms, which, most of the customers are not willing to part with. Apart from meeting the requirements of regular customers, who buy on spot basis, efforts are being made, wherever possible, to enter into MOUs with relatively bigger customers for meeting their NFM requirements on long term basis. Ro have competitive edge, efforts are also being made to tie-up for long-term sourcing from suppliers/producers, and also to explore possibility of making material available off-the-shelf by selling NFM items from FTWS.

Agro Products

The Agro products group of the company achieved a record turnover of Rs. 41,296.4 millions during 2012-13, which includes exports of wheat valuing Rs.11,478.1 million and import of edible oils worth Rs.13,656.3 millions, besides domestic trading including trade on the SPOT Commodity Exchange of Agro products valuing Rs.16,041.1 millions.

During the year MMTC successfully exported wheat to buyers in South Korea, Bangladesh, Philippines, Africa etc. Supplies of Edible Oil were also organized at request of State Governments for distribution through PDS.

The agro trade primarily depends on Govt. policies and vagaries of monsoon. At times when the surplus agro products are available in the country, export opportunities emerge while during the period of shortages, the agro products need to be imported to maintain price stability in the domestic market. With the likely introduction of Food Security Bill, MMTC is fully geared to discharge its obligations for import of food as and when directed by Government. The Agro Group of the company has also devised plans and strategies to meet the challenges in the Agro trade. The group contributes substantially to the profitability of the Company in addition to discharging its obligations as per Government directives.

Fertilizers and Chemicals

The Fertilizer and Chemicals group contributed a turnover of Rs.19,147.9 million. The group's performance during 2012-13 included third country trading of Urea, DAP & MOP worth Rs.1532.5 million, Import of Urea valued at Rs. 11,438.1 million, Muriate of Potash at Rs. 5,599.5 million, Sulphur worth Rs. 233.5 million & technical grade urea worth Rs 266.2 million besides domestic trading of Ammonium Sulphate produced at NINL – the MMTC promoted Iron & Steel plant - valued at Rs. 78.1 million.

During the year under review your company was lauded for organizing huge imports of urea within the time line stipulated by the government. This was achieved by the group by judiciously leveraging and synergizing MMTC’s expertise in bulk handling with domain knowledge, hands-on experience, expertise in logistics management and skills to predict emerging trends in the global market of fertilizers besides excellent relationship and networking both with the suppliers and customers across the globe and delivery of service to all stake holders.

Despite the continuing effort of the Government of India to enhance production of fertilizers domestically with a view to achieve self sufficiency in food grains, India has to still import huge quantities of both finished and raw fertilizers. This is despite the fact that production of urea has improved domestically. Production of several fertilizers in the country is dependent on the cost and availability of several raw materials like Ammonia, Rock Phosphate, Phosphoric Acid etc. This apart, India is dependent totally on foreign suppliers for its requirement of MOP.

Department of Fertilizer had announced Nutrient Based Subsidy policy with a view to bring more and more complex fertilizers under the subsidy regime and thereby make the soil more fertile. More use of complex fertilizers offers opportunity for the company. However, the fertilizer sector in general is still dependent on the Government policy, whereas agriculture largely depends on monsoon even today.

Coal & Hydrocarbons

The Coal & Hydrocarbons group contributed a turnover of Rs.56,368.2 million to the turnover recorded by your company. The turnover contributed by the group included import of steam coal valued at Rs.36,665.4 million and Coking Coal valued at Rs. 8,022.6 million besides domestic trading of LAM Coke worth Rs.2,613.1 million, Steam Coal worth Rs.8,233.6 million, Crude Tar worth Rs 808.6 million and Solar oil at Rs 21.7 million. The group continues to improve its thriving coal business by expanding its sourcing network, cost effective shipping and appropriate delivery structure to the major power utilities in India including NTPC, DVC, TANGEDCO, MAHAGENCO, APGENCO, NSPCL, APCPL. MMTC has been sourcing imported coal mainly from Indonesia and to some extent from South Africa and Australia and catered to various Central and State Utilities and Private Players in India. MMTC has started its coal operations from various emergent ports in India in order to achieve logistics viability and to be a cost effective supplier during the year. With the result, MMTC has increased its immense presence in Coal segment throughout the Country. After consolidating the position in the Power Sector, MMTC has poised to tap the emerging opportunities by foraying in a larger way into the sectors such as cement and sponge iron units.

With domestic production unable to meet the rapidly growing demand of non coking coal for power sector, steel, fertilizer and other heavy industries, the existence of big supply gap induces the country to depend upon sizable imports. Further the increase in demand of steam coal is likely to increase considerably in future with many new coal fired generation plants being underway and shall open up new opportunities for this segment of your company. The coal & hydrocarbon group of your company shall be tapping these emerging opportunities to import and serve the increased demand of coal & coke to power, steel, fertilizer, chemical, cement & sponge Iron units in future. The group also plans to aggressive follow up with suppliers for allocating more coking coal and intends to add LTA suppliers for wider supply base.

Mica

As reported in earlier years, the changed market requirement and technological developments in Mica processing technologies globally led to activities at Mica Division coming to a halt since 2002-03. Measures are being taken to dispose of obsolete Plant & Machinery located at Mica Division establishment at Abrakhnagar, Kodarma District, Jharkhand.

Others

The other products contributed Rs.99.0 million to the turnover of the Company, which included domestic trade worth Rs.99.0 million, sale of power amounting to Rs. 94 million, generated at the 15 MW wind power farms commissioned in March 2007 in Karnataka.

During the year 2013-14, the company shall continue availing opportunities emerging in new markets/ products for generating additional business revenues for the Company.

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company's projections, estimates, and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in Government regulations/policies, tax laws, other statutes and other incidental factors.

CORPORATE GOVERNANCE IN MMTC

MMTC is fully committed to promoting & strengthening the principles of sound corporate governance norms through the adherence of highest standards of transparency, trust and integrity, performance orientation, responsibility and accountability, professionalism, social responsiveness, ethical business practices and commitment to the organization as a self discipline code for sustainable enrichment of value for stakeholders which include investors, directors, employees, suppliers, customers or the community in general.

BOARD OF DIRECTORS

The Board of MMTC has a mix of Executive & Non-Executive Directors. The present Board as on the date of this report includes Additional Secretary, Ministry of Commerce & Industry holding additional charge of Chairman-cum-Managing Director, three Whole Time Directors (Marketing), one Whole Time Director (Personnel), one Whole Time Director (Finance), two Part-Time Directors nominated by the Department of Commerce, Ministry of Commerce & Industry, Govt. of India and eight Non-official Part Time (Independent) Directors. The President of India appoints all the Directors of MMTC. All the Directors except CMD are liable to retire by rotation and at least one third of the Directors liable for rotational retirement retire every year and if eligible, qualify for reappointment.

The members of the Board, apart from receiving Directors' remuneration, in case of CMD and Functional Directors, do not have any material pecuniary relationship or transaction with the company, its promoters or its subsidiary, which in the judgment of Board may affect independence of judgment of Directors.

The composition of Board during the year 2012-13 was as under:

S. No.	Name of Director	Executive/ Non-Executive	Designation held	No. Of Directorship in other Board as on 31.03.2013	No. Of Board Committees of which Member/ Chairman*
1.	Mr D S Dhesi (w.e.f. 08.10.2012)	Executive	Chairman- cum- Managing Director	Chairman-2	Member – 1
2.	Smt Vijaylaxmi Joshi (upto 05.10.2012)	Executive	Chairman & Managing Director	Chairman – 2	Member – 1
3	Mr Sunir Khurana (upto 18.09.2012)	Executive	Director (Marketing)	Chairman-1 Director - 4	-
4.	Mr Ved Prakash	Executive	Director (Marketing)	Chairman -1 Director - 4	-
5.	Mr Rajeev Jaideva	Executive	Director (Personnel)	Director - 1	-
6.	Mr.M.G.Gupta	Executive	Director (Finance)	Director - 4	Member- 1
7.	Mr. Anand Trivedi (w.e.f. 03.07.2012)	Executive	Director (Marketing)	Director -4	-
8.	Dr. Rajan Katoch (upto 22.05.2012)	Non-Executive	Govt-Nominee Director	Director - 2	Chairman- 1 Member - 2
9.	Mr. Madhusudan Prasad	Non Executive	Govt-Nominee Director	-	Member - 1
10.	Ms Anita Agnihotri (w.e.f. 22.05.212)	Non Executive	Govt-Nominee Director	Director-2	Chairman - 1 Member - 2
11.	Mr Anil Baijal (upto 11.06.2012)	Non-Executive	Non-official(Independent) Director	Director - 7	Chairman – 2 Member – 2
12.	Mrs Aruna Makhan (upto14.06.2012)	Non-Executive	Non-official (Independent) Director	Director - 1	Member – 4
13.	Mr H L Zutshi (upto11.06.2012)	Non Executive	Non-official (Independent) Director	Director - 5	Chairman –1 Member – 7
14.	Mr.Anil Razdan	Non Executive	Non-official(Independent) Director	Director - 3	Chairman - 2
15.	Mr Arun Balakrishnan	Non Executive	Non-official(Independent) Director	Director - 8	Member - 7
16	Mr G.S.Vedi	Non Executive	Non-official(Independent) Director	Director - 2	Chairman -3 Member – 2

*Only the Audit Committee, Remuneration committee and Shareholders Grievance Committee of Public Limited Companies have been considered.

Changes in Board of Directors

Following are the changes in the Board of Directors of your company since 1st April 2012: -

- Shri D S Dhesi Additional Secretary, Department of Commerce, & Industry assumed the additional charge of Chairman-cum-Managing Director on 08th October 2012.
- Smt. Vijaylaxmi, Joshi, Additional Secretary, Department of Commerce, & Industry relinquished the additional charge of CMD on 05th October 2012.
- Dr. Rajan Katoch, AS& FA, Department of Commerce, Ministry of Commerce & Industry relinquished the charge of Part Time Director on the Board of MMTC on 22nd May 2012.
- Smt Anita Agnihotri AS& FA, Department of Commerce, Ministry of Commerce & Industry took charge of Part Time Director on the Board of MMTC vice Dr. Rajan Katoch w.e.f. 22nd May 2012.
- Shri Anil Baijal relinquished the charge of Part Time Non-Official (Independent) Director on 11th June 2012.
- Smt. Aruna Makhan relinquished the charge of Part Time Non-Official (Independent) Director on 14th June 2012.
- Shri H L Zutshi relinquished the charge of Part Time Non-Official (Independent) Director on 11th June 2012.
- Shri Anand Trivedi took over the charge of Director (Marketing) on the Board of MMTC w.e.f. 3rd July 2012.
- Shri Sunir Khurana relinquished the charge of Director (Marketing) on 18th September 2012.
- Shri Arvind Kalra took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 1st April 2013.
- Shri Rana Som took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 17th April 2013.
- Shri N Bala Baskar took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 22nd April 2013.
- Dr. Subas Pani took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 7th May 2013.
- Shri P K Jain took over the charge of Director (Marketing) on the Board of MMTC w.e.f. 15th May 2013.
- Shri Skand Ranjan Tayal took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 9th July 2013.

Remuneration of Directors

MMTC is a Govt. of India Enterprise in which all members of the Board are appointed by the President of India through the administrative Ministry-Department of Commerce, Ministry of Commerce & Industry, Govt. of India, which, *inter-alia*, fixes the remuneration of such Whole Time Directors/CMD through their respective appointment orders/pay fixation orders. CMD and Whole-Time Directors of MMTC are generally appointed by the President of India with a service contract of five years or till the date of superannuation or further orders of the Government whichever is earlier. The Directors so appointed by the President of India are not entitled for any notice period/ severance fees. The functional members of the Board of Directors are entitled to Performance Related Pay in terms of Guidelines issued by the Department of Public Enterprises, Govt of India. Non-official Part Time Independent Directors are presently entitled to a sitting fee @Rs.15,000/- for attending each meeting of the Board/ Board appointed Committees. None of the Non-Executive Directors had any pecuniary relationship or transaction with the company.

The details of remuneration paid/ due for the year 2012-13 to Directors is summarized herein below:

Name of Director	Salary & benefits (Rs./lakhs)	Performance related pay for 2012-13 (Provision) (Rs./lakhs)	Bonus, Stock option, pension, severance fee	No. of shares of MMTC held as on 31.3.2013
Executive Directors				
Mr D S Dhesi (w.e.f. 08.10.2012)	NA	NA	NA	NA
Smt Vijaylaxmi Joshi (upto 05.10.2012)	NA	NA	NA	NA
Mr Sunir Khurana (upto18.09.2012)	12.43	NIL	NIL	NIL
Mr Ved Prakash	25.61	NIL	NIL	NIL
Mr Rajeev Jaideva	26.10	NIL	NIL	NIL
Mr M G Gupta	25.76	NIL	NIL	NIL
Mr Anand Trivedi (w.e.f.03.07.2012)	24.70	NIL	NIL	NIL
Non-Executive ex-officio Directors				
Dr. Rajan Katoch (upto 22.5.2012)	NA	NA	NA	NA
Ms Anita Agnihotri (w.e.f. 22.05.2012)	NA	NA	NA	NA
Mr Madhusudan Prasad	NA	NA	NA	NA
Non-official Directors (Independent)				
Mr Anil Baijal (upto11.06.2012)	NA	NA	NA	NA
Mrs Aruna Makhan (upto14.06.2012)	NA	NA	NA	NA
Mr H L Zutshi (upto11.06.2012)	NA	NA	NA	NA
Mr Anil Razdan	NA	NA	NA	NA
Mr G S Vedi	NA	NA	NA	NA
Mr Arun Balakrishnan	NA	NA	NA	NA

Meetings of the Board

The meetings of the Board are generally held at the registered office of the company and are scheduled well in advance. The Board of MMTC meets regularly at least once in a quarter. The meetings of Board are governed by a structured agenda and any member of the Board is free to recommend inclusion of any subject matter in the agenda for deliberations. Detailed agenda papers including explanatory notes are circulated in advance on all major issues to facilitate the Board to take well-informed and independent decisions.

During the year, the Board of Directors met seven times i.e. on 15.5.2012, 08.08.2012, 14.8.2012, 28.8.2012, 08.11.2012, 13.12.2012 and 13.02.2013. The attendance of the Directors at these Board Meetings and at the last AGM held on 28th September 2012 was as under:-

	Name of the Director	No. of Board Meetings Held during the period the Director was on Board	No. of Board Meetings attended	Presence at previous AGM held on 28.9.2012
(a)	Functional Directors			
	Mr D S Dhesi (w.e.f.08.10.2012)	3	3	NR
	Smt Vijaylaxmi Joshi (upto 05.10.2012)	4	4	YES

	Name of the Director	No. of Board Meetings Held during the period the Director was on Board	No. of Board Meetings attended	Presence at previous AGM held on 28.9.2012
	Mr Sunir Khurana (upto18.09.2012)	4	4	NR
	Mr Ved Prakash	7	7	YES
	Mr Rajeev Jaideva	7	7	YES
	Mr M G Gupta	7	7	YES
	Mr Anand Trivedi (w.e.f.03.07.2012)	6	6	YES
(b)	Ex-officio Part Time Directors (Govt. Nominee)			
	Dr. Rajan Katoch (upto 22.5.2012)	1	-	NR
	Ms Anita Agnihotri (w.e.f 22.05.2012)	6	3	NO
	Mr Madhusudan Prasad	7	5	YES
(c)	Non-official Part Time (Independent) Directors			
	Mr Anil Baijal (upto 11.06.2012)	1	1	NR
	Mrs Aruna Makhan (upto 14.06.2012)	1	1	NR
	Mr H L Zutshi (upto 11.06.2012)	1	1	NR
	Mr Anil Razdan	7	7	YES
	Mr G S Vedi	7	7	YES
	Mr Arun Balakrishnan	7	5	YES

NR - Not Required since the concerned Director was not on the Board of MMTC as on the date of AGM

COMMITTEES OF THE BOARD

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted following committees with distinct role, accountability and authority:

(a) Audit Committee of Directors
(b) Shareholders/Investors Grievance Committee
(c) Remuneration Committee of Directors
(d) Committee of Directors on Personnel Policies
(e) Committee of Directors on Subsidiary, Joint Venture & Associate Companies
(f) Functional Management Committee of Directors
(g) Committee of Directors on Sustainable Development

Audit Committee of Directors

The Audit Committee of the company constituted by the Board presently comprises of three Part Time Non-official (independent) Directors and one Part Time (Govt. Nominee) Director. All the meetings of the Committee held during the year were chaired by non-executive Independent Director. Company Secretary continued to be the Secretary to the Committee. The terms of reference of the Audit Committee include overseeing the audit function, reviewing critical findings, ensuring compliance with accounting standards and concurring financial statements before submission to the Board. The role, scope and authority of Audit Committee also include the requirements under the relevant provisions of Companies Act, 1956 and the Listing Agreement(s) signed with Stock Exchanges.

During the year 2012-13, the Committee met eight times as detailed hereunder:-

S.No	Date of Meeting	Members present	Chairperson
1.	15.05.2012	Shri Anil Baijal Smt Aruna Makhan Shri Anil Razdan Shri G S Vedi	Shri Anil Baijal
2.	09.08.2012	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan Smt Anita Agnihotri	Shri Anil Razdan
3.	14.08.2012	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan	Shri Anil Razdan
4.	28.08.2012	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan	Shri Anil Razdan
5.	26.10.2012	Shri Anil Razdan Shri G S Vedi Smt Anita Agnihotri	Shri Anil Razdan
6.	08.11.2012	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan Smt Anita Agnihotri	Shri Anil Razdan
7.	13.12.2012	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan Smt Anita Agnihotri	Shri Anil Razdan
8.	13.02.2013	Shri. Anil Razdan Shri G S Vedi Shri Arun Balakrishnan Smt Anita Agnihotri	Shri Anil Razdan

Other functional Directors and Statutory Auditor of the Company also attended the above meetings to assist the Audit Committee in its deliberations.

The minutes of the above meetings were regularly submitted to the Board for its information.

Shareholders/Investors Grievance Committee

The present composition of Shareholders/Investors Grievance Committee constituted by the Board of Directors comprises Non-Executive Govt. Nominee Director (Additional Secretary & Financial Advisor, Department. of Commerce, Govt. of India) as Chairperson, CMD, MMTC & Director (Finance), MMTC as its members. Company Secretary continued to be the Secretary to the Committee. The Committee expeditiously considers and approves requests for physical share transfers, rematerialisation and dematerialization etc. and monitors the resolution of grievances of the Shareholders/other investors.

During 2012-2013, one meeting of the Shareholders/Investors Grievance Committee of directors was held apart from passing resolutions through circulation. The minutes of the meeting were submitted to Board of Directors for information.

Remuneration Committee of Directors

The present composition of Remuneration Committee constituted by the Board of Directors comprises of Shri G S Vedi, Part Time non-official (independent) Director as Chairman, Shri Arun Balakrishnan, Part Time non-official (independent) Director and both Non-Executive Govt. Nominee Directors as its Members. The Committee performs such functions and duties and exercises such powers as specified in Clause 49 of the Listing Agreement signed with Stock Exchanges and DPE Guidelines dated 26th November 2008. The Company Secretary is the Secretary of the Committee.

Functional Management Committee of Directors

The present composition of "Functional Management Committee of Directors" constituted by the Board of Directors compromising of CMD, MMTC as the Chairman of the Committee, all Functional Directors as Members and Company Secretary as Secretary to the Committee. The said Committee has been delegated the powers to take decision(s) in all matters over and above the powers delegated to CMD by the Board of Directors from time to time, except the matters specified under the Companies Act, 1956/other statutes, to be considered and decided at the meeting of Board of Directors and/or shareholders as also the matters specified and reserved by the Board for its decision or for consideration and decision of any other committee constituted by Board of Directors under article 99 of Articles of Association of MMTC. During 2012-13 fifty six meetings of this Committee were held. The minutes of these meetings were submitted to Board of Directors for information.

Committee of Directors on Personnel Policies

The present composition of the Committee of Directors on Personnel Policies constituted by the Board includes Shri G S Vedi, Part Time Non-Official (Independent) Director as its Chairman, Shri Anil Razdan Part Time Non-Official (Independent Director) and Part Time Govt. Nominee Director (Additional Secretary-Department of Commerce) as its Members to consider and recommend approval of modifications/formulation of service rules and other personnel policies to the Board of Directors as also to function as 'Appellate Authority' under MMTC Employees' Conduct, Discipline & Appeal Rules, 1975 as amended from time to time. The Company Secretary is the Secretary to the Committee. During 2012-13 one meeting of this Committee was held. The minutes of the said meeting were submitted to Board of Directors for information.

Committee of Directors on Subsidiary, Joint Venture & Associate Companies

The Board of Directors has constituted a "Committee of Directors on Subsidiary, Joint Venture and Associate Companies to consider and recommend approval of investments / disinvestments, approval of basic parameters / charter / Agreement and any changes therein to the Board of Directors, review with functional Management and Advice on strategic issues related to MMTC's investment; and the performance of projects / joint ventures / associate companies/ foreign offices/ subsidiaries of MMTC.

The present composition of the Committee includes Shri Arun Balakrishnan, Part Time Non-official (Independent) Director as Chairman of the Committee with Shri Anil Razdan & Shri G S Vedi, Part Time Non-official (independent) Directors as Members. The Company Secretary continues to be the Secretary to the Committee. During 2012-13 one meeting of this Committee was held and the minutes of the meeting was submitted to Board of Directors for information.

Committee of Directors on Sustainable Development

The Board of Directors has constituted a "Committee of Directors on Sustainable Development". The said Committee shall consider and approve MMTC Policy on Sustainable Development based on DPE Guidelines and oversee the sustainable development performance and its impact analysis.
The present composition of the Committee includes Shri Arun Balakrishnan, Part Time Non-official (Independent) Director as Chairman of the Committee with Shri Ved Prakash and Shri Anand Trivedi, Directors (Marketing) as Members. The Company Secretary is the Secretary to the Committee. During 2012-13 one meeting of this Committee was held the minutes of the meeting was submitted to Board of Directors for information.

GENERAL BODY MEETINGS

General Body Meetings of the Company are held at/in the vicinity of registered office of the Company. The details of such meetings held during the past three financial years are as under: -

Nature of meeting	Date & time	Special Resolutions passed
47th Annual General Meeting	21.09.2010 at 1130 hrs	--
48th Annual General Meeting	30.09.2011 at 1200 hrs	--
49th Annual General Meeting	28.09.2012 at 1200 hrs	--

No special resolution is proposed to be conducted through postal ballot up to the ensuing AGM.

Disclosures

(a) None of the members of the Board of Directors had any pecuniary relationship or transaction with the company.

(b) There have been no materially significant related party transactions i.e. transactions of the company of a material nature, with its promoters, the directors or the management, subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large. Other details of "Related Party Transactions" have been disclosed in the Notes forming part of Accounts in the Annual Report.

(c) The CEO/CFO of the company has certified the specified matters to the Board as required under Clause 41 of Listing Agreement.

(d) The company has not opted for Employees Stock Option Scheme.

(e) The company has framed the "Whistle Blower Policy" which has been hoisted on MMTC's website.

(f) There were no cases of non-compliance by the Company and penalties, strictures being imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital markets during the last three years.

Means of communications

The quarterly, half-yearly unaudited results of the Company are announced within 45 days of the end of respective period, and annual audited results of the Company are announced within 60 days, which are published in leading national dailies, besides hoisting them on the website of the Company i.e. www.mmtclimited.com

Shareholders' information

(a) Annual General Meeting

The 50th Annual General Meeting of the Company is scheduled to be held on 30th September 2013 at 1130 Hrs at "SCOPE Complex"; 7 Institutional Area; Lodhi Road; New Delhi-110 003

(b) Financial Calendar for 2013-14

1st quarter results (unaudited) shall be declared on or before 14.8.2013
2nd quarter results (unaudited) shall be declared on or before 14.11.2013
3rd quarter results (unaudited) shall be declared on or before 14.02.2014
4th quarter results (audited) shall be declared on or before 30.05.2014

Annual Audited Results for 2013-14 shall be declared on or before 30.05.2014 in accordance with existing applicable provisions of the Listing Agreement.

(c) Dates of Book Closure

The Share Transfer Books and Register of Members shall remain closed from 07.9.2013 to 30.9.2013 (both days inclusive) for the purpose of AGM and declaration of final dividend at the Annual General Meeting.

(d) Dividend Payment - The details of dividend paid during the last 3 years are as under:

Year	2009-10	2010-11	2011-12
Rate	45%**	25%	25%
Date	15.10.2010	27.10.2011	25.10.2012

Note: ** On enhanced post bonus equity capital

(e) Listing on stock exchanges: The Shares of the company continue to be listed at Delhi, Mumbai, Kolkatta, Chennai Stock Exchanges and also at National Stock Exchange.

(f) Market Price Data: The month wise market price data of MMTC's scrip quoted/traded at Bombay Stock Exchange during the financial year 2012-13, is given below:

Month	High (Rs)	Low (Rs)		Month	High (Rs)	Low (Rs)
April 2012	815.90	671.00		October 2012	773.10	705.50
May 2012	843.90	701.55		November 2012	776.75	655.00
June 2012	778.45	671.10		December 2012	699.00	571.00
July 2012	890.00	686.00		January 2013	656.00	556.05
August 2012	833.00	696.00		February 2013	649.00	422.65
September 2012	816.75	735.00		March 2013	435.55	196.65

(g) **Registrar & Transfer Agents (RTA):** The Company has appointed M/s. MCS Limited, F–65 Okhla Industrial Area, Phase I, New Delhi -110020 as its Registrar & Share Transfer Agents for shares held both in physical as well as in dematerialized mode.

(h) **Dematerialization of Shares:** The shares of MMTC Ltd continue to be an eligible security for trading in dematerialized form by CDSL and NSDL with ISIN No: INE123F01029.
As on 31st March 2013, out of 100 crores equity shares of MMTC Ltd of face value of Re.1/- each, 99,33,12,000 shares are held by the President of India and 66,86,795 shares by others in dematerialized form leaving only 1205 shares in physical form.

(i) **Share Transfer System:** The shares of the Company are transferred within a maximum period of 15 days from the date of lodgment. The transfer of shares held in dematerialized form are processed and approved in electronic form by NSDL/CDSL through respective depository participants. No transfer was pending as on 31.03.2013. Shares transfer and all other investor related activities are attended to and processed at the office of RTA i.e. MCS Ltd. Shareholders may lodge the transfer deeds and any other documents, etc at the office of RTA of MMTC Limited at the address given above.

(j) **Distribution of shareholding as on 31.3.2013:** Pursuant to Clause 35 of the Listing Agreement with the Stock Exchanges, the Distribution of shareholding as on 31.3.2013 is tabulated here in below:

Category of Shareholder	No. of Share-holders	Total number of shares	Total shareholding as %age of total number of shares
Shareholding of Promoter and Promoter Group			
Central Government	1	99,33,12,000	99.3312
Public shareholding			
Mutual Funds / UTI	2	30,92,126	0.3092
Financial Institutions/Banks	5	32,128	0.0032
Foreign Institutional Investors	2	201	0.0000
Non-institutions			
Bodies Corporate	1185	10,42,311	0.1042
Individual holders having share capital upto Rs. 1 lakh.	47624	24,72,938	0.2473
Trust & Foundations	1	67	0.0000
Non-Resident Individual	440	48,229	0.0048
TOTAL	49260	100,00,00,000	100

Note: There are no outstanding GDRs/ADRs/warrants/convertible instruments.

(k) Shareholders/ other Investor's Grievances:
Shareholders/ other Investors may also lodge their grievance(s) with Shri G. Anandanarayanan, Assistant Company Secretary at ganarayanan@mmtclimited.com.

(l) Address for Correspondence:

Board Secretariat,
MMTC Limited, Core-I, Scope Complex,
7, Institutional Area, Lodi Road,
New Delhi – 110 003
Phone No: 011 - 24361889/ Fax:011-24360724
E-mail: ganarayanan@mmtclimited.com

MMTC
Business Responsibility Report
FY 2012-2013

About Us
The Company is incorporated and domiciled in India, and a Mini-Ratna Public Sector Undertaking under the administrative control of Ministry of Commerce & Industry, Govt. of India. The registered office of the Company is situated at Core-1, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi – 110 003, India. The Company has 13 Regional Offices at various places in India and a wholly owned subsidiary – MMTC Transnational Pte Ltd (MTPL), Singapore.

The principal activities of the Company are export of Minerals and import of Prcious metals, Non-Ferrous Metals, Fertilizers, Agro Products, Coal and Hydrocarbon etc.

The Company's trade activities span across various countries in Asia, Europe, Africa, Middle East, Latin America and North America.

It is the first Public Sector Enterprise to be accorded the status of "FIVE STAR EXPORT HOUSE" by Government of India for long standing contribution to exports.

MMTC has promoted various joint ventures following the public-private partnership route to take advantage of new opportunities emerging in the free market environment.

Corporate Mission
As the largest trading company of India and a major trading company of Asia, MMTC aims at improving its position further by achieving sustainable and viable growth rate through excellence in all its activities, generating optimum profits through total satisfaction of shareholders, customers, suppliers, employees and society.

Corporate Objectives
- To be a leading International Trading House in India operating in the competitive global trading environment, with focus on "bulk" as core competency and to improve returns on capital employed.
- To retain the position of single largest trader in the country for product lines like minerals, metals and precious metals.
- To promote development of trade-related infrastructure.
- To provide support services to the medium and small scale sectors.
- To render high quality of service to all categories of customers with professionalism and efficiency.
- To streamline system within the Company for settlement of commercial disputes.
- To upgrade employees skills for achieving higher productivity.

Business Responsibility Report – FY 2012-13

As per the recently introduced Clause 55 of the Listing Agreement of the Securities Exchange Board of India [SEBI], the top hundred listed companies in terms of market capitalisation have been mandated to issue annual Business Responsibility Report [BRR]. This is our first BRR capturing our performance for the financial year 2012-2013

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company
   L51909DL1963G01004033

2. Name of the Company
   MMTC LIMITED

3. Registered address
   Core-1, Scope Complex,
   7 Instituitional Area, Lodhi Road,
   New Delhi -110003

4. Website
   www.mmtclimited.com

5. E-mail id
   mmtc@mmtclimited.com

6. Financial Year reported
   2012-13

7. Sector(s) that the Company is engaged in (industrial activity code-wise)
   Trading

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
   (i) Precious Metals
   (ii) Agro Products
   (iii) Coal and hydrocarbon.

9. Total number of locations where business activity is undertaken by the Company
   i. Number of International Locations (Provide details of major 5)
      1 subsidiary in Singapore
   ii. Number of National Locations
      13 Regional Offices in India

10. Markets served by the Company – Local/State/National/International/
    Asia, Europe, Africa, Middle East, Latin America and North America.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	**1000 million**
2.	Total Turnover (INR)	**2,84,156 million**
3.	Total profit after taxes (INR)	**(706) million , net loss**
4.	Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	**3% of PAT (2011-12)**

5.	List of activities in which expenditure in 4 above has been incurred	— Educational infrastructure — Primary Health Care — Education-Literacy Promotion/Skill Development — Promotion of sports, art & culture — CSR advocacy

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes. MMTC TRANSNATIONAL Pte LTD, SINGAPORE (Overseas Subsidiary Company)

   Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

   No

2. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
   No

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   a. Details of the Director/Director responsible for implementation of the BR policy/policies
      - DIN Number - **03368001**
      - Name - **Shri Rajeev Jaideva**
      - Designation - **Director (personnel)**

   b. Details of the BR head

S.No	Particulars	Details
1.	DIN Number (if applicable)	
2.	Name	V.P.Mehta
3.	Designation	GM (Personnel)
4.	Telephone number	011-24381279
5.	e-mail id	vpmehta@mmtclimited.com

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for....	Y	N	Y	Y	Y	N	N	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y		Y	Y	Y			Y	
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	N		N	Y	Y			Y	
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y		Y	Y	Y			Y	
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y		Y	Y	Y			Y	
6.	Indicate the link for the policy to be viewed online?	www. mmtclimited.com		www. mmtclimited.com						
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y		Y	Y	Y			Y	
8.	Does the company have in-house structure to implement the policy/policies.	Y		Y	Y	Y			Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y		Y	Y	Y			Y	
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N		N		Y				

2a. **If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

S.No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		✓				✓	✓		✓
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. **Governance related to BR**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of MMTC meets regularly at a quarterly frequency. The meetings of the Board are governed by a structured agenda for discussion. Detailed agenda papers including other explanatory notes are circulated in advance on all major issues to enable the Board to take informed and independent decisions. Among other issues, the SD plan of the organization is also discussed.

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted various committees with distinct role, accountability and authority. The top management reviews the performance of the organization in every meeting that is held on quarterly basis. During the year 2012-13 MMTC's Management has discussed and reviewed following:

— Corporate Plan

— HR related issues

— Investments in JVs

— Budget

— Shareholder/investor's Grievance

— Status of Investments

— Approval of financial statements/results

— Implementation status of CSR/SD activities

— Adoption/implementation of DPE guidelines on SD

— Draft MoU

— Review of debtors etc.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  MMTC Ltd. has prepared its first BRR for the year 2012-13. This shall be the part of our annual report for the period 2012-13 and can be viewed at www.mmtclimited.com. As per the mandate by SEBI top 100 companies by market capital have to prepare the BRR. So we intend to publish our BRR as part of our Annual Report every year 2013 onwards.

  The organization is a member of the United Nations Global Compact Network and issues Communication on Progress [COP] regularly. This is available to all our stakeholders through our website.

SECTION E – PRINCIPLE WISE PERFORMANCE

Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company?**

   Yes. The ethical conduct of the Company is reflected in the various policy initiatives, which cover not only the employees at all levels in the form of Employees Conduct, Discipline & Appeal Rules, a separate guideline is given for governing the conduct of Senior Management (including Board level executives) in the form of "Code of Business Conduct & Ethics for Board Members and Senior Management" of MMTC Limited. In addition, to promote ethical business, Policies like Integrity Pact, Whistle Blower Policy and Citizen Charter have been put in operation.

   Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? -

   Yes, the Integrity Pact, Citizen Charter cover extends to suppliers, contractors etc. while the code of conduct & whistle blower policy cover only the employees of the company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.***

   Yes, one complaint from stakeholder was received during the past financial year, which is pending before District Consumer Disputes Redressal Forum, Howrah.

Principle 2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Not applicable. MMTC is in the business of trading and as such does not involve directly in manufacturing. However, MMTC ensures highest quality of the products it trades.

Principle 3 – Businesses should promote the wellbeing of all the employees

1. **Please indicate the Total number of employees**
   The total number of employees as on 31.3.2013 is 1605

2. Please indicate the Total number of employees hired on temporary/contractual/ Casual basis.

   Total of 308 employees have been engaged on contractual basis through various agencies / societies.

3. **Please indicate the Number of permanent women employees.**
   Total number of permanent women employees– 305 (as on 31/03/2013)

4. **Please indicate the Number of permanent employees with disabilities**
   Total number of permanent employees with disabilities– 34 (as on 31/03/2013)

5. **Do you have an employee association that is recognized by management?**
   Yes

6. **What percentage of your permanent employees is members of this recognized employee association?**
   100**%**

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S.No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

— **Permanent Employees** - 979 of 1605 i.e. 60.99%
— **Permanent Women Employees –** 149 of 305 i.e. 48.85%
— **Employees with Disabilities –** 9 of 34 i.e. 26.5%

Principle 4 – Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. **Has the company mapped its internal and external stakeholders? Yes/No**

   Yes. Over the years of its existence, the organisation has identified & engaged with a varied group of stakeholders – both internal like employees, shareholders & external such as customers, communities etc.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**
   Yes, the organisation has identified vulnerable and marginalised stakeholders in the communities and has engaged with them through its CSR activities.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**
   Contributing to the welfare of communities in which it operates is a natural element of MMTC's activities. For empowering the disadvantaged, vulnerable

and marginalized stakeholders, MMTC has undertaken creation of educational infrastructure, drinking and sanitation facilities and skill development initiatives primarily in Odisha and Tamil Nadu. MMTC continues its unstinted efforts to promote clean environment through reforestation in mining areas of Bellary and Odisha, creation of check dams in Jajpur, Odisha, recharging of water body in Delhi, NCR, rain water harvesting in Goa. MMTC also supports government relief measures in times of natural calamities.

Principle 5 – Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Being Government of India Company, MMTC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human Rights. MMTC stands committed to support and respect the protection of internationally proclaimed human rights at its work places. Though there is no specific provision as such for human rights in the Manual on Personnel Management of the company or Human Rights Policy, the sub-stratum of the Manual ensures that its employees enjoy the fundamental human rights. MMTC has 3 tier grievance redressal systems called "Sahayata" for resolving employees‟ grievances. MMTC has in its management system provisions for health, safety, housing and education. Comprehensively covering all these aspects, MMTC has appropriate systems in place.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
During the FY 2012-13, four stakeholder complaints had been received out of which three were satisfactorily resolved in the same period.

Principle 6 – Businesses should respect, protect and make efforts to restore the environment

Since the organization is not involved in manufacturing, this principle is not applicable.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**
The organization does not have a written down policy on environment. However, being the member of the UN Global Compact, we are mandated to function in an environmentally responsible fashion.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**
MMTC is committed towards environmental upkeep through afforestation in the mining areas, development of tribal areas and infrastructure development through port facilities. The Organisation regularly reports on its various initiatives through the Communication on Progress [COP] for the UN Global Compact.

3. **Does the company identify and assess potential environmental risks? Y/N**
   While the organization is not directly involved in manufacturing, it is mandated to function in an environmentally responsible fashion. MMTC has framed Sustainable Development Policy as per the guidelines issued by DPE, GoI. It has also developed a SD plan as per which projects related to environmental aspects have been identified & implemented.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   No

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   No

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Not Applicable

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   Not Applicable

Principle 7 – Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**
   a. CII
   b. FIEO
   c. FICCI
   d. ACCOCHAM

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**

   The Organization has not advocated/lobbied through above Associations on matters relating to public good.

Principle 8 – Businesses should promote inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   Although the organization is not involved in manufacturing products and therefore doesn’t create any direct negative impact on the environment & society where it operates, still it has a CSR policy. MMTC also adopted the CSR

Guidelines issued by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India. MMTC has structured process of spending a portion of its earnings in CSR activities that are directed towards the betterment of the society. During the year 2012-13 MMTC spent 1.97 Crores on the CSR activities including creation of education infrastructure, Primary Health Care, Literacy Promotion/Skill Development, Promotion of sports, art & culture, CSR advocacy etc

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**
   MMTC has Implementation Committees on CSR & SD consisting of Independent Director and Functional Directors with officials of CGM/GM level as Member Secretary. The CSR division thoroughly evaluates the various CSR proposals. Thereafter CSR proposals which fall within the parameters laid down in the Annual MOU and MMTC's CSR/SD Policies are forwarded along with its observations to the Implementation Committee. The proposals so submitted are considered by the Implementation Committee and proposals accepted by the Committee are forwarded to the CMD of the corporation, who is the final authority, for approval. The proposals so approved are then executed. Depending upon the geographical area in which the project will be undertaken, the concerned Regional office is directed to monitor and implement the project either directly or in association with a private /public partner. For each project a nodal officer is duly appointed whose task is to monitor timely completion of the project and update the corporate office with respect to the status of completion of the project. Upon completion the projects are evaluated by an independent agency.

3. **Have you done any impact assessment of your initiative?**
   The Impact Assessment/ Social Audit is undertaken by an independent agency in order to assess the "social impact" of the CSR activities undertaken by MMTC.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   MMTC continues with its commitment towards community development and invested 3% of its profit of 2011-12 on various projects undertaken during 2012-13 in the area of education, health, sports, etc. The details of various projects are given below:
   - Creation of drinking water & sanitation facilties at 5 Govt. schools in Joda-Barbil.
   - Creation of wash room facilites in Govt. school, Padappai, Chennai.
   - Construction of classrooms in Saraswati Shishu Mandir, Chandanbhati, Odisha.
   - Development of burial ground at Gobarghati, District Jajpur, Odisha.
   - Equipments for ISKCON's kitchens for promoting Govt mid day meal scheme in Delhi/NCR.
   - Installation of Rain water harvesting system in Regina Mundi High School, Chicalim, Goa.
   - ALIMCO-Camps in Kolkata for distributing assistive devices to PwDs.
   - INDIAN CANCER SOCIETY- Cancer screening/ Mammography for women from economically and socially deprived background.
   - HELPAGE INDIA- Provision of Mobile Medicare Units for facilitating health care in remote areas of Rajasthan.

- ICARE Foundation-Purchase of Keratometer and Slit Lamps to facilitate conduct of free OPD.
- District Red Cross Society-purchase of raw materials for assistive equipment to be distributed to physically challenged persons.
- Ambulance for St. John's, Ambulance brigade, Odisha to promote timely assistance to trauma victims.
- Equipments for Rajdhani Charitable eye care & medical centre to promote free eye care.
- Providing medical equipment for Ramakrishna Mission, Purulia to provide medical facility to people of the area belonging to socially and economically deprived sections of society.
- Physio therapy Equipment for school for Deaf – Mute Society, Ahmedabad
- CHINH-Purchase of equipments for imparting skill development trainings like stitching, photography, computer and multi-media, to women from economically weaker sections.
- Creation of Self employment/employability in Sarangpur and Gobarghati, Odisha.
- Computer, tables and cupboards for Vikas Gruha, Ahmedabad.
- Leprosy Mission Trust-equip for skill development.
- PHFI-sponsorship of students to create professionals for providing medical facilities to persons in rural areas.
- Sangeet Vandana-Supported “Suron ke Ustaad-2”- an event for the differently abled children.
- Khorda Zilla Lok Utsav-2012 promoted to encourage sports among the rural youth.
- Shahabad Hockey Centre-procurement of various equipments to promote hockey.
- ALPANA-Supported SAMBHAV 2012-an event for persons with disability
- Suryaprava-Mega Cycling Marathon-sponsorship of t-shirts, caps and hoardings.
- SDRS- National Symposium on Disability Management in Agriculture and Farming.
- JAN AKANSHA-holding of workshops for women empowerment & protection of rights.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The projects implemented by MMTC were identified through the assessment survey carried out by a professional NGO.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   There were no complaints of such nature in the reporting period.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**
   Not Applicable. The organization is not involved in the manufacturing of the products & its activity is limited to only trading.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**.
   One case has been filed before District Consumer Disputes Redressal Forum, Howrah relating to quality of gold medallion purchased from MMTC. The case is pending for redressal.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
   MMTC has carried out following surveys –

   (i) Study report on efficiency of services to all categories of customers by MMTC

   (ii) Survey of quality of Sanchi Silverware products of MMTC and competitors

   (iii) Viability report on marketing of MMTC branded jewellery.

Annexure to Directors' Report

Conservation of Energy: Power and Fuel Consumption

Under section 217(1)(e) of the Companies Act 1956, statement containing particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the financial year ended 31.03.2013 for Disclosure of particulars with respect to Conservation of Energy:

Sl. No.			Current Year (2012-13)	Previous Year (2011-12)
1.	Electricity	Purchase (KWh) (At Annual Minimum Guarantee) Total cost (Rs. in lacs) Average Rate (Rs/kwh)	3,09,012 12.38 4.01	3,09,012 12.38 4.01
2.	Coal	Quantity (MT) Total cost (Rs. in lacs) Average Rate (Rs. per MT)	- - -	- - -
3.	Diesel Oil	Purchase (Lt.) Total Cost (Rs. in lacs) Average Rate(Rs. per Lt.)	- - -	- - -
4.	LDO	Purchase (Lt.) Total cost (Rs. in lacs) Average Rate (Rs.per Lt.)	- - -	- - -

JAIN KAPILA ASSOCIATES

CHARTERED ACCOUNTANTS

Compliance certificate on Corporate Governance

To the Members of MMTC Limited,

We have examined the compliance of conditions of Corporate Governance by MMTC Ltd. for the year ending March 31, 2013 as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate Governance as stipulated in the above mentioned Listing agreement except the following conditions:

(i) Sub-para A(ii) of para I of clause 49 of the said Listing Agreement regarding strength of Independent Directors, where the Chairman of the Board is an executive director, at least half of the Board of Directors.

However, with the induction of five more independent directors on the Board of MMTC Ltd. during April 2013 to July 2013, the company had complied with the said condition as on date.

(ii) Sub-para D(ii) of para I of clause 49 of the said Listing Agreement regarding affirmation of compliance by all board members and senior management personnel with the code on an annual basis. The said affirmation was not submitted by one officer (General Manager) who is under suspension.

(iii) Sub-para C of para IV of clause 49 of the said Listing Agreement in respect of disclosure of risk assessment and minimisation to the board members. However, same was disclosed to the Audit Committee of Directors.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Date: 13 August, 2013

Place: New Delhi

For **JAIN KAPILA ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 000287N

Sd/-
D.K. Kapila
Sr. Partner
M. No. 016905

C-4, F.F. JANGPURA EXTENSION, NEW DELHI-110 014
PHONES: 24313432, 24313422, 23587443 TELEFAX: 24313432
EMAIL: dkkapila@gmail.com ; WEBSITE: www.jainkapilaassociates.com

संख्या / No. PDCA-I/MD/CHC/29-3/2013-14/246

गोपनीय

भारतीय लेखा तथा लेखापरीक्षा विभाग,
कार्यालय प्रधान निदेशक वाणिज्यिक लेखापरीक्षा
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड–1
INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-1

दिनाँक/Dated 30/7/2013

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
एम एम टी सी लिमिटेड,
नई दिल्ली

विषय:-कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन एम एम टी सी लिमिटेड के 31 मार्च 2013 को समाप्त वर्ष के लेखाओं पर भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियां ।

महोदय,

कम्पनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च 2013 को समाप्त हुए वर्ष के लिए **एम एम टी सी लिमिटेड** के लेखाओं पर भारत के नियंत्रक-महालेखा परीक्षक की **टिप्पणियाँ** अग्रेषित की जाती हैं । इन **टिप्पणियों** को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए और कम्पनी की महासभा में उसी समय व उसी प्रकार रखा जाए जिस प्रकार सांविधिक लेखा परीक्षकों की लेखा परीक्षा रिपोर्ट रखी जाती है ।

भवदीय,

विमलेन्द्र पटवर्धन

संलग्नः टिप्पणियाँ

(विमलेन्द्र पटवर्धन)
प्रधान निदेशक

तृतीय तल, ए–स्कन्ध, इन्द्रप्रस्थ भवन, इन्द्रप्रस्थ एस्टेट, नई दिल्ली–110002
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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956, ON THE ACCOUNTS OF MMTC LIMITED FOR THE YEAR ENDED 31 MARCH 2013

The preparation of financial statements of **MMTC Limited** for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956, is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956, are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 30 May 2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **MMTC Limited** for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and the Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 619(4) of the Companies Act, 1956 which has come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related Audit Report.

Comment on Financial Position

Balance Sheet
Assets
Non-Current Assets
Non-Current Investments (Note No.6.2) - ₹ 469.74 crore

The above head includes an investment of ₹ 26 crore in Indian Commodity Exchange Limited (ICEX) which has incurred losses since inception eroding 74 *percent* of its Share Capital by 2012-13, with no possibility of breakeven in the next 7-8 years as per management's own perception. The management has not ascertained and provided for the permanent diminution in the value of investment in accordance with AS 13- 'Accounting for Investments' issued by the Institute of Chartered Accountants of India.

For and on behalf of the
Comptroller and Auditor General of India

30/7/2013

Place: New Delhi

Dated: 30/7/2013

(Vimalendra Patwardhan)
Principal Director of Commercial Audit
& ex-officio Member, Audit Board-I,
New Delhi.

	COMMENTS OF C&AG UNDER SECTION 619 (4) OF COMPANIES ACT, 1956 AND MANAGEMENT'S REPLY ON THE ACCOUNTS FOR 2012-13	
	COMMENTS OF C&AG	**MANAGEMENT'S REPLY**
	Balance Sheet **Assets** **Non-Current Assets** **Non-Current Investments** **(Note No. 6.2) - ₹ 469.74 crore** The above head includes an investment of ₹ 26 crore in Indian Commodity Exchange Limited (ICEX) which has incurred losses since inception eroding 74 percent of its Share Capital by 2012-13, with no possibility of breakeven in the next 7-8 years as per management's own perception. The management has not ascertained and provided for the permanent diminution in the value of investment in accordance with AS-13 – 'Accounting for Investments' issued by the Institute of Chartered Accountants of India'.	Indian Commodity Exchange Limited (ICEX) is a joint venture company in which MMTC has 26% share. It is a long term investment. Due to various promotional expenses in the initial years there have been accumulated losses. ICEX has recently initiated various measures to infuse additional capital by inducting strategic partner, revamping managerial personnel, exploring options of merger with other exchange etc. The above measures will pay positive results in foreseeable future with the improvement in Indian economy. Therefore, the management does not consider the present erosion in share capital as permanent diminution in the value of investment and accordingly no provision is considered necessary.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MMTC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MMTC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, annexed thereto in which are incorporated the accounts of Corporate Office, MICA division, Jhandewalan Regional Office and Sub-regional Offices which are under Jhandewalan Regional Office audited by us and the other Regional Offices and Sub-regional Offices audited by other Independent Auditors and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Our observation in-respect of the inadequacies in the internal control systems, as stated in para (iv) of Annexure to the main audit report, which may have consequential effect on the accounts for the year. (Effect not ascertainable)

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;

(b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

(a) It is observed that due to recording of many incorrect / unexplained accounting entries deliberately recorded in the books at Regional Office Hyderabad with a view to suppress the actual sundry debtors recoverable from party / group the Management has directed a special audit to ascertain the amount actually recoverable. Based on itsreport a provision of INR 2288.20 million (P.Y.INR**NIL**million) has been made on account of un-recoverability of the amount from the said sundry debtor. [Refer note no. 17(ii)]

(b) Subsequent to the submission of the final report of special audit a further provision of INR 155.44 million (P.Y. INR1002.50 million) is made on account of certain acts of commission & omission pertaining to recoverable from debtors at Regional Office Chennai. [Refer note no. 17(i)]

(c) Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities in many cases have not been confirmed and consequentreconciliation / adjustments if any, required upon such confirmation are not ascertainable. (Refer note no. 39)

(d) The RMS software is not reflecting correct inventory of Sanchi items due to the problems in the package. Manual record of inventory of Sanchi items is also not maintained.

(e) Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer note no. 23)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on 31March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **JAIN KAPILA ASSOCIATES**
Chartered Accountants
(Firm Registration No. 000287N)

D.K. Kapila
(Partner)
(Membership No. 016905)

Place: New Delhi

Date: 30 May, 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situationof fixed assets.

b. The fixed assets were physically verified during the previous year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

ii. In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management needs to be strengthen in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, *subject to our observation mentioned in Emphasis of Matter(d)in the audit report*,the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the the Company and the nature of its business for the purchase of fixed assets. ***As regards the purchases and sales of goods and stocks that are dealt with by the Company needs to be strengthened further as it is noticed that due to delay/absence in price fixing with the foreign supplier, the purchases and the further stock transferred remains unrecorded in the books.***

Further, the internal control mechanism needs to be strengthened, besides the areas mentioned hereinbefore, in the following areas:

(a) Periodic quantitative reconciliation of goods traded by the company (particularly bullion/retail trade) between the ERP and other standalone inventory system (RMS).

(b) ***Risk management particularly at foreign exchange exposure and its subsequent documentation / record keeping and also time-to-time monitoring of the risk to the Company.***

(c) ***The books of accounts at Regional Office Hyderabad contain many incorrect / unexplained accounting entries deliberately recorded to suppress sundry debtors recoverable from a particular party / group during the financial years 2011-12 & 2012-13.***

(d) ***Wherever claims / recoveries on account of subsidy allowable / allowed by the Central / State Government in-respect of agro products imported at its behest and follow-up of old debts,advances, claims, court cases by respective commodity division.***

(e) ***As the prevalent/existing ERP system being quite old and obsolete and the same being not audit and Internal control friendly needs to be revamped in the light of the complexities in the bullion business, changing reporting requirements and concept of maker / checker to be rigorously enforced. However the Company has initiated steps to replace the existing ERP system.***

(f) ***Entries are not passed in the accounts / stock records signifying the obtaining of jewelry against the bullion given & vice-versa for the purpose of exhibition / normal trade.***

(g) **Differences and lack of reconciliation in-respect of sales and purchases, input / output VAT as per financial records vis-à-vis sales, purchases, input / output VAT.**

(h) ***Accounting entries in-respect of High Sea Sale should be as per the respective sale agreement with the respective customers.***

v. There were no transactions that needed to be entered into the Register maintained in pursuance of Section 301 of the Companies Act, 1956 during the year under audit.

vi. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.

vii. ***In our opinion, the internal audit functions carried out by the management needs to be well structured, more exhaustive & extensive both in terms of scope & periodicity; the exercise carried out by external Internal Auditor's/ Internal Audit Departmentis not commensurate with the existing programme of the Company and the nature of its business. The same is noted to be very inadequate at Regional Office Hyderabad & Regional Office Chennai in particular. However, management has initiated the steps to strengthen internal audit system.***

viii. The Government of India has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the services rendered by the Company.

ix. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax,Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax,Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2013 on account of disputes are referred to in Annexure 'A'

x. The Financial Statements of the Company as at 31 March, 2013 do not show any accumulated losses. Though the Company has reported an overall loss for INR 706.24 million which is on account of fraud perpetrated against the Company; the Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xi. According to the records of the Company examined by us and as per the information and explanations given to us,the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

xii. According to the information and explanations given to us,the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities; except certain loans to employees who have been granted on the basis of security of house and vehicles and in this regard proper documents & records are maintained. In respect of loans to its employees other than those as stated already, are granted without any security.

xiii. In our opinion the Company is not a chit fund/nidhi/mutual benefit fund/society. Therefore, the provision of clause No. 4(xiii) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.

xiv. In our opinion, the Company is not dealing or trading in shares, securities, debenture and other investments. Accordingly, the provision of clause No. 4(xiv) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us the terms & conditions of the guarantee given by the Company for loans taken by NeelanchalIspat Nigam limited (an associate company) from banks or financial institutions are not prima facie pre-judicial to the interest of the Company.

xvi. According to the information and explanations given to us,the Company has not taken any term loans during the year. Hence, the provision of clause No. 4(xvi) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.

xvii. According to the information and explanations given to us and upon overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie,* not been used during the year for long-term investment.

xviii. According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xix. According to the information and explanation given to us, during the year covered by our audit report, the Company has not issued any debentures during the year and hence, the provision of clause No. 4(xix) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.

xx. The Company has not raised any money by way of Public Issue during the year; therefore, the provision of clause No. 4(xx) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.

xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us,we have come across following instances of material fraud on the Company during the year, as reported by the Management:-

(a) Regional Office, Hyderabad

The books of accounts at Regional Office Hyderabad contain many incorrect / unexplained accounting entries deliberately recorded to suppress sundry debtors recoverable from a particular party / group during the financial years 2011-12 & 2012-13.

For **JAIN KAPILA ASSOCIATES**
Chartered Accountants
(ICAI Registration No. 000287N)

Place: New Delhi

Date: 30 May 2013

D.K. Kapila
Partner
(Membership No. 16905)

ANNEXURE 'A' TO AUDITORS' REPORT

Referred to in paragraph 9(b) of Annexure, a statement on the matters specified in the Companies (Auditors Report) Order, 2003 (as amended) of MMTC Limited for the year ended on 31st March 2013.

According to the records of the company dues of Income Tax, Sales Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of disputes are stated below:

CHENNAI REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
TNGST ACT	Sales Tax, Penalty & Interest	8,63,114	1998-99	Madras High Court
TNGST ACT	Sales Tax, Penalty & Interest	4,43,416	2000-01	Sales Tax Appeals Tribunal
TNGST ACT	Sales Tax, Penalty & Interest	11,52,785	1999-2000	Madras High Court
TNGST ACT	Sales Tax, Penalty & Interest	1,78,536	2001-02	Asst. Commissioner (Comm. Tax),Chennai

MUMBAI REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
BST ACT	Sales Tax	3,08,644	1986-87	Joint Comm. of Sales Tax
BST ACT	Sales Tax	5,19,887	1987-88	Joint Comm. of Sales Tax
BST ACT	Sales Tax	1,33,907	1988-89	Joint Comm. of Sales Tax
BST ACT	Sales Tax	14,96,06,778	1989-90	MST Tribunal
BST ACT	Sales Tax	23,30,46,478	1990-91	Dy. Comm., Sales Tax
BST ACT	Sales Tax	28,98,738	1991-92	Dy. Comm., Sales Tax
BST ACT	Sales Tax	11,14,933	1992-93	MST Tribunal
BST ACT	Sales Tax	45,03,961	2001-02	Dy. Comm., Sales Tax

DELHI REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
Delhi Sales Tax	Sales Tax	11,65,303	1984-85	D.C. appeal
Delhi Sales Tax	Sales Tax	6,18,17,683	1986-87	Addl. Commissioner
Central Sales Tax	Sales Tax	39,14,524	1986-87	Addl. Commissioner
Delhi Sales Tax	Sales Tax	4,03,31,557	1987-88	Addl. Commissioner
Central Sales Tax	Sales Tax	28,54,992	1987-88	Addl. Commissioner
Delhi Sales Tax	Sales Tax	3,69,45,148	1988-89	Addl. Commissioner
Central Sales Tax	Sales Tax	31,43,485	1988-89	Addl. Commissioner
Delhi Sales Tax	Sales Tax	16,35,160	1987-88	Joint Commissioner

HYDERABAD REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
APGST	Sales Tax	1,49,770	1989-90	STAT
APGST	Sales Tax	29,61,551	1990-91	STAT, Vizag
APGST	Sales Tax	24,02,576	1991-92	STAT, Vizag
APGST	Sales Tax	13,96,269	1992-93	STAT, Vizag
APGST	Sales Tax	17,62,687	1993-94	STAT, Vizag
APGST	Sales Tax	6,30,615	1993-94	STAT, Vizag
CST	Central Sales Tax	4,41,446	1993-94	STAT, Vizag
CST	Central Sales Tax	2,04,481	1994-95	AC(LTU)
CST	Central Sales Tax	5,97,266	1995-96	STAT, Vizag
APGST	Sales Tax	38,03,875	1995-96	STAT, Vizag
APGST	Sales Tax	28,80,309	1996-97	STAT, Vizag
CST	Central Sales Tax	21,34,306	1996-97	STAT, Vizag
APGST	Sales Tax	58,43,100	1997-98	STAT, Vizag
CST	Central Sale Tax	6,35,504	1997-98	ADC(CT)
APGST	Sales Tax	55,65,147	1998-99	STAT, Vizag
APGST	Sales Tax	39,04,454	1999-2000	STAT, Vizag
APGST	Sales Tax	2,52,926	2000-2001	STAT, Vizag
APGST	Sales Tax	2,12,176	2001-02	AC (LTU)
APGST	Sales Tax	68,901	2002-03	AC (LTU)
APGST	Sales Tax	34,856	2003-04	AC (LTU)
APGST	Sales Tax	1,26,000	2004-05	AC (LTU)
VAT	VAT	6,76,058	2006-07	STAT
VAT	VAT	71,000	2007-08	AC(LTU)
VAT	VAT	5,00,000	2008-09	STAT, Vizag
VAT	VAT	11,90,100	2008-09	STAT, Vizag
Central Excise & Customs	Custom Duty	24,11,17,719	2008-09	Commissioner of Customs & Central Excise

BHUBANESHWAR REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
Orissa Sales Tax	Interest Penalty	9,58,035	1966-67	High Court of Orissa
Orissa Sales Tax	Odisha Sales Tax	7,79,135	1977-78	-- do ---
Orissa Sales Tax	Interest Penalty	26,50,388	1978-79	-- do ---
Orissa Sales Tax	Odisha Sales Tax	34,00,919	1978-79	-- do ---
Orissa Sales Tax	Odisha Sales Tax	1,70,046	1978-79	-- do ---
Orissa Sales Tax	Interest Penalty	6,53,452	1979-80	-- do ---
Orissa Sales Tax	CST	33,04,073	1981-82	-- do ---
Orissa Sales Tax	Odisha Sales Tax	78,46,464	1982-83	-- do ---
Orissa Sales Tax	Odisha Sales Tax	3,16,921	1982-83	-- do ---
Orissa Sales Tax	Central Sales Tax	34,83,020	1982-83	-- do ---
Orissa Sales Tax	Interest	2,62,819	1982-83	-- do ---
Orissa Sales Tax	Odisha Sales Tax	79,13,807	1983-84	-- do ---
Orissa Sales Tax	Odisha Sales Tax	3,29,926	1983-84	-- do ---
Orissa Sales Tax	Odisha Sales Tax	35,42,822	1983-84	-- do ---
Orissa Sales Tax	Odisha Sales Tax	86,48,326	1984-85	-- do ---
Orissa Sales Tax	Odisha Sales Tax	3,69,294	1984-85	-- do ---
Orissa Sales Tax	Central Sales Tax	57,96,808	1984-85	-- do ---
Orissa Sales Tax	Interest	3,57,42,030	1978-79	-- do ---

Orissa Sales Tax	DEPB	14,98,22,308	2006-09	Addl. Commissioner of Sales Tax, Odisha
Orissa Sales Tax	DEPB	5,08,43,080	2010-12	Addl. Commissioner of Sales Tax, Odisha
Central Excise Act	Service Tax	7,96,40,918	2003-05	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	12,92,49,705	2003-07	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	2,40,11,786	2007-08	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	6,50,24,480	2008-10	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	5,02,62,584	2010-11	Comm., Customs excise & service tax. Bhubaneswar
Central Excise Act	Service Tax	3,23,262	2005-07	Customs, Excise & Service Tax Appellate Tribunal

JAIPUR REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
R.S.T ACT	Sales Tax	1,34,20,050	2003-04	DC (Appeals) Rs. 35,49,446/- has been deposited under protest.
R.S.T ACT	Sales Tax	26,07,605/-	1999-00	Rajasthan Tax Board
RAJ VAT ACT	VAT	326,47,269/-	2010-11	KAR Board
CST ACT	CST	59,92,494/-	2010-11	KAR Board
R.S.T ACT	VAT	17,09,102/-	2010-11	Assessing Officer

VIZAG REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
A.P.G.S.T ACT	Sales Tax	18,56,325	1968-69	STAT, HYD.
A.P.G.S.T ACT	Sales Tax	26,39,647	1981-82	ADC, Vizag
A.P.G.S.T ACT	Sales Tax	6,88,552	1982-83	ADC, Vizag
A.P.G.S.T ACT	Sales Tax	17,66,784	1983-84	ADC
A.P.G.S.T ACT	Sales Tax	30,00,436	1984-85	ADC
A.P.G.S.T ACT	Sales Tax	25,05,806	1985-86	STAT,Vizag
A.P.G.S.T ACT	Sales Tax	2,70,83,841	1986-87	STAT, Vizag
A.P.G.S.T ACT	Sales Tax	36,45,076	1987-88	ADC
A.P.G.S.T ACT	Sales Tax	19,34,139	1991-92	AC LTU
A.P.G.S.T ACT	Sales Tax	4,79,000	1989-90	STAT
CST	Sales Tax	8,41,695	1994-95	AC LTU
CST	Sales Tax	48,62,340	1995-96	STAT, Hyderabad
CST	Sales Tax	33,58,889	1996-97	STAT, Hyderabad
A.P.G.S.T ACT	Sales Tax	25,27,960	1997-98	STAT, Hyderabad
CST	Sales Tax	104,614	2007-08	ADC
Central Excise & Customs	Service Tax	12,65,26,554	2003 - 2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore

KOLKATA REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
CST ACT 1956	Sales Tax	11,30,858	2005-06	Appellate Board
CST ACT 1956	Sales Tax	77,60,971	2006-07	DC Appeal
WB VAT ACT	VAT	8,28,126	2008-09	DC Appeal
CST ACT 1956	Sales Tax	2,05,794	2008-09	DC Appeal

JHANDEWALAN REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
Delhi VAT	CST/LST/Interest/Penalty (Gold commemorative Medallions)	4,90,85,551 37,45,290	1997-98 2002-03	Appellate Tribunal VAT, Delhi Commissioner, DVAT
UP-VAT	VAT+ Interest for non-submission of Form – 3B (Gold) & Non-submission of Form 3C1 (Mentha Oil)	2,88,866 6,11,808 2,49,828	1995-96 1996-97 2007-08	Allahabad High Court Allahabad High Court Commissioner, UP-VAT
Customs Department, Delhi	Customs Duty & Interest on non- export of Gold Jewellery against gold loan taken by associates	2,72,67,919	1999-2000	Delhi High Court

	REPLIES TO AUDITORS OBSERVATIONS IN THE AUDIT REPORT ON THE ACCOUNTS FOR 2012-13	
	AUDITORS' OBSERVATION	**MANAGEMENT'S REPLY**
1.	**Basis for Qualified Opinion** *Our observation in-respect of the inadequacies in the internal control systems, as stated in para (iv) of Annexure to the main audit report, which may have consequential effect on the accounts for the year. (Effect not ascertainable)*	
	Observations at Para (iv) of annexure to the main audit report	
	As regards the purchases and sales of goods and stocks that are dealt with by the Company needs to be strengthened further as it is noticed that due to delay/absence in price fixing with the foreign supplier, the purchases and the further stock transferred remains unrecorded in the books.	Stocks of gold/silver is issued for manufacturing of medallion, jewellery and Sanchi Silver items without fixing the price. The pricing of the material is done with the foreign supplier after the sale is finalized so as to avoid any risk of adverse fluctuation in price. The system of recording of stocks transferred for manufacturing in books of accounts at the time of issue shall be further strengthened. However, liability against the bullion remaining un-priced at the close of the year is provided in books of accounts after due reconciliation.
	Further, the internal control mechanism needs to be strengthened, besides the areas mentioned hereinbefore, in the following areas:	
	a. *Periodic quantitative reconciliation of goods traded by the company (particularly bullion/retail trade) between the ERP and other standalone inventory system (RMS).*	Corrective steps have been taken by the company to do periodic reconciliation of stocks of bullion/retail trade appearing in RMS with the stocks shown in ERP and also physically verified stocks. In the meantime, company has also taken decision to replace the existing ERP systems with a robust new ERP package which will have inbuilt features facilitating periodic reconciliation of stocks.
	b. *Risk management particularly at foreign exchange exposure and its subsequent documentation / record keeping and also time-to-time monitoring of the risk to the Company.*	During October, 2012, the company has taken decision to discontinue availing buyers/suppliers' credit in bullion trade. Further, at present in all cases of Non-Bullion foreign currency credit on MMTC's account, the risk of foreign currency fluctuation is being fully hedged at the time of availing of credit which is being monitored through Corporate Office.

	c. *The books of accounts at Regional Office Hyderabad contain many incorrect / unexplained accounting entries deliberately recorded to suppress sundry debtors recoverable from a particular party / group during the financial years 2011-12 & 2012-13.*	Forensic Audit /Review of the bullion transactions at RO Hyderabad was got done through KPMG who have submitted their report. Based on the report, the debtors' balances have been re-stated in books of accounts as on 31.3.2013 and full provision has been made against such recoverable. Necessary remedial measures like strengthening Internal/concurrent audit, rotational transfer of officials, introduction of maker and checker concept in preparing vouchers etc. have been taken.
	d. Wherever claims / recoveries on account of subsidy allowable / allowed by the Central / State Government in-respect of agro products imported at its behest and follow-up of old debts, advances, claims, court cases by respective commodity division.	Subsidy claims in respect of Agro Products are filed by the company on consolidated basis with the Government at Corporate Office based on the documents provided by Regional Offices. Claims shown in excess of admissible amount has been withdrawn as at 31st March, 2013 at RO /CO. Efforts are made to realize old dues by taking all possible measures.
	e. As the prevalent/existing ERP system being quite old and obsolete and the same being not audit and Internal control friendly needs to be revamped in the light of the complexities in the bullion business, changing reporting requirements and concept of maker / checker to be rigorously enforced. However the Company has initiated steps to replace the existing ERP system.	The company has already taken decision to replace the existing ERP system with a suitable ERP in commensurate with the present business model and requirements of the company.
	f. Entries are not passed in the accounts / stock records signifying the obtaining of jewelry against the bullion given & vice-versa for the purpose of exhibition / normal trade.	This will be reviewed during the current year and suitable accounting instructions will be issued to all ROs for compliance as per Accounting Standards. However, subsidiary stock records are maintained.
	g. Differences and lack of reconciliation in-respect of sales and purchases, input / output VAT as per financial records vis-à-vis sales, purchases, input / output VAT.	The existing ERP system does not have features of generating VAT returns through ERP and hence it is reconciled manually after filing of the return from time to time. However, year-end figures are duly reconciled before close of accounts.
	h. Accounting entries in-respect of High Sea Sale should be as per the respective sale agreement with the respective customers.	The present practice being followed will be reviewed and suitable guidelines wherever required will be issued.

2	**Emphasis of Matter**	
	(a) It is observed that due to recording of many incorrect / unexplained accounting entries deliberately recorded in the books at Regional Office Hyderabad with a view to suppress the actual sundry debtors recoverable from party / group the Management has directed a special audit to ascertain the amount actually recoverable. Based on its report a provision of INR 2288.20 million (P.Y. INR **NIL** million) has been made on account of un-recoverability of the amount from the said sundry debtor. [Refer note no. 17(ii)]	The company has conducted special audit of the bullion transaction at RO Hyderabad through KPMG who have submitted their report and based on the report the debtors' balances have been re-stated in books of accounts as on 31.3.2013 and full provision amounting to Rs 2288.20 million has been made. The concerned officials (5) have been placed under suspension. The company also filed complaint with CBI who have since registered a case and started detailed investigation. The Party has accepted the liability. The Company is making all efforts to recover the dues through legal process.
	(b) Subsequent to the submission of the final report of special audit a further provision of INR 155.44 million (P.Y. INR 1002.50 million) is made on account of certain acts of commission & omission pertaining to recoverable from debtors at Regional Office Chennai. [Refer note no. 17(i)]	Full provision has been made against the balance amount of Rs 155.44 million during the year by RO Chennai based on the findings of special audit conducted through a firm of Chartered Accountants. The Company is making all efforts to recover the dues through legal process.
	(c) Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities in many cases have not been confirmed and consequent reconciliation / adjustments if any, required upon such confirmation are not ascertainable. (Refer note no. 39)	Letters are issued to parties seeking confirmation of balances outstanding in the books of MMTC to confirm the balances. It is also mentioned that in case no communication is received before stipulated date, the balance indicated shall be treated as confirmed. However, the parties generally do not send specific confirmation. ROs have not reported receipt of any adverse communication. The process will be strengthened further and will be monitored closely during current year. Guidelines have also been issued to settle the account on transaction to transaction basis.
	(d) The RMS software is not reflecting correct inventory of Sanchi items due to the problems in the package. Manual record of inventory of Sanchi items is also not maintained.	At one of the Regional Offices the stocks maintained in Retail Management System (RMS) software could not be reconciled in time with the physically verified balance due to problems in the software. However, in the meantime, separate manual records are also being maintained now until the problem in the RMS systems is satisfactorily resolved.

	(e) Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer note no. 23)	This relates to GRs pending since 1991-92. Liability, if any will be provided as and when any demand is raised and settled by the company. At present the liability can not be ascertained.
	Annexure to Independent Auditor's Report	
3	**INTERNAL AUDIT**	
	In our opinion, the internal audit functions carried out by the management needs to be well structured, more exhaustive & extensive both in terms of scope & periodicity; the exercise carried out by external Internal Auditor's / Internal Audit Department is not commensurate with the existing programme of the Company and the nature of its business. The same is noted to be very inadequate at Regional Office Hyderabad & Regional Office Chennai in particular. However, management has initiated the steps to strengthen internal audit system.	The Company has taken following measures to strengthen Internal Audit:- - Internal Audit Div brought directly under CMD from Jan, 2012 - External Internal Audit firms are engaged who are on the panel of C&AG - Scope of Internal Audit enlarged so as to cover all the important areas - Periodicity of Internal audit report made quarterly from half yearly basis. - Special audit got conducted at all the major bullion centers - Concurrent audit started at all ROs through MMTC's officer deployed in Internal Audit Division. - Detailed Internal Audit Manual is under finalization. - Special teams of MMTC's officials deployed at some of the ROs to independently inspect the records and transactions - Additional manpower has also been deployed in Internal Audit division.
4	***MATERIAL FRAUDS***	
	Regional Office, Hyderabad *The books of accounts at Regional Office Hyderabad contain many incorrect / unexplained accounting entries deliberately recorded to suppress sundry debtors recoverable from a particular party / group during the financial years 2011-12 & 2012-13.*	Refer reply at 2 (a) above.

MMTC LIMITED

FINANCIAL STATEMENTS
FOR
THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

MMTC LIMITED

BALANCE SHEET AS AT 31-03-2013

(₹ in Million)

	Note No.	AS AT 31-03-2013		AS AT 31-03-2012	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS	3				
Share Capital	3.1	**1,000.00**		1,000.00	
Reserves & Surplus	3.2	**12,407.78**	**13,407.78**	13,214.01	14,214.01
NON-CURRENT LIABILITIES	4				
Other Long term liabilities	4.1	**191.18**		44.81	
Long-term provisions	4.2	**1,701.94**	**1,893.12**	1,373.72	1,418.53
CURRENT LIABILITIES	5				
Short-term borrowings	5.1	**14,782.91**		34,298.66	
Trade payables	5.2	**26,704.05**		32,996.07	
Other current liabilities	5.3	**8,994.19**		18,331.95	
Short-term provisions	5.4	**1,198.68**	**51,679.83**	2,123.48	87,750.16
Total :			**66,980.73**		**103,382.70**
ASSETS					
NON-CURRENT ASSETS	6				
Fixed Assets	6.1				
Tangible assets	6.1.1	**864.73**		972.61	
Intangible assets	6.1.2	**1.64**		0.00	
Capital Work-in-progress	6.1.3	**54.94**		-	
Non-current investments	6.2	**4,697.36**		4,672.87	
Deferred tax assets (net)	6.3	**1,454.24**		714.96	
Long-term loans and advances	6.4	**1,129.81**		1,095.05	
Other non-current assets	6.5	**17.43**	**8,220.15**	22.91	7,478.40
CURRENT ASSETS	7				
Current investments	7.1	**150.03**		-	
Inventories	7.2	**8,888.24**		9,244.03	
Trade receivables	7.3	**22,240.97**		27,706.10	
Cash and Bank Balances	7.4	**14,600.51**		28,531.16	
Short-term loans and advances	7.5	**11,141.52**		20,147.25	
Other current assets	7.6	**1,739.31**	**58,760.58**	10,275.76	95,904.30
Total :			**66,980.73**		**103,382.70**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 30.05.2013
Place : New Delhi

MMTC LIMITED					
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013					
					(₹ in Million)
	Note No.	**YEAR ENDED 31-03-2013**		**YEAR ENDED 31-03-2012**	
INCOME					
Revenue from operations	8	**285,983.59**		663,248.84	
Other Income	9	**3,179.05**	**289,162.64**	7,270.11	670,518.95
Total Revenue			**289,162.64**		**670,518.95**
EXPENSES					
Cost of materials consumed	10	**2,677.61**		5,484.10	
Purchases of Stock-in-Trade	11	**265,089.34**		646,171.63	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	**87.76**		(2,776.36)	
Employee benefits expense	13	**2,029.21**		1,843.61	
Finance costs	14	**2,194.66**		5,764.25	
Depreciation and amortization expense		**119.70**		120.03	
Other expenses	15	**15,671.95**	**287,870.23**	12,150.81	668,758.07
Total expenses			**287,870.23**		**668,758.07**
Profit before exceptional and extraordinary items and tax			**1,292.41**		**1,760.88**
Exceptional Items	16		**127.15**		(1.29)
Profit before extraordinary items and tax			**1,165.26**		**1,762.17**
Extraordinary Items	17		**2,443.64**		1,002.05
Profit before tax			**(1,278.38)**		**760.12**
Tax expense:					
- Current tax					
Provision for Taxation		**257.23**		533.50	
Earlier years		**(90.09)**		(101.09)	
- Deferred tax		**(739.28)**	**(572.14)**	(379.47)	52.94
Profit for the period			**(706.24)**		**707.19**
Earnings per equity share of nominal value of Re.1/- each					
Basic (in ₹)			**(0.71)**		**0.71**
Diluted (in ₹)			**(0.71)**		**0.71**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 30.05.2013
Place : New Delhi

MMTC LIMITED

Cash Flow Statement for the year ended 31-03-2013

(₹ in million)

	For the year ended 31-03-2013		For the year ended 31-03-2012	
A. Cash flows from operating activities				
Profit before Tax & Extra ordinary items		**1,165.26**		1,762.17
Adjustment for :				
Extra-ordinary items	**(2,443.64)**		(1,002.05)	
Loss on valuation of inventories	**7.39**		12.06	
Depreciation & amortisation expense	**118.08**		120.48	
Net Foreign Exchange (gain)/loss	**(194.14)**		91.75	
(Profit) /Loss on sale of Tangible Assets	**(0.46)**		(0.12)	
Interest income	**(2,796.85)**		(6,593.01)	
Dividend income	**(114.51)**		(248.96)	
Finance Costs	**2,198.75**		5,768.73	
Debts/claims written off	**0.70**		1.35	
Provision for doubtful Debts /Loans & Advances	**62.53**		133.10	
Diminution in value of investment	**-**		0.03	
Diminution in value of investment property	**-**		1.25	
Provision for unutilised budget for CSR	**-**		-	
Provision no longer Required	**(24.42)**		(14.51)	
Liabilities no longer Required	**(150.74)**		(295.22)	
Provision for DWA risk	**-**	**(3,337.32)**		(2,025.11)
		(2,172.06)		(262.94)
Changes in assets & liabilities				
Inventories	**348.40**		(2,776.36)	
Trade Receivables	**5,433.32**		(2,338.66)	
Loans & Advances	**8,849.91**		20,529.70	
Other current & non current assets	**8,536.45**		12,033.86	
Trade payables	**(5,948.63)**		(1,806.93)	
Other liabilities	**(9,191.40)**		(38,339.66)	
Provisions	**108.63**	**8,136.67**	84.84	(12,613.22)
		5,964.61		(12,876.16)
Taxes Paid		**(560.74)**		(305.97)
Net cash flows from operating activities		**5,403.87**		(13,182.13)
B. Cash flows from Investing Activities				
Purchase of tangible assets	**(67.44)**		(15.86)	
Sale of tangible Assets	**1.12**		0.25	
Purchase of Investments	**(24.49)**		(0.13)	
Advance for purchase of shares	**-**			
Interest received	**2,796.85**		6,593.01	
Dividend Received	**114.51**	**2,820.55**	248.96	6,826.23
Net cash flows from investing activities		**2,820.55**		6,826.23
C. Cash flows from financing activities				
Borrowings	**(19,515.76)**		(26,536.00)	
Finance Costs	**(2,198.75)**		(5,768.73)	
Dividend (inclusive of tax) paid	**(290.56)**	**(22,005.06)**	(290.56)	(32,595.29)
Net cash flows from Financing Activities		**(22,005.06)**		(32,595.29)
Net increase / (decrease) in Cash & Cash Equivalents		**(13,780.64)**		(38,951.19)
Opening Balance of Cash & Cash Equivalents		**28,531.16**		67,482.35
Closing Balance of Cash & Cash Equivalents		**14,750.54**		28,531.16

Note:

1. Figures for the previous year have been regrouped wherever considered necessary.

2. Adjustments for certain accruals/deferrals made at Corporate Office on the basis of information received from branch offices

3. Cash and Cash equivalents consists of cash and bank balance & deposits with banks and short term investment with maturity of less than three months

	As at the end of	
A. Cash and cash equivalents	**2012-13**	**2011-12**
(a) Cheques, drafts on hand	**563.73**	9.12
(b) Cash on hand	**0.02**	0.02
(c) Balances with Banks		
- in current account	**236.06**	2,483.09
-in cash credit account (debit balance)	**427.53**	174.29
-term deposit with original maturity up to 3 months	**2,683.75**	2,280.11
-short term investment with maturity of less than 3 months	**150.03**	
B. Others other Balances with Bank		
-As Margin money/under lien	**3.00**	2,392.80
-in term deposits with original maturity more than 3 months and upto 12 months	**10,685.30**	21,170.49
-in term deposits with original maturity more than 12 months	**1.13**	21.24
Total	**14,750.54**	28,531.16

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 30.05.2013
Place : New Delhi

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General Information:

The company is incorporated and domiciled in India, and a Mini- Ratna public sector undertaking under the administrative control of Ministry of Commerce & Industry, Government of India. The registered office of the Company is situated at Core-1, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003, India. The company has 13 regional offices at various places in India and a wholly owned subsidiary MMTC Transnational Pte Ltd. (MTPL), Singapore.

The principal activities of the Company are export of Minerals and import of Precious Metals, Non-ferrous metals, Fertilizers, Agro Products, coal and hydrocarbon etc.

The company's trade activities span across various countries in Asia, Europe, Africa, Middle East, Latin America and North America.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Financial Statements have been prepared as of a going concern on historical cost convention and in accordance with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

2.2. PURCHASES AND SALES

a. Purchases and sales are booked on performance of the contract/agreement entered into with the sellers/buyers or against allocation letter received from government.

   Wherever there is part performance of such contract/agreement/allocation, the part completed is booked as Purchase/Sale.

b. In case of certain commodities import of which is canalized through the company, imported on 'Government Account' against authorization letter issued by Government of India, Purchase/Sale is booked in the name of the Company.

c. Gold/Silver received under deposit:-

   i. Purchases include gold/silver withdrawn from Deposit on outright purchase basis for sale to exporters, as per the scheme of Exim Policy being operated by the Company as a nominated agency.

   ii. Purchase of Gold during the year for domestic sale is accounted for on withdrawal from the Gold/Silver under deposit and fixation of price with the suppliers. The stock held by the company at year end as Gold/Silver under Deposit is accounted for under current assets as ' stock towards unbilled purchases' and under current liability as amount payable towards unbilled purchases' at the bullion price prevailing as at the close of the year. However, customs duty paid in respect of balance in deposits is shown as prepaid expenses.

   iii. Gold/silver withdrawn on loan basis from the Gold/Silver under deposit, are shown as loan given to customers and shown under Loans and Advances. The corresponding liability towards the stocks received from foreign suppliers is shown under Sundry Creditors. Loan/Sundry Creditors are adjusted when purchase and sales are booked.

   iv. In the case of replenishment basis, gold/silver booked by exporter by paying margin money, purchase is booked after "fixing" the price with the foreign suppliers. However, sale is booked when quantity is actually delivered after completion of export.

d. Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favor of buyer before the goods cross the custom frontiers of India.

e. Purchase/Sale is booked in respect of trade done through commodity exchange like National Spot Exchange which is backed by physical delivery of goods.

f. In respect of exports of Iron Ore/Manganese Ore where final sale value is ascertained on the basis of destinational weight and analysis results and such results are awaited, provision towards DWA risk is made @ 1% on the provisional sale value. In case of FOBT supplies where DWA risk on the purchase value is to the account of supplier provision @1% is made on the difference between sale value and purchase value.

g. Pending settlements, certain expenses/ gain/loss like dispatch earned/ demurrage payable etc. are accounted for on provisional basis.

2.3. REVENUE RECOGNITION

a) Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since relisability of such items is uncertain in accordance with the provisions of AS – 9 issued by ICAI:-

i. Tax credit, duty credit authorization under Target Plus scheme, REP/Advance Licenses, Service Tax refund, etc.

ii. Decrees pending for execution/contested dues and interest thereon, if any:

iii. Interest on overdue recoverables where realisability is uncertain.

iv. Liquidated damages on suppliers/underwriters, refund of custom duty on account of survey shortage, and refund of income-tax/sales-tax/VAT and interest thereon.

b) Insurance claims are accounted for upon being accepted by the insurance company.

c) Claims are recognized in the Profit & Loss Account on accrual basis including receivables from Govt. towards subsidy, cash incentives, reimbursement of losses etc. when it is not unreasonable to expect ultimate collection. Claims recognized but subsequently becoming doubtful are provided for through Profit & Loss Account.

2.4. PREPAID EXPENSES

Prepaid expenses upto Rs.10,000/- in each case are charged to revenue. Deposits upto Rs.5,000/- in each case with Government Department, Statutory Corporations, Electricity Boards and Local Bodies are also charged off to revenue.

2.5. FIXED ASSETS

(a) All fixed assets are stated at historical cost less accumulated depreciation and any impairment in value.

(b)The Company's expenditure toward construction/development of assets on land owned by the Government/Semi Government Authorities, is capitalized under heading "Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company".

2.6. DEPRECIATION

Depreciation is provided on straight line method at the rates approved by the Board of Directors, which are equal to or higher than those provided under schedule XIV of the Companies Act, 1956. Depreciation on assets acquired/disposed during the year is provided from/upto the month the asset is acquired/disposed. Depreciation includes amortisation of lease-hold land and Railway Wagon Rakes under WIS. Wooden partitions and temporary structures are fully depreciated in the year of purchase/erection. Moveable assets whose written down value at the beginning of the year and / or value in respect of purchases made during the year are Rs 20,000/- or less in each case, 100% depreciation is provided except retaining a nominal value of Re 1/-. The depreciation rates are as under:

Name of Assets	**Rate of Depreciation as adopted by Company**	**Rate of Depreciation as provided in Sch.XIV**
A. General Assets		
Furniture & Fittings	10%	6.33%
Weigh bridges	10%	4.75%
Typewriters, Machines, Fans & Office Equipment & AC	12.5%	4.75%
Vehicles	20%	9.50%
Computers (including software)	20%	16.21%
Lease hold land	As per lease agreement	
Wagon Rakes	As per agreement/ Wagon Investment Scheme	
Electrical installations excluding fans	10%	1.63%
Water supply, sewerage and drainage	10%	1.63%
Road and Culverts	2.5%	1.63%
Building and flats	2.5%	1.63%
Residential flats(ready built)	5%	1.63%
Warehouses/Godown	4%	1.63%
B. Manufacturing Unit's Assets		
Factory Building	3.34%	3.34%
Electrical Installations	4.75%	4.75%
Water Supply	4.75%	4.75%
Plant & Machinery(General)		
Single Shift	4.75%	4.75%
Double Shift	7.42%	7.42%
Triple Shift	10.34%	10.34%
Plant & Machinery-Continuous Process(including Wind Mill)	5.28%	5.28%
C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company	Over useful life of asset or five years whichever is less.	
D. All movable assets up to Rs.20,000/-	100% for Movable assets costing Rs.20,000/- or less each	100% for assets costing Rs.5,000/- or less each
E. Mobile handsets are directly charged to revenue in the year of purchase as cost of Mobile handsets is reimbursed to officials as per their entitlement, against purchase by the officials in their own name which are not returned to the Company.		

2.7. INVESTMENTS

a. Long term investments are valued at cost less provision for permanent diminution in value.

b. Current investments are valued at lower of cost and fair value.

2.8. FOREIGN CURRENCY TRANSACTIONS

i. Transactions with rupee payment countries in respect of non-convertible Indian currency are being treated as foreign exchange transactions.

ii. Foreign currency monetary items (except overdue recoverable where realisibility is uncertain) are converted using the closing rate as defined in the AS-11 issued by the Institute of Chartered Accountants of India. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Profit and Loss account.

iii. Liability in foreign currency relating to acquisition of fixed assets is converted using the closing rate as defined in AS 11 issued by the Institute of Chartered Accountants of India. The difference in exchange is recognized in the Profit & Loss Account.

iv. In respect of forward exchange contracts, the premium / discount and loss/gain will be recognized as under:-

a. In respect of forward exchange contracts against existing underlying transactions, the premium / discount is recognized proportionately over the life of the contract. The loss/gain due to difference in exchange rate between (i) closing rate or the rate on the date of settlement if the transaction is settled during the year, and (ii) the exchange rate at later of the date of the inception of the forward contract or the last reporting date is recognised in the Profit & Loss Account for the year.

b. In respect of forward contracts relating to firm commitments and highly probable forecast transactions, loss due to exchange difference is recognized in the Profit & Loss Account in the reporting period in which the exchange rate changes. Any profit or loss arising on renewal or cancellation of such contracts is recognized as income or expense for the period.

v Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition.

2.9. SEGMENT REPORTING

Primary Segment: The management evaluates the company's performance and allocates the resources based on analysis of various performance indicators by the following business segments / Product segments i.e.

i. Minerals
ii. Precious Metals
iii. Metals
iv. Agro Products
v. Coal & Hydrocarbon
vi. Fertilizer
vii. General Trade/others.

Above Business Segments have been identified in line with AS-17 "Segment Reporting" taking into account the company's organizational structure as well as different risks and returns of these segments.

Secondary Segment: Secondary Segments have been identified based on the geographical location of the customer of the company i.e.
i. Outside India
ii. Within India (including high sea sales to customers in India)

2.10. EMPLOYEE BENEFITS

i. Provision for gratuity, leave encashment/availment, post retirement medical benefit and long service benefits i.e. service award, compassionate gratuity and employees' family benefit scheme is made on the basis of actuarial valuation as per AS-15(Revised) issued by The Institute of Chartered Accountants of India.

ii. Provident fund contribution is made to Provident Fund Trust on accrual basis.

iii. Payment of Ex-gratia and Notice pay on Voluntary Retirement are charged to revenue in the year incurred.

2.11. PHYSICAL VERIFICATION OF STOCKS

i. Physical verification of stocks is undertaken once in a year and balances are arrived at after necessary adjustments till the end of the year. The stocks as physically verified are adopted as closing stocks and shortages/excesses suitably dealt with.

ii. In some of the cases where stocks are lying with Handling Agent/SWC/CWC/Private Parties the stocks have been adopted on the basis of certificate given by the respective agencies.

2.12. VALUATION OF STOCKS

Inventories including Goods-in-Transit are valued at lower of the cost or realisable value as on 31st March. In case of back to back transactions, net realizable value is ascertained on the basis of cost plus profit margin.The method of valuation is as under:

a) EXPORTS:

i) Cost of export stocks is arrived at after including direct expenses incurred upto the point at which the stocks are lying. Similarly the realisable value is derived by deducting from the market price the expenses to be incurred from that point to the stage where they are sold.

ii) In respect of mineral ores the realisable value of ores is worked out at the minimum of the Fe/Mn contents of the grade of the ore as per export contract and is compared with the weighted average cost at weighted average Fe/Mn contents/weighted average moisture contents of the ore. The embedded stocks of Iron ore are excluded from inventory and hence not valued.

b) IMPORTS:

i) The cost of imported stocks is arrived at by working out the yearly regional weighted average cost except for Non-ferrous Metals where weighted average cost of remaining stock after including all expenses incurred upto the point at which they are lying is considered. However, where stocks are specifically identifiable, actual cost of the material including all expenses incurred upto the point at which they are lying is considered.

ii) Gold/Silver purchased from foreign suppliers against booking by exporters under replenishment option and not delivered at the year end are shown as stocks of company and valued at cost .

c) DOMESTIC:

i. The cost of gold/silver medallions and silver articles is arrived at by working out the yearly location-wise weighted average cost of material and cost of opening stock. Costs include manufacturing/fabrication charges, wastages and other direct cost.

ii. In case of cut & polished stones and jewellery (finished/semi finished) where stocks are specifically identifiable, actual cost of the material including all expenses incurred upto the point at which they are lying is considered. Costs include wastage and other direct manufacturing costs.

iii. Packing material is valued at lower of the cost or realisable value as on 31st March.

iv. STOCK ON LOAN/FABRICATION: Stocks with fabricators are taken as the stocks of the company, till adjustments.

2.13. PRIOR PERIOD ADJUSTMENTS

Expenditure/income relating to previous year is shown in the accounts under the head “Prior Period Adjustment Account” as per the provisions of AS-5 (Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies) issued by Institute of Chartered Accountants of India.

2.14. BORROWING COSTS

(i) Borrowing cost in ordinary course of business are recognized as an expense in the period in which these are incurred.

(ii) Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such asset upto the date the assets are ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they have been incurred.

2.15. DEFERRED TAX

Deferred tax is recognized, subject to consideration of prudence on timing differences representing the difference between the Taxable income and Accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

2.16. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) Provisions

(a) Provisions for Doubtful Debts/Advances/Claims:

Provision for doubtful debts/advances/claims is made where there is uncertainty of realization irrespective of the period of its dues. For outstanding over three years (except Government dues) full provision is made unless the amount is considered recoverable. Debts/advances/claims are written off when unrealisability is almost established.

(b) Others

(i) Provision is recognized when

a. the Company has a present obligation as a result of the past event.

b. a probable outflow of resources is expected to settle the obligation and

c. a reliable estimate of the amount of the obligation can be made.

(ii) Reimbursement of the expenditure required to settle a provision is recognised as per contract provision or when it is virtually certain that reimbursement will be received.

(iii) Provisions are reviewed at each Balance Sheet date.

(II) Contingent liabilities and contingent assets

i. Contingent liabilities are not recognized but are disclosed in the Notes to the Accounts.

ii. Contingent assets are neither recognized nor disclosed in the financial statements.

2.18. TREATEMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION /CONSTRUCTION PERIOD

Expenditure during construction period is included under Pre-operative expenses and the same is being allocated to the respective fixed assets on the completion of erection/installation.

2.19. OPERATING LEASES

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight line basis over the period of lease.

Contingent rents are recognized as an expense in the income statement in the financial year in which termination takes place. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the financial year in which termination takes place.

2.20. The financial statements are reported in Indian Rupee and all values are rounded to the nearest million unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2013

3. SHAREHOLDERS' FUND

3.1 SHARE CAPITAL & RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

				(₹ in million)
	31-03-2013		31-03-2012	
	Number	Amount	Number	Amount
A. Authorised				
Equity Shares of Par Value Rs.1/- each	**1,000,000,000**	**1,000.00**	1,000,000,000	1,000.00
B. Issued, subscribed and fully paid				
Opening Balance	**1,000,000,000**	**1,000.00**	1,000,000,000	1,000.00
Addition				
Deduction				
Closing Balance	**1,000,000,000**	**1,000.00**	**1,000,000,000**	**1,000.00**

During 2010-11, 50,000,000 shares of the company of ₹ 10/- each were divided into 500,000,000 shares of ₹ 1/- each and bonus shares were issued in the ratio of 1:1 by capitalizing a sum of ₹ 500 million from general reserve.

The Company has one class of share capital, comprising ordinary shares of ₹ 1/- each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

The Company does not have any holding company. Hence no share is held by its holding company or its subsidiaries or associates.

No shareholder other than the promoters is holding more than 5% shares of the company. The shareholding of the promoters i.e. President of India as on 31-03-2013 is 993,312,000 shares (P.Y. 993,312,000 shares)

3.2 RESERVES & SURPLUS

				(₹ in million)
	31-03-2013		31-03-2012	
Reserves				
Capital reserve- Opening Balance	**0.69**		0.69	
Add : Transferred from Surplus	**-**		-	
Closing Balance		**0.69**		0.69
General reserve- Opening Balance	**5,956.13**		5,881.13	
Add : Tranferred from Surplus	**-**		75.00	
	5,956.13		5,956.13	
Less : Deduction	**-**		-	
Closing Balance		**5,956.13**		5,956.13
Sustainable Development Reserve - Opening Balance	**-**			
Add : Tranferred from Surplus	**2.11**			
	2.11		0	
Less : Duduction	**-**			
Closing Balance		**2.11**		**-**
Corporate Social Responsibility Reserve-Opening Balance	**-**			
Add : Tranferred from Surplus	**4.36**			
	4.36		0	
Less : Duduction	**-**			
Closing Balance		**4.36**		
Total (A)		**5,963.29**		**5,956.82**
Surplus				
Surplus- Opening Balance	**7,257.19**		6,915.53	
Add : Net profit after tax transferred from Statement of Profit & Loss	**(706.23)**		707.22	
Amount available for appropriation	**6,550.96**		7,622.75	
Appropriations :				
Final Dividend	**100.00**		250.00	
Dividend tax	**-**		40.56	
General Reserve	**-**		75.00	
Sustainable Development Reserve	**2.11**			
Corporate Social Responsibility Reserve	**4.36**			
Total (B)		**6,444.49**		**7,257.19**
TOTAL (A)+(B)		**12,407.78**		**13,214.01**

4. NON CURRENT LIABILITIES

4.1 OTHER LONG TERM LIABILITIES

				(₹ in million)
	31-03-2013		31-03-2012	
Trade Payable				
-Other than MSMEs	**104.38**		12.86	
-MSMEs	**-**	**104.38**	-	12.86
Others				
-Sales tax/CST/Custom duty	**19.95**		18.74	
-Others	**66.85**	**86.80**	13.21	31.95
Total		**191.18**		**44.81**

4.2 LONG TERM PROVISIONS

				(₹ in million)
	31-03-2013		31-03-2012	
A. Employee Benefits				
i. Leave encashment	**230.43**		214.73	
ii. Post Ret. Medical Benefits	**1,207.47**		924.78	
iii. Half pay leave	**165.47**		145.76	
iv. Service Award	**52.39**		46.15	
v. Compassionate Gratuity	**2.19**		2.38	
vi. Emp. Family Benefit Scheme	**43.99**	**1,701.94**	39.92	1,373.72
B. Others		**-**		-
Total		**1,701.94**		**1,373.72**

5. Current Liabilities

5.1 SHORT TERM BORROWINGS

				(₹ in million)
	31-03-2013		31-03-2012	
A. Loans repayable on demand				
From Banks				
(i) Secured (against hypothecation of inventories , trade receivables and other current assets present and future)	**5,708.77**		25,465.54	
(ii) Unsecured	**9,074.14**	**14,782.91**	8,833.12	34,298.66
Total		**14,782.91**		**34,298.66**

The loans have not been guaranteed by any of the director or others.

The loans have been taken from Banks under Cash Credit/Packing Credit Accounts/Others and are repayable within one year.

The company has not defaulted in repayment of any loan and interest thereon.

5.2 TRADE PAYABLE

				(₹ in million)
	31-03-2013		31-03-2012	
A. Sundry Creditors				
i. Other than MSMEs	**23,064.74**		26,419.96	
ii. MSMEs	**-**	**23,064.74**	-	26,419.96
B. Bills payable		**3,639.31**		6,576.11
Total		**26,704.05**		**32,996.07**

Sundry Creditors include ₹ 2858.08 million (P.Y. ₹ 10217.50 million) being notional value of 1017 Kgs. (P.Y. 3747 Kgs.) of gold taken on loan from foreign suppliers and issued to the Customers of the Company on loan basis.

5.3 OTHER CURRENT LIABILITIES

(₹ in million)

	31-03-2013		31-03-2012	
a.Interest accrued but not due on borrowings		**161.12**		229.26
b. Interest accrued and due on borrowings		**0.16**		1.44
c. Income received in advance		**0.05**		-
d.Other payables		**-**		-
-Forward Cover - Amount Payable to Bank	**13,901.30**		24,059.70	
Less: Foreign Currency Receivable	**13,153.80**		24,044.65	
	747.50		15.05	
-Sundry Creditors-Others	**119.29**		88.62	
-Advance received from customers	**997.79**		596.92	
-Unpaid Dividend	**0.07**		0.05	
-Despatch payable	**39.01**		35.76	
-Demurrage payable	**84.74**		88.80	
-Credit balance in sundry debtors	**554.58**		1,546.87	
-Security deposit & EMD	**244.39**		1,105.73	
-Taxes & Employees dues remittance pending	**1,065.74**		815.00	
-Salaries & Allowances	**9.72**		61.68	
-Administrative Expenses	**194.69**		133.38	
- Amount payable towards unbilled purchases	**1,435.09**		9,941.28	
-Others (i)	**3,340.24**	**8,832.86**	3,672.11	18,101.25
Total		**8,994.19**		**18,331.95**

(i) Includes ₹ 54.24 million (P.Y. ₹ NIL million) towards MMTC's share in the expenditure incurred by JV company consequent to decision of promoters to wind up the project due to delay in receipt of environment clearance.

5.4 SHORT TERM PROVISIONS

(₹ in million)

	31-03-2013		31-03-2012	
A. Employee Benefits				
i. Bonus/Performance related pay	**60.60**		110.47	
ii. Earned Leave	**44.87**		25.32	
iii. Post Retirement Medical Benefit	**78.74**		57.22	
iv. Half Pay Leave	**22.06**		15.16	
v. Gratuity	**-**		-	
vi. Superannuation Benefits	**66.46**		287.55	
vii. Service Award	**4.98**		7.06	
viii. Compassionate Gratuity	**0.42**		0.29	
ix. Employees' Family Benefit Scheme	**8.96**		4.29	
x. Others	**0.02**		-	
		287.11		507.36
B. Others				
i. Taxation	**810.19**		1,324.84	
ii. Proposed dividend	**100.00**		250.00	
iii. Dividend Distribution Tax	**-**		40.56	
iv. Destinational Weight and Analysis Risk	**1.38**		-	
v. Corporate Social Responsibility	**-**	**911.57**	0.72	1,616.12
Total		**1,198.68**		**2,123.48**

6 NON CURRENT ASSETS

6.1 FIXED ASSETS

6.1.1 Tangible Assets

(₹ in million)

	GROSS BLOCK				DEPRECIATION/ IMPAIRMENT					NET CARRYING VALUE	
	1-4-2012	Addition	Disposals	31-03-2013	Opening balance as at 01-04-2012	Depreciation for the year	Sub-Total	Deductions	Balance as at 31-03-2013	31-03-2013	31-03-2012
Land freehold											
-Office building	3.66	-	-	3.66	-	-	-	-	-	3.66	3.66
-Staff Quarters	1.33	-	-	1.33	-	-	-	-	-	1.33	1.33
Land leasehold											
-Office building	40.14	-	0.54	39.60	11.28	0.50	11.78	0.15	11.63	27.97	28.86
-Staff Quarters	2.67	-	-	2.67	1.07	0.03	1.09	-	1.09	1.58	1.60
Building											
-Office Building	128.01	-	0.34	127.67	50.07	3.30	53.36	0.29	53.07	74.59	77.94
-Staff Quarters	65.66	0.06	-	65.72	50.56	1.27	51.83	-	51.83	13.89	15.10
-Water supply, Sewerage & Drainage	9.46	-	-	9.46	9.31	0.04	9.34	-	9.34	0.12	0.16
-Electrical Installations	17.51	0.91	0.22	18.21	15.78	0.31	16.09	0.23	15.86	2.35	1.74
-Roads & Culverts	3.58	-	-	3.58	2.32	0.09	2.41	-	2.41	1.17	1.26
-Audio/Fire/Airconditioning	12.49	0.03	-	12.52	12.32	0.05	12.37	-	12.37	0.15	0.17
Plant & Equipment	796.73	-	0.58	796.15	247.47	39.55	287.01	0.47	286.55	509.61	549.26
Furniture & Fixtures											
-Partitions	22.13	3.85	1.01	24.97	21.70	3.83	25.53	1.02	24.52	0.46	0.42
-Others	49.66	1.69	1.78	49.57	46.79	1.36	48.15	1.67	46.48	3.09	2.87
Vehicles	23.22	-	0.57	22.65	17.99	2.81	20.80	0.57	20.23	2.43	5.23
Office Equipments	61.46	2.82	7.55	56.73	49.53	3.70	53.23	7.55	45.67	11.06	11.94
Others:-											
Railway Wagon Rakes	553.64	-	-	553.64	310.96	55.36	366.32	-	366.32	187.32	242.68
Railway Loop Line at BNHT	26.17	-	-	26.17	26.17	-	26.17	-	26.17	0.00	0.00
Warehouse	34.11	-	-	34.11	16.68	1.36	18.04	-	18.04	16.07	17.44
Computer/ Data Processors	172.20	2.89	0.73	174.37	161.26	5.93	167.19	0.71	166.48	7.89	10.94
Total	**2,023.85**	**12.25**	**13.32**	**2,022.79**	**1,051.23**	**119.48**	**1,170.71**	**12.66**	**1,158.05**	**864.73**	**972.61**
Last Year	**2,024.33**	**21.00**	**21.48**	**2,023.85**	**952.19**	**120.39**	**1,072.58**	**21.35**	**1,051.23**	**972.61**	

(a) Cost of office land/building/flats/culverts, sewerage and drainage in some of the offices have been accounted for provisionally pending receipt of final bills or under construction/execution of lease deed.

(b) Leasehold lands, roads and culverts, sewerage, drainage and water supply for staff quarters at Delhi includes those held jointly with State Trading Corporation of India Limited (STC).

(c) Residential flats includes 41 shares (P.Y. 41 shares) of Cooperative Group Housing Society of the value of ₹ 0.002 million (PY ₹ 0.002 million). Conveyance of some of the flats of the original value as on 31.03.2013 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed.

(c) Cost of Office Building on lands not owned by the Corporation is ₹ 6.24 million (P.Y. ₹ 6.18 million) and provision for depreciation is ₹ 3.32 million (P.Y. ₹ 3.18 million)

(d) Cost of Water Supply on Land not owned by the Corp. is ₹ 0.66 million (P.Y. ₹ 0.66 million).

(e) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million (P.Y. ₹ 11.63 million) & accumulated depreciation of ₹ 5.84 million (P.Y. ₹ 5.72 million) constructed on the leasehold land at Paradip which expired on 20.11.2011 Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

6.1.2 Intangible Assets

(₹ in million)

	Gross Block						Amortisation						Net Carrying Value	
	1-4-2012	Addition	Additions through Business Combinations	Other adjustments	Disposals	31-03-2013	Opening balance as at 01-04-2012	Amortisation for the year	Impairment / (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2013	31-03-2013	31-03-2012
Computer software	0.19	1.86	-	-	-	2.05	0.19	0.22	-	0.41	-	0.41	1.64	0.00
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**0.19**	**1.86**	**-**	**-**	**-**	**2.05**	**0.19**	**0.22**	**-**	**0.41**	**-**	**0.41**	**1.64**	**0.00**
Last Year	**0.19**	**-**	**-**	**-**	**-**	**0.19**	**0.14**	**0.05**	**-**	**0.19**	**-**	**0.19**	**-**	

6.1.3 Capital work-in-progress

(₹ in million)

	Assets					Depreciation / Impairment						Net carrying value	
	1-4-2012	Addition	Other Adjustments	Disposals	31-03-2013	Opening balance as at 01-04-2012	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2013	31-03-2013	31-03-2012
Building													
-Building Under Construction	6.71	-	-	-	6.71	6.71	-	-	6.71	-	6.71	-	-
-Electrical Installations	6.70	-	-	-	6.70	6.70	-	-	6.70	-	6.70	-	-
-Roads & Culverts	0.47	-	-	-	0.47	0.47	-	-	0.47	-	0.47	-	-
Computer	-	0.09	-	-	0.09	-	-	-	-	-	-	0.09	-
Plant & Equipment	13.80	-	-	-	13.80	13.80	-	-	13.80	-	13.80	-	-
Development of Gomia Coal Block	-	54.86	-	-	54.86	-	-	-	-	-	-	54.86	-
Total	**27.69**	**54.94**	**-**	**-**	**82.63**	**27.69**	**-**	**-**	**27.69**	**-**	**27.69**	**54.94**	**-**
Last Year	**32.83**	**-**	**(5.14)**	**-**	**27.69**	**27.69**	**-**	**-**	**27.69**	**-**	**27.69**	**-**	

6.2 NON CURRENT INVESTMENTS

(₹ in million)

	31-03-2013		31-03-2012	
I. TRADE INVESTMENTS				
A. Investment Property				
Bandra Kurla Complex		**36.31**		35.06
B. Investment in Equity instrument				
a) Subsidiaries				
MMTC Transnational Pte. Ltd. (Fully paid up 1,461,502 Equity shares of S $ 1 each (P.Y. Fully paid up 1,461,502 Equity shares of S $ 1 each))		**31.45**		31.45
b) Associates				
i. Neelachal Ispat Nigam Limited				
Fully paid up 289,342,744 Equity shares of Rs.10/- each (P.Y. Fully paid up 289,342,744 Equity shares of Rs. 10/- each)	**3,796.85**		3,796.85	
ii. Devona Thermal Power & Infrastructure Ltd.				
Fully paid up 13,000 Equity shares of Rs.10/- each(P.Y. Fully paid up 13,000 Equity shares of Rs.10/- each)	**0.13**	**3,796.98**	0.13	3,796.98
c) Joint Ventures				
i. Greater Noida Integrated Ware- housing Pvt. Ltd.				
Fully paid 2,600 Equity shares of Rs.10/- each (P.Y. Fully paid 2,600 Equity shares of Rs.10/- each)	**0.03**		0.03	
Less: Provision for Diminution in value of investment	**0.03**		0.03	
	0.00		0.00	
ii. Free Trade Ware- housing Pvt. Ltd.				
Fully paid 2,600 Equity shares of Rs.10/- each (P.Y. Fully paid 2,600 Equity shares of Rs.10/- each)	**0.03**		0.03	
iii. MMTC Pamp India Pvt. Ltd.				
Fully paid 17,446,000 Equity shares of Rs.10/- each (P.Y. Fully paid 15,600,000 Equity shares of Rs.10/- each)	**174.46**		156.00	
iv. SICAL Iron Ore Terminal Limited				
Fully paid 33,800,000 Equity shares of Rs.10/- each (P.Y. Fully paid 33,800,000 Equity shares of Rs.10/- each)	**338.00**		338.00	
v. MMTC Gitanjali Pvt Limited				
Fully paid 2,987,400 Equity shares of Rs.10/- each (P.Y. Fully paid 2,506,400 Equity shares of Rs.10/- each)	**29.87**		25.06	
vi. Indian Commodity Exchange Limited				
Fully paid 52,000,000 Equity shares of Rs.5/- each (P.Y. Fully paid 52,000,000 Equity shares of Rs.5/- each)	**260.00**		260.00	
vii TM Mining Company Limited				
Fully paid 26,000 Equity shares of Rs.10/- each (P.Y. Fully paid 26,000 Equity shares of Rs.10/- each))	**0.26**	**802.62**	0.26	779.35
d) Others				
i. Indo French Biotech Limited				
Fully paid 4,750,000 Equity shares of Rs.10/- each (P.Y. Fully paid 4,750,000 Equity shares of Rs.10/- each)	**47.50**		47.50	
Less: Provision for Diminution in value of investment	**47.50**		47.50	
	0.00		0.00	
ii. United Stock Exchange Limited				
Fully paid 3,000,000 Equity shares of Rs.10/- each (P.Y. Fully paid 3,000,000 Equity shares of Rs.10/- each)	**30.00**	**30.00**	30.00	30.00
C. Investment in Government and trust securities				
9% Govt. Stock 2013 (P.Y. Rs 0.03 million)		**-**		0.03
D. Others				
		-		-
Total		**4,697.36**		**4,672.87**

All Non Current Investments are carried at cost less provision for permanent diminution in value, if any. The company is not having any quoted investments. Aggregate amount of un-quoted investments is ₹ 4708.57 million (P.Y. ₹ 4685.33 million). Aggregate amount of provision for diminution in value of investments is ₹ 47.53 million (P.Y. ₹ 47.53 million).

6.3 DEFERRED TAX ASSETS (NET)

(₹ in million)

Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2012	Credit / (Charge) during 2012-13	Deferred Tax asset / (Liability) as at 31.3.2013
Depreciation	(194.87)	18.18	(176.69)
Disallowance u/s -43B	-	-	-
Prov. For Doubtful debts	807.73	804.98	1,612.71
DWA Risk	-	0.45	0.45
VRS Expenses	8.56	9.04	17.60
Interest received from IT Deptt.	-	0.16	0.16
Others	93.54	(93.53)	0.01
TOTAL	**714.96**	**739.28**	**1,454.24**

6.4 LONG TERM LOANS AND ADVANCES

(₹ in million)

	31-03-2013		31-03-2012	
A. SECURITY DEPOSITS				
I. Secured, considered good	**49.46**		8.24	
II. Unsecured, considered good	**36.73**		78.73	
III. Doubtful	**37.45**		36.82	
Sub-total	**123.64**		123.79	
Less: Provision for bad and doubtful advances	**37.45**	**86.19**	36.82	86.97
B. LOANS AND ADVANCES TO RELATED PARTIES				
I. Secured, considered good	-		-	
II. Unsecured, considered good	**3.56**		0.99	
III. Doubtful	**4.85**		4.85	
Sub-total	**8.41**		5.85	
Less: Provision for bad and doubtful advances	**4.85**	**3.56**	4.85	0.99
C. OTHER LOANS AND ADVANCES				
I. Secured, considered good				
Loans & Advances to PSUs/Other Companies	**213.04**		210.85	
Interest Accrued & Due/ Not Due	**42.13**		60.86	
Loans to Employees	**186.86**		173.76	
II. Unsecured, considered good				
Interest Accrued & Due/ Not Due	**34.44**		3.36	
Loans to Employees	**91.04**		49.55	
Others	**472.55**		508.71	
III. Doubtful	**249.90**		290.95	
Sub-total	**1,289.96**		1,298.04	
Less: Provision for bad and doubtful advances	**249.90**	**1,040.06**	290.95	1,007.09
TOTAL		**1,129.81**		**1,095.05**

Out of the above amount due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member is ₹ 0.70 million (P.Y. ₹ 0.97 million)

6.5 OTHER NON-CURRENT ASSETS

				(₹ in million)
	31-03-2013		31-03-2012	
Long Term Trade Receivables				
i. Considered good (Secured against hypothecation of assets/ mortgage of title deeds and Bank Guarantees)	-		0.96	
ii. Unsecured Considered good	17.43		21.95	
iii. Considered doubtful*	4,168.52		1,315.86	
Sub-total	4,185.95		1,338.77	
Less : Provision for bad and doubtful receivables *	4,168.52	17.43	1,315.86	22.91
TOTAL		17.43		22.91

* includes ₹ 1157.49million (P.Y. ₹ 1002.05 million) at RO Chennai and ₹ 2288.20 million (P.Y. ₹ NIL million) at RO Hyderabad towards recoverable and provision on account of certain acts of commission and omission relating to bullion transactions (Refer Note No. 17).

7 CURRENT ASSETS

7.1 CURRENT INVESTMENTS

				(₹ in million)
	31-03-2013		31-03-2012	
A. Investment in Mutual Funds (Quoted)				
i. IDBI Mutual Fund-Liquid Fund (Daily Dividend)				
(150000 units of ₹ 1000/- each (P.Y. NIL)	150.00		-	
	-	150.00	-	-
B. Investment in Government or trust securities				-
9% Govt. Stock 2013		0.03		
Total		150.03		-

Current investments are valued at lower of cost and fair value.

Aggregate market value of quoted investments as on 31.03.2013 ₹ 150.05 million (P.Y. ₹ NIL million) against cost of ₹ 150.00 million (P.Y. ₹ NIL million).
Aggregate amount of un-quoted investments is ₹ 0.03 million (P.Y. ₹ NIL million).

7.2 INVENTORIES

				(₹ in million)
	31-03-2013		31-03-2012	
A. Raw materials	100.48		93.94	
B. Work-in-progress	-		-	
C. Finished goods	845.32		1,561.06	
D. Stock-in-trade	7,941.79		7,587.83	
(includes goods in transit valued at ₹ 1996.69 million (P.Y. ₹ 1809.97 million))				
E. Stores and spares	-		-	
F. Loose tools	-		-	
G. Packing Materials	0.65		1.20	
H. Others (specify nature).	-	8,888.24	-	9,244.03
Total		8,888.24		9,244.03

As taken, valued and certified by the management.

Inventories including goods in transit are valued at lower of the cost or realizable value as on 31st March 2013.
Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 7.39 million (P.Y ₹ 12.06 million) during the year.
Further there has been fall in price of Gold & Silver after 31 st March 2013 which may result in fall in realizable value of inventory by ₹ 120.67 million basis prevailing realizable value as on 21.05.2013.

7.3 TRADE RECEIVABLES

				(₹ in million)
	31-03-2013		31-03-2012	
A. Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment				
i. Secured, Considered good	**3,969.65**		1,015.72	
ii. Unsecured Considered good	**984.60**		1,161.08	
iii. Doubtful	**152.08**		546.88	
	5,106.33		2,723.68	
Less: Provision for bad and doubtful debts	**152.08**	**4,954.25**	546.88	2,176.80
B. Other Trade Receivables				
i. Secured, Considered good	**12,674.15**		11,479.88	
ii. Unsecured Considered good	**4,612.56**		14,049.42	
iii. Doubtful	**17.10**		-	
	17,303.80		25,529.30	
Less: Provision for bad and doubtful debts	**17.10**	**17,286.71**	-	25,529.30
Total		**22,240.97**		**27,706.10**

7.4 CASH AND BANK BALANCES

				(₹ in million)
	31-03-2013		31-03-2012	
a. Cash and cash equivalents				
-Cheques, Drafts on hand		**563.73**		9.12
-Cash on hand		**0.02**		0.02
-Balances with Banks				
(a) in Current Account	**236.06**		2,483.09	
(b) in Cash Credit Account	**427.53**		174.29	
(c) in Term Deposits with original maturity upto 3 months	**2,683.75**	**3,347.34**	2,280.11	4,937.49
b. Other Balances with Banks				
-As Margin money/under lien	**3.00**		2,392.80	
-in term deposits with original maturity more than 3 months and upto 12 months	**10,685.30**		21,170.49	
-in term deposits with original maturity more than 12 months	**1.13**	**10,689.42**	21.24	23,584.53
Total		**14,600.51**		**28,531.16**

Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments ₹ 3.00 million (P.Y. ₹ 2392.80 million).

Balances with banks includes ₹ 0.07 million (P.Y. ₹ 0.05 million) for unpaid dividend.

"Cash and cash equivalents'" has been changed to "Cash and Bank balances" in accordance with provisions of Accounting Standard-3 issued by The Institute of Chartered Accountants of India.

7.5 SHORT TERM LOANS AND ADVANCES

(₹ in million)

	31-03-2013		31-03-2012	
A. Loans and advances to related parties*				
i. Secured -Considered good	-		-	
ii. Unsecured -Considered good	-		-	
iii. Doubtful	-		-	
	-		-	
Less : Provision for Bad and Doubtful loans and advances	-	-	-	-
B Others				
i. Bills Receivable	**884.39**		1,188.13	
Less: Bills Discounted	-		7.01	
Secured -Considered good		**884.39**		1,181.12
ii. Advance recoverable in cash or kind				
Secured -Considered good	**3,210.55**		15,195.32	
Unsecured -Considered good	**5,610.60**		2,135.67	
Doubtful	**275.00**		176.55	
	9,096.15		17,507.53	
Less : Provision for Bad and Doubtful loans and advances	**275.00**	**8,821.15**	176.55	17,330.98
iii. Advance to Suppliers				
Secured -Considered good	-		0.26	
Unsecured -Considered good	**230.94**		308.80	
Doubtful	**35.16**		89.96	
	266.10		399.02	
Less : Provision for Bad and Doubtful loans and advances	**35.16**	**230.94**	89.96	309.06
iv. Income Tax (including advance income tax, TDS and refund due)				
Unsecured -Considered good		**1,205.04**		1,326.09
Total		**11,141.52**		**20,147.26**

Due by directors and other officers (Chief General Managers and Company Secretary) ₹ 0.10 million (P.Y. ₹ 2.45 million)

7.6 OTHER CURRENT ASSETS

(₹ in million)

	31-03-2013		31-03-2012	
Deferred Premium	**304.22**		334.49	
Gold/Silver stock towards unbilled purchases	**1,435.09**		9,941.27	
	1,739.31		10,275.76	
Less: Provision for doubtful amount, if any	-	**1,739.31**	-	10,275.76
Total		**1,739.31**		**10,275.76**

8 REVENUE FROM OPERATIONS

(₹ in million)

	2012-13		2011-12	
a. Sale of products		**284,128.92**		659,290.67
b. Sale of services		**27.31**		0.46
c. Other operating revenue				
-Despatch earned	**6.92**		5.25	
-Claims	**1,401.32**		370.22	
-Subsidy	**294.86**		2,937.36	
-Other Trade Income	**134.78**	**1,837.88**	647.98	3,960.81
		285,994.11		663,251.94
Less:				
d. Excise Duty	**10.52**	**10.52**	3.10	3.10
Total		**285,983.59**		**663,248.84**

In respect of coal imported for NTPC supply during previous years, sale in some cases had been booked provisionally pending issue of final invoices since final quality analysis at destination was not received . This has no impact on the profitability since the difference, if any, on issuance of final invoice shall be to the account of the supplier.

9 OTHER INCOME

(₹ in million)

	2012-13		2011-12	
a. Interest				
-Interest on fixed deposits	**1,931.52**		3,860.70	
-Interest from customers on amount overdue	**38.61**		113.76	
-others	**826.34**	**2,796.47**	2,483.71	6,458.17
b. Dividend				
-from subsidiary company	**101.76**		248.96	
-others	**12.75**	**114.51**	-	248.96
c. Net gain/ loss on sale of investments		**-**		
d. other non operating income (net of expenses directly attributable to such income)				
-Staff Quarters Rent	**5.61**		5.40	
-Misc Receipts	**110.21**		157.97	
-Liabilities Written Back	**150.74**		295.22	
-foreign exchange gain	**1.50**		104.39	
	-	**268.07**	-	562.98
Total		**3,179.05**		**7,270.11**

10 COST OF MATERIAL CONSUMED

(₹ in million)

	2012-13		2011-12	
Raw Material		**2,677.61**		5,484.10
Packing Material		**-**		-
Consumables		**-**		-
Loose Tools		**-**		-
Total		**2,677.61**		**5,484.10**

11 PURCHASES OF STOCK-IN-TRADE

(₹ in million)

Product Groups	2012-13		2011-12	
a) Purchase				
Precious Metals	**127,402.95**		498,110.82	
Non ferrous Metals	**14,602.49**		22,746.45	
Fertilizers	**18,923.20**		57,397.86	
Minerals	**15,141.85**		10,427.92	
Agro Products	**38,788.04**		22,346.45	
Coal and Hydrocarbons	**50,241.55**		34,753.16	
General Trade	**9.12**	**265,109.19**	396.93	646,179.59
b) Stock received/issued in kind				
Precious Metals		**(19.85)**		(7.96)
Total		**265,089.34**		**646,171.63**

12 CHANGES IN INVENTORIES

(₹ in million)

	2012-13		2011-12	
A. FINISHED GOODS				
Opening Balance	**1,625.58**		611.75	
Closing Balance	**946.45**		1,625.58	
Change in inventory of Finished Goods		**679.13**		(1,013.83)
B. WORK-IN-PROGRESS				
Opening Balance	**-**		-	
Closing Balance	**-**		-	
Change in inventory of Work-in-progress		**-**		-
C. STOCK-IN-TRADE				
Opening balance	**7,357.82**		5,867.98	
Closing balance	**7,949.19**		7,630.51	
Change in inventory of Stock-in-Trade		**(591.37)**		(1,762.53)
Total		**87.76**		**(2,776.36)**

13 EMPLOYEE BENEFITS EXPENSE

				(₹ in million)
	2012-13		2011-12	
Salaries and wages				
Salaries and Allowances	**1,174.81**		1,121.58	
Leave encashment	**128.95**		123.37	
VR expenses	**28.45**		36.87	
Bonus	**0.62**		0.78	
Performance Related pay	**6.25**		50.92	
Medical Expenses	**111.73**		84.74	
Post Retirement Medical Expenses	**337.26**		199.22	
Group Insurance	**0.16**		0.40	
Contribution to DLIS	**1.44**	**1,789.66**	1.28	1,619.16
Contribution to provident fund and other				
Provident Fund	**88.45**		80.36	
Gratuity Fund	**31.68**		35.15	
Family Pension Scheme	**12.05**		9.66	
Superannuation Benefit	**62.77**	**194.96**	66.48	191.65
ESOP/ESPP		**-**		-
Staff Welfare Expenses		**44.59**		32.80
Total		**2,029.21**		**1,843.61**

Liability of ₹ 62.77 million (P.Y. ₹ 66.48 million) towards superannuation benefit has been made during the year as per DPE guidelines for wage revision.

14 FINANCE COSTS

				(₹ in million)
	2012-13		2011-12	
I. Interest expense		**1,407.83**		5,035.63
II. Other borrowing costs		**-**		-
III.Applicable Net gain/loss on foreign currency		**0.37**		-
IV.Premium on Forward Contract		**786.46**		728.62
Total		**2,194.66**		**5,764.25**

Interest expense include ₹. 1.51 million (P.Y. ₹. 14.34 million) paid for shortfall in payment of advance income tax.

15 OTHER EXPENSES

(₹ in million)

	2012-13		2011-12	
A. Operating Expenses				
Freight	**5,415.86**		1,543.94	
Demurrage	**1.78**		5.00	
Clearing, Handling, Discount & Other charges	**2,052.96**		813.64	
L/C negotiation and other charges	**11.68**		31.40	
Difference in exchange (i)	**(192.64)**		199.13	
Customs duty	**7,351.55**		8,807.41	
Insurance	**23.94**		9.52	
Godown insurance	**14.00**		10.09	
Plot and Godown rent	**4.20**		24.64	
Packing Material	**446.68**		163.73	
Provision for destinational weight and analysis risk	**1.38**	**15,131.40**	-	11,608.50
B. Administrative Expenses				
Consumption of stores and spare parts	**-**		-	
Power & Fuel	**1.24**		1.24	
Rent	**27.50**		22.41	
Rates & Taxes	**16.82**		25.10	
Insurance	**1.54**		3.48	
Repairs to buildings	**36.17**		38.56	
Repairs to machinery	**1.14**		2.24	
Electricity & water Charges	**23.16**		20.12	
Advertisement & Publicity	**30.37**		31.32	
Postage & telegram	**1.54**		1.98	
Telephone	**16.49**		17.56	
Telecommunication	**9.07**		9.23	
Travelling	**49.29**		39.06	
Vehicle	**19.31**		18.90	
Entertainment	**6.24**		6.83	
Legal	**43.45**		19.37	
Auditor's Remuneration (ii)	**5.84**		5.23	
Bank Charges	**4.71**		22.50	
Books & Periodicals	**0.57**		0.59	
Trade	**5.01**		5.23	
Repair & Renewals	**18.10**		19.59	
Computer	**0.64**		1.13	
Subscription	**2.88**		3.65	
Training, Seminar & Conference	**5.44**		3.81	
Professional/Consultancy	**21.35**		21.07	
CSR & Sustainable Development	**18.23**		34.50	
Difference in Exchange	**(45.39)**		4.66	
Donations	**-**		0.11	
Service Tax	**3.07**		-	
Prior period items (iii)	**(6.12)**		(109.26)	
Exhibition, Fair and Sales Promotion	**37.96**		69.28	
Bad Debts/Claims/Assets written off/withdrawan	**0.70**		1.35	
Provision for Bad & Doubtful Debts/Claims/Advances	**62.53**		133.11	
Miscellaneous expenses	**114.54**	**540.56**	61.01	542.29
Total		**15,671.95**		**12,150.81**

(i) Due to adoption of notional exchange rate on the B/L date.

(a) Deferred forward premium of ₹ 304.22 million (P.Y. ₹ 335.60 million) for imports and ₹ NIL million (P.Y. ₹ (1.10) million) for exports is to be recognized in the Profit & Loss Account of the subsequent accounting year.

(ii) Amount paid to auditors'

	2012-13	2011-12
		(₹ in million)
As Auditor	**2.59**	2.45
For Taxation Matters	**1.15**	1.12
For Company Law Matters	**-**	-
For Management Services	**0.03**	0.03
For Other Services	**1.66**	1.37
For Reimbursement of Expenses	**0.41**	0.26
Total	**5.84**	**5.23**

(iii) Prior period items

	2012-13	2011-12
		(₹ in million)
Expenditure		
Cost of sales	**383.52**	20.85
Salaries & wages	**-**	0.21
Administrative Expenses	**0.69**	5.88
Interest	**4.09**	4.49
Depreciation	**(1.62)**	0.41
Others	**11.10**	1.59
Sub-Total	**397.77**	33.43
Income		
Sales	**349.10**	1.85
Interest	**0.38**	134.84
Other Receipts	**54.42**	6.01
Sub-Total	**403.90**	142.69
Total (Net)	**(6.12)**	**(109.26)**

16 **EXCEPTIONAL ITEMS**

	2012-13	2011-12
		(₹ in million)
Write-down of inventories to net realisable value	**7.39**	12.06
Reversal of any provisions for the cost of	**-**	-
Disposals of items of fixed assets	**(0.46)**	(0.12)
Disposals of long-term investments	**-**	0.03
Legislative changes having retrospective	**-**	-
Litigation settlements	**144.63**	-
Reversals of provisions	**(2.22)**	(14.51)
Provsions no longer required	**(22.21)**	-
Diminution in value of investment property	**-**	1.25
Total	**127.15**	**(1.29)**

17 **EXTRAORDINARY ITEMS**

Extraordinary items represent:

i. Consequent upon receipt of final report of special audit conducted by a firm of Chartered Accountants provision of ₹ 155.44 million (P Y ₹ 1002.05 million) made in the books of accounts against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at Regional Office, Chennai relating to Bullion transactions. The balance of debtors has been re stated and credit balance of ₹ 13.40 million and debit balance of ₹ 48.02 million is yet to be reconciled but complete provision of ₹ 1157.49 million against the debit balance has been made. The Company has also filed a complaint with CBI who has since registered two separate FIRs and started detailed investigations. Also Directorate of Enforcement has registered an offence under Prevention of Money Laundering Act, 2002 against two ex-officials and two debtors.

ii. Based upon the findings of the Special Audit conducted by KPMG a provision of ₹ 2288.20 million (P Y ₹ NIL million) made in the books of accounts against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at Regional Office, Hyderabad relating to Bullion transactions. The Company has also filed a complaint with CBI who has since registered FIR and started detailed investigations.

18. ADDITIONAL INFORMATION TO STATEMENT OF PROFIT AND LOSS:-

i. VALUE OF IMPORTS

(₹ in million)

	2012-13	2011-12
CIF value of imports		
Goods-in-Trade	**198,972.04**	603,374.40
Raw Materials	**2,684.15**	5,419.95
Components & Spare parts	**-**	-
Capital Goods	**-**	-
Total	**201,656.19**	608,794.35

ii. EXPENDITURE IN FOREIGN CURRENCY

(₹ in million)

EXPENDITURE	2012-13	2011-12
Royalty	**-**	-
Know-how	**-**	-
Professional and Consultation Fee	**-**	-
Interest	**773.99**	469.40
Foreign Offices	**4.91**	5.17
Foreign Tours	**8.86**	3.46
Despatch/ Demurrage	**38.62**	23.15
Load Port Supervision Charges	**2.59**	10.22
Watchman Charges	**0.23**	0.84
Ocean Freight	**857.75**	607.64
Destinational weight & Analysis Risk	**-**	-
Agency Commission	**2.45**	-
Other matters:-	**-**	25.53
Total	**1,689.40**	**1,145.42**

iii. EARNINGS IN FOREIGN CURRENCY

(₹ in million)

EARNINGS	2012-13	2011-12
FOB value of goods exported	**29,792.32**	20,388.94
Royalty, know-how, professional and consultancy fees	**-**	-
Interest and Dividends	**101.76**	248.96
Despatch/ Demurrage	**23.62**	13.87
Others (specify)	**88.97**	47.45
Total	**30,006.67**	**20,699.23**

iv. CONSUMPTION OF RAW MATERIALS, SPARE PARTS AND COMPONENTS

(₹ in million)

EARNINGS	2012-13		2011-12	
	Raw Materials	Spare Parts & Components	Raw Materials	Spare Parts & Components
IMPORTED				
i. Value	**2,986.33**	**-**	6,116.26	-
ii. As % of total	**99.22**	**-**	100.00	-
INDIGENOUS				
i. Value	**23.43**	**-**	-	-
ii. As % of total	**0.78**	**-**	-	-
TOTAL VALUE	**3,009.76**	**-**	**6,116.26**	-

19. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

(i) Contingent Liabilities:

a) Guarantees issued by Banks on behalf of the Company ₹ 4448.26 million (P.Y. ₹ 1460.40 million) and Corporate Guarantee amounting to ₹ 2017.15 million (P.Y. ₹ 360.40 million) in favour of customer has been given towards performance of contract against which backup guarantee have been obtained from associate suppliers.

b) Corporate Guarantees of ₹ 14409.10 million (P.Y. ₹ 14409.10 million) given by the company in favour of financial institutions/banks on behalf of Neelachal Ispat Nigam Limited (NINL) for securing principal and interest in respect of loans to NINL.

c) Claims against the Company not acknowledged as debts ₹. 2274.05 million (P.Y. ₹ 816.88 million).

d) Letters of Credit opened by the Company remaining outstanding ₹ 5606.86 million (P.Y. ₹ 8493.22 million).

e) Bills discounted with banks ₹ Nil million (P.Y. ₹ 7.01 million).

f) Sales Tax Demand of ₹ 988.89 million (P.Y. ₹ 995.70 million) in dispute against which ₹ 115.96 million (P.Y. ₹ 94.92 million) has been deposited and ₹ 6.74 million (P.Y. ₹ 6.74 million) covered by bank guarantees.

g) Service Tax demand in respect of business auxiliary service amounting to ₹ 486.48 million (P.Y. ₹ 470.38 million).

h) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 1697.08 million as on 31.03.2013 (PY ₹ 987.79 million).

i) Additional liability, if any, on account of sales tax demands on completion of assessments, disputed claims of some employees, non-deduction of Provident Fund by Handling Agents/Contractors, disputed rent and interest/penalty/legal costs etc., in respect of amounts indicated as contingent liabilities being indeterminable, not considered.

j) A party has served a legal notice for non lifting of part quantity of coking coal in respect of supplies to M/s NINL, relating to delivery period 2008-09, claiming an amount of ₹ 4273.71 million ($ 78.72 million translated @ ₹ 54.29 being the closing rate of exchange as on 31.03.2013) (PY ₹ 4005.00 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, which has been refuted since the same is not tenable. MMTC has also put the party on notice to lodge counter claim for non supply of coking coal for the year 2009-10. The matter has been taken up at Govt. level as the supplier is also one of the major supplier of coking coal to other PSUs and all terms, conditions and prices are determined by an Empowered Joint Committee consisting of senior level nominees of Govt. and PSUs.

k) Custom department have raised demand of ₹ 1850.13 million (P.Y. NIL million) at various RO's during the current year on account of differential custom duty on import of Steam Coal supplied by the company to Power utilities through associate suppliers on back to back terms on fixed margin basis. The liability if any on account of custom duty or sales tax shall be to the account of the backup supplier.

l) In some of the cases amounts included under contingent liabilities relate to commodities handled on Govt. of India's account and hence the same would be recoverable from the Govt. of India.

(ii) Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2.82 million (P.Y. ₹ NIL million).

GENERAL DISCLOSURES:-

20. Following goods on account of un-billed purchases are held by the Company under deposit and shown under other current assets (note no. 7.6) as well as other current liabilities (note no. 5.3) .

				(₹ in million)
Items	**31-03-2013**		**31-03-2012**	
	Qty.(kgs)	**Value**	**Qty.(kgs)**	**Value**
Gold	434.00	1,354.48	3,469.00	9,450.18
Gold Jewellery	-	6.87	44.29	124.82
Silver	1,475.00	73.74	6,903.57	366.27

21. The Company being the nominated agency for import of Gold and Silver has imported Gold under usance L/Cs or availed buyer's credit. Money received towards sale value are put under Fixed Deposits with banks as margin or otherwise. Interest earned thereon relating to payment received from customers before due date of usance L/C or the buyer's credit is payable to the customers as a business policy.

22. Based on interim orders of Hon'ble Supreme Court of Small Causes in the matter of mesne profit for the period from June,2000 to March,2002 relating to office premises at Mumbai, an amount of ₹ 30.00million has been deposited with the Court and based on Final Order of Hon'ble Supreme Court ₹ 20.00 million is payable as final settlement amount liability for the full amount exist in accounts. Cheque has been issued by the Mumbai RO after deducting TDS but same has not been accepted by the party and the matter has been referred to the Court, where the decision is pending. Adjustment if any shall be made in accounts after receipt of filnal orders of the court.

23 In respect of GR-1 forms outstanding beyond due date the Company has filed application with the authorized dealers for extension of time/waiver/ write off. Pending decision on the application, the liability, if any, that may arise is unascertainable. Enforcement Directorate has imposed penalty for ₹ 19.81 million (P.Y. ₹ 23.33 million) which are being contested. Against this, an amount of ₹ 0.30 million (P.Y. ₹ 1.60 million) has been deposited and bank guarantee of ₹ 10.30 million (P.Y. ₹ 10.30 million) furnished.

24. The company has taken decision to replace the existing ERP Package due to various changes taken place in the business model in the recent years and to also meet the latest statutory requirements.

25. The employee's benefits provided by the Company as required under Accounting Standard 15 (Revised) are as under:-

i. Leave Encashment – Payable on separation to eligible employees who have accumulated earned and half pay leave. Encashment of accumulated earned leave is also allowed leaving a minimum balance of 15 days twice in a year.

ii. Post Retirement Medical Benefit (PRMB) – Available to retired employees at empanelled hospitals for inpatient treatment and also for OPD treatment.

iii. Gratuity - Gratuity is paid to all employees on retirement/separation based on the number of years of service. The scheme is funded by the Company and is managed by a separate Trust through LIC. In case of MICA division employees the scheme is managed directly by the company through LIC.

iv. Long Service Benefits : Long Service Benefits payable to the employees are as under:-

(a) Service Award amounting to ₹ 2500/- for each completed year of service is payable to the employees on superannuation/voluntary retirement scheme.

(b) Compassionate Gratuity amounting to ₹ 50,000/- is payable in lump-sum to the dependants of the employee due death in service.

(c) Payments under Employees' Family Benefit Scheme is payable to the dependants of the employee who dies in service till the notional date of superannuation. A monthly benefit @ 40% of Basic Pay & DA last drawn subject to a maximum of ₹ 12000/- on rendering service of less than 20 years and similarly a monthly benefit @ 50% of Basic Pay & DA last drawn subject to maximum ₹ 12000/- on rendering service of 20 years or more at the time of death.

Other disclosures as required under AS – 15(Revised) on 'Employee Benefits', in respect of defined benefit obligation are:

(a) Reconciliation of present value of defined benefit obligations:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Present value of projected benefit obligations as at 01/04/2012	704.92	240.04	160.92	982.00	100.09
(ii)	Interest cost	56.39	18.77	13.01	81.04	

(iii)	Current service cost	14.15	9.80	6.59	11.23	
(iv)	Benefit paid	43.02	57.25	9.06	69.45	
(v)	Actuarial(gain)/loss	24.10	63.94	16.07	281.39	12.84
(vi)	Present value of obligation as at 31st March,2013 (i+ii+iii-iv+v)	756.54	275.30	187.53	1286.21	112.93

(b) Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2013:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Service cost	14.15	9.80	6.59	11.23	
(ii)	Interest cost	56.39	18.77	13.01	81.04	
(iii)	Actual return on plan assets	65.21	-	-	-	
(iv)	Net Actuarial (gain) /loss recognized in the period	24.10	63.94	16.07	281.39	12.84
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	29.43	92.51	35.67	373.66	12.84

(c) Changes in the fair value of planned assets

(₹ in million)

		GRATUITY
Fair value of plan assets as at 1.4.2012	709.04	708.44
Adjustment in Opening Balance	0.60	
Actual return on plan assets		65.21
Contribution by employer		29.25
Benefit paid		43.02
Actuarial gain/(loss)		-
Fair value of plan assets as at 31.3.2013		759.88

(d) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under Post Retirement Medical Benefit scheme.

(₹ in million)

Sl.No.	Particulars	One percentage Increase in inflation rate	One percentage decrease in inflation rate
i)	Effect on the aggregate of the service cost and interest cost	10.91	(9.02)
ii)	Effect on defined benefit obligation	107.35	(90.03)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2013
(i)	Discount rate (Per Annum)	8.00% / 8.00% - LIC / Others
(ii)	Future cost increase	6.00% / 5.50% - LIC / Others
(iii)	Retirement age	60 Years
(iv)	Mortality table	LIC(1994-96) duly modified
(v)	Withdrawal rates	1% to 3% depending upon Age

26. In terms of AS-17 the Company has identified its Primary Reportable Business Segments as Minerals, Precious Metals, Metals, Agro Products, Coal & Hydrocarbon, Fertilizer and General Trade/others. The Secondary Segments are identified based on the geographical location as Outside India and Within India. Details are placed at Annexure ‘A’.

27. Related Party Disclosures under AS-18 (As identified & certified by the Management)

A. Name of the related parties and description of relationship:

a) Key Management Personnel

i. Shri D.S. Dhesi Chairman-cum Managing Director (w.e.f.08.10.2012)
ii. Smt. Vijaylaxmi Joshi Chairman-cum Managing Director (upto 05.10.2012)
iii. Shri Sunir Khurana Director (up to 18.09.2012)
iv. Shri Ved Prakash Director
v. Shri Rajeev Jaideva Director
vi. Shri M.G. Gupta Director
vii. Shri Anand Trivedi Director(w.e.f. 03.07.2012)
viii. Shri P.K.Jain Director (w.e.f. 15.05.2013)

b) Subsidiary

MMTC Transnational Pte. Ltd., Singapore

c) Associate

Neelachal Ispat Nigam Ltd.
Devona Thermal Power & Infrastructure Ltd.

d) Joint Ventures:-

Free Trade Warehousing Pvt. Ltd
Haldia Free Trade Warehousing Pvt. Ltd.
Greater Noida Integrated Waresousing Pvt. Ltd.
Integrated Warehousing Kandla Project Development Pvt. Ltd.
MMTC Pamp India Pvt. Ltd.
MMTC Gitanjali Private Ltd.
Indian Commodity Exchange Ltd.
Sical Iron Ore Terminal Ltd.
TM Mining Company Limited
Blue Water Iron Ore Terminal Pvt. Ltd.

B. Details of transactions during the year 2012-13 **(₹ in million)**

Particulars	Subsidiary	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	20492.84	15967.74	204.59		36665.17
Sale of goods	1347.44	9796.35	2008.91		13152.70
Sale of fixed assets					
Dividend Received	101.76				101.76
Finance including loans and equity contribution in cash or in kind			23.27		23.27
Corporate Guarantees					
Other payment Demurrage / Dispatch					
Other receipt Demurrage / Dispatch					
Remuneration				36.42	36.42
Outstanding Balance					
Receivable	8.48	4736.24	4.51		4749.23
Payable	3804.43	44.87	2.12		3166.07

28. Earning per Share:

Particulars	2012-13	2011-12
Profit after Tax (₹ in million)	(706.24)	707.19
Total number of Equity Shares (million)	1000.00	1000.00
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share) (P.Y. Face value ₹ 1/- per share)	(0.71)	0.71

29. As per Accounting Standard – 27 – 'Financial reporting of interest in Joint Ventures' issued by the Institute of Chartered Accountants of India, the Company's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the Joint venture companies, all incorporated in India are given below:-

Sl. No	Name of the Joint Venture Company	% of Company's ownership Interest	Country of Incorporation	Assets	Liabilities	Income	Expenditure	Cont. Liabil-ities	Capital Commit-ments
1.	Free Trade Warehousing Pvt. Ltd. *	26	India	3.33	3.71		0.13		
2.	Greater Noida Integrated Warehousing Pvt. Ltd. *	26	India		0.02		0.01		
3.	MMTC Pamp India Pvt. Ltd. *	26	India	2662.11	2453.26	32445.00	32330.30	32.00	4.82
4.	Sical Iron Ore Terminal Ltd. *	26	India	1213.56	875.63				
5.	MMTC Gitanjali Pvt Ltd. *	26	India	91.57	62.41	159.63	158.38	78.99	
6	Indian Commodity Exchange Ltd. *	26	India	125.15	56.90	22.79	50.68		
7	TM Mining Company Ltd. *	26	India	0.01	0.08		0.12		
8	Blue Water Iron Ore Terminal Pvt. Ltd.*	18	India	0.98	0.93	0.05	1.52		

* Un-audited

30. As required by Accounting Standard(AS) 28 " Impairment of Assets " notified by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

31. Reconciliation of provisions in terms of AS-29 is as under:

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.12	Adjustment during year	Addition during year	Closing Balance as on 31.03.13
Destinational Weight & Analysis Risk	0	0	1.38	1.38
Bonus/PRP	110.47	50.49	0.62	60.60
Superannuation Benefit	287.55	283.86	62.77	66.46
Provision for Taxation	1324.84	771.88	257.23	810.19
Proposed Dividend	250.00	250.00	100.00	100.00
Tax on Proposed Dividend	40.56	40.56	0	0
Un allocated budget for Corporate Social Responsibility	0.72	0.72	0	0

32. Income tax of ₹ 1204.71 million (P.Y. ₹ 1325.78 million) under the head Short Term Loans and Advances consists of ₹ 357.23 million (P.Y. ₹ 293.80 million) paid to Income Tax Department against the disputed demands of ₹ 367.16 million (P.Y. ₹ 293.80 millions) for various assessment years and advance tax/TDS of ₹ 847.48 million (PY ₹ 1031.98 million) towards income tax liability for financial years 2011-12 & 2012-13. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.

33. In respect of a case relating to Sterlite, which is still pending in the Court, principle amount of ₹ 157.37 million (P.Y. ₹ 157.37 million) had already been deposited with the court in earlier years by providing full liability. Upon the order of Honorable High Court of Bombay, an amount of ₹ 144.63 million toward interest has also been deposited with court during the current year by charging the same to revenue as exceptional item.

34. An amount of ₹ 284.53 million (P.Y. ₹ 284.53 million) is outstanding against M/s AIPL in respect of Mint silver transaction against which full provision has been made. The Company has filed a recovery suit of ₹ 314.02 million (P.Y. ₹ 314.02 million) which includes overdue interest of ₹ 29.49 million(P.Y. ₹ 29.49 million) which has been decreed in favour of the Company. M/s AIPL have also filed a suit against Government Mint/MMTC for damages of ₹ 1671.97 million (L.Y. ₹ 1671.97 million) which is not tenable as per legal opinion and is being contested.

35. The company had imported pulses on the directives of the Govt. of India during the year 2007-08 to 2010-11. The Government has allowed reimbursement of losses up to 15% of landed cost and trading margin @ 1.2% of CIF value. An amount of ₹ 193.50 million (P.Y. ₹ 77.10 million) towards in excess of 15% claim booked in earlier years, has been withdrawn during the current year. The scheme was discontinued w.e.f. 2011-12

36. Against the disputed demand of custom duty, penalty etc amounting to ₹ 241.12 million (P.Y. ₹ 241.12 million) in respect of utilization of Target Plus License for import of RBD palmolin oil, liability of ₹ 241.12 million (P.Y. ₹ 241.12 million) already exists in the accounts. Liability on account of interest, if any, will be provided on final decision of the case.

37. A claim for ₹ 18.89 million (P.Y. ₹ 18.89 million) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 15.28 million (P.Y. ₹ 15.28 million) exists in the accounts after taking into account the EMD and other payables amounting to ₹ 3.61 million (P.Y. ₹ 3.61 million). The company has requested customs for abandonment which is pending for adjudication. A criminal & civil suit has been files against the Associate. The associate has submitted a proposal for consideration of Dispute Settlement Committee and accordingly paid an amount of ₹ NIL (P.Y. ₹ 1.73 million) during the year.

38. Particulars in respect of Loans and Advances in the nature of loans as required by Clause 32 of the Listing Agreement:

A) Loans and Advances given to Associates in the nature of advances (Interest Free):

Loanee	Balance as at 31.03.2013	Maximum outstanding during the year
Neelachal Ispaat Nigam Ltd.	₹ 3.56 million	₹ 3.56 million
	(P.Y. ₹ 0.99 million)	(P.Y. ₹ 1.19 million)

B) Particulars of Investments by the Loanees: ₹ NIL (PY ₹ NIL)

39. Letters have been issued to parties for confirmation of balances with the request to confirm or send comment by the stipulated date failing which balance as indicated in the letter would be taken as confirmed. Confirmation letters have not been received in a few cases. However, no adverse communication received from any party.

40. At Regional Office, Mumbai, during the year 2011-12, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 29.94 million without making delivery of the material (copper). However, the company has obtained an interim stay restraining the bank from making the payment under the letter of credit. The same supplier is also fraudulently holding on to the master bills of lading of another shipment of copper which would enable the Regional Office, Mumbai to take delivery and possession of goods valued at ₹ 85.98 million, already paid for and received at the Indian port.

41. At Regional Office, Hyderabad fake bills of lading covering two shipments of copper valued at ₹ 37.50 million (P.Y. 37.50 miliion were received during 2011-12 through banking channels against which no material was received. The foreign supplier has been paid in full through letter of credit after the company received full payment from its Indian customer. The company has initiated legal action against the foreign supplier.

42. The company has made certain changes in the Accounting Policies during the year as under:-

i. Accounting Policy No. 2.1 has been reworded to read as "The Financial Statements have been prepared as of a going concern on historical cost convention and in accordance with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956."
ii. Accounting Policy No. 2.2 (a) has been reworded to read as "Purchases and sales are booked on performance of the contract/agreement entered into with the sellers/buyers or against allocation letter received from government. Wherever there is part performance of such contract/agreement/allocation, the part completed is booked as Purchase/Sale" so as to disclose the correctly the practice followed by the company.
iii. Accounting Policy No. 2.2 (d) "Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of such documents of title to the goods to buyer before the goods cross the custom frontiers of India" and 2.2 (e) "Purchase/Sale is booked in respect of trade done through commodity exchange like National Spot Exchange backed by physical delivery of goods" has been added to clarify the accounting practice followed by the company.
iv. Accounting Policy No. 2.6 (E) has been reworded by adding the words "as cost of Mobile handsets is reimbursed to officials as per their entitlement, against purchase by the officials in their own name which are not returned to the Company" so as to clarify the basis of charging the cost of mobile sets to revenue.
v. Accounting Policy No. 2.19 has been added related to Operating Lease.

The above changes have no financial impact on the company.

43. Final Dividend @ ₹ 0.10/- per Equity Share of ₹ 1/- each amounting to ₹ 10 crore during 2012-13 has been proposed out of the profit of the previous financial years and remaining undistributed.

44. There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2013.

45. Compliance of the Companies (Accounting Standard) Rules 2006 has been made. The Company has large number of transactions and diversified activities, which may have put operational constraints in strictly following the said rules. The deviation if any, have been stated in the accounting policies of the Company.

46. Whole time Directors are allowed usage of staff cars for private use up to 1,000 km per month as specified in the contractual terms of appointment on payment of ₹ 520 per month for cars below 16 HP and ₹ 780 for cars above 16 HP.

47. Figures for the previous year have been regrouped / re-casted wherever considered necessary.

48. Accounting policies and notes attached form an integral part of the financial statements.

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 30.05.2013
Place : New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF SEGMENTAL PERFORMANCE FOR THE YEAR 2012-13

(Primary Disclosures)

MMTC LTD

(₹ in million)

	BUSINESS SEGMENTS															
Particulars	PRECIOUS METAL		METALS		MINERALS & ORES		HYDROCARBON		AGRO PRODUCTS		FERTILIZERS		OTHERS		TOTAL	
SEGMENT REVENUE	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12
External Sales																
- With in India	136751.69	511427.32	11946.75	13818.49	1761.27	1239.98	56368.35	35671.00	29821.26	20301.54	17615.33	55957.29	98.96	420.81	254363.61	638836.43
- Outside India	0.00	0.35	2893.38	9404.16	13891.38	9552.28	0.00	0.00	11475.37	9.34	1532.50	1488.58	0.00	0.00	29792.62	20454.70
Total (A)	136751.69	511427.67	14840.13	23222.65	15652.64	10792.26	56368.35	35671.00	41296.62	20310.88	19147.83	57445.87	98.96	420.81	284156.23	659291.13
Inter-Segment sales																
- With in India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Outside India	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total (B)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Segment Revenue (A+B))	136751.69	511427.67	14840.13	23222.65	15652.64	10792.26	56368.35	35671.00	41296.62	20310.88	19147.83	57445.87	98.96	420.81	284156.23	659291.13
Total revenue of each segment as a percentage of total revenue of all segments	48.13%	77.57%	5.22%	3.52%	5.51%	1.64%	19.84%	5.41%	14.53%	3.08%	6.74%	8.71%	0.03%	0.06%	100.00%	100.00%
Segemental Result																
- With in India	722.26	858.08	295.59	251.50	50.48	34.72	665.82	644.32	329.27	229.48	82.57	131.00	84.51	86.95	2230.50	2236.05
- Outside India	0.00	0.02	89.89	282.12	400.92	240.70	0.00	0.00	268.05	0.28	8.13	6.97	0.00	0.00	766.99	530.09
Total Segmental Result	722.26	858.09	385.48	533.62	451.40	275.42	665.82	644.32	597.32	229.76	90.69	137.96	84.51	86.95	2997.48	2766.14
Unallocated Corporate expenses net of unallocated income															3220.87	2556.87
Operating Profit															(223.39)	209.28
Interest Expenses															1407.83	5040.12
Interest Income															2796.47	6593.01
Income taxes															(572.14)	52.94
Profit from ordinary activities															1737.40	1709.24
Extraordinary loss/Income															2443.64	1002.05
Net Profit															(706.24)	707.19
OTHER INFORMATION																
Segment assets	7789.21	31446.70	1484.49	3296.89	2385.69	970.43	20426.37	13648.74	7284.34	5745.89	2073.28	7058.33	499.14	552.37	41942.52	62719.35
Unallocated Corporate assets															25038.22	40663.35
Total assets															66980.73	103382.70
Segment Liabilities	2389.85	22952.99	355.37	2970.97	2422.57	976.97	21438.81	23805.52	13781.41	9123.24	4137.03	6698.39	195.95	257.16	44720.99	66785.25
Unallocated Corporate liabilities															8851.96	22383.44
Total liabilities															53572.95	89168.70
Segment Capital expenditure	0.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.83	0.00
Unallocated Capital Expenditure															68.14	21.00
Total Capital Expenditure															68.97	21.00
Segment Depreciation	2.22	1.30	0.00	0.00	55.36	55.36	0.00	0.00	0.00	0.00	0.00	0.00	36.36	36.36	93.95	93.03
Unallocated Depreciation															25.75	28.71
Total Depreciation															119.70	121.74
Non-cash expenses other than depreciation															60.41	139.91

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED……

STATEMENT OF SEGMENTAL PERFORMANCE FOR 2012-13
(SECONDARY DISCLOSURE)

(₹ in million)

GEOGRAPHICAL SEGMENTS

	OUTSIDE INDIA		WITHIN INDIA		TOTAL	
	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12
SEGMENT REVENUE						
External Sales	**29,792.62**	20,454.70	**254,363.61**	638,836.43	**284,156.23**	659,291.13
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**29,792.62**	20,454.70	**254,363.61**	638,836.43	**284,156.23**	659,291.13
Segement Result	**766.99**	530.09	**2,230.50**	2,236.05	**2,997.48**	2,766.14
Segment assets	**4,651.48**	688.68	**37,291.04**	86,075.33	**41,942.52**	86,764.00
Capital expenditure	**-**	-	**0.83**	-	**0.83**	-

INFORMATION FORMING PART OF STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2013									
PURSUANT TO PARA 5 OF PART -II OF REVISED SCHEDULE -VI OF COMPANIES ,1956 ACT									
GOODS FORMING 10% OR MORE OF THE TOTAL VALUE OF TURNOVER/ PURCHASE									
							(Value in ₹ Million)		
	OPENING STOCK			PURCHASES		SALES		CLOSING STOCK	
	QTY.	VALUE		QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
		(₹)			(₹)		(₹)		(₹)
GOLD (OGL) - Kgs	956	57		38,740	111,942	38,607	116,439	190	8
GOLD (DTA) - Kgs	10	27		2,544	7,337	-	7,369	-	14
STEAM COAL- mt	724520.07	4061.72		8099054.73	39943.72	7694822.50	44899.00	1176483.94	5588.12

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to the Subsidiary Companies

			(Amount In US$ Million)
1	Name of Subsidiary Company	**MMTC Transnational Pte. Limited Singapore**	
		2012-13	2011-12
2	The Financial year of the Subsidiary Company ended on	**31st March 2013**	31st March 2012
3	Shares of the Subsidiary Company held by MMTC Limited		
	i) Number	**1461502 shares of S$ 1 each**	1461502 shares of S$ 1 each
	ii) Extent of Holding	**100%**	100%
4	The Net aggregate of profit of the Subsidiary Company for the financial year so far as it concern the members of MMTC ltd.		
	i) Dealt with in the Accounts of MMTC Ltd. For the year ended 31st March	**Nil**	Nil
	ii) Not dealt with in the Accounts of MMTC Ltd. For the year ended . ($ in Million)	**2.1***	1.9
5	The net aggregate amount of profit of the Subsidiary Company for the previous financial year so far as they concern the members of MMTC Ltd.		
	i) Dealt with in the Accounts of MMTC Ltd. For the year ended 31st March	**Nil**	Nil
	ii) Not dealt with in the Accounts of MMTC Ltd. For the year ended. ($ in Million)	**1.9**	2.3

* Unaudited figure

(G. ANANDANARAYANAN) **Assistant Company Secretary**		**(VIJAY PAL)** **Chief General Manager(F&A)**
(M. G. GUPTA) **Director (Finance)**	**(VED PRAKASH)** **Director**	**(D S DHESI)** **Chairman-cum-Managing Director**

MMTC TRANSNATIONAL PTE LTD

(Incorporated in Singapore. Registration Number: 199407265M)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2013

MMTC TRANSNATIONAL PTE LTD

DIRECTORS' REPORT
For the financial year ended 31 March 2013

The directors present their report to the shareholder together with the audited financial statements for the financial year ended 31 March 2013.

Directors

The directors in office at the date of this report are as follows:

Depinder Singh Dhesi	(appointed on 8 October 2012)
Ved Prakash	
Rajeev Jaideva	
Madan Gopal Gupta	
Anand Trivedi	(appointed on 25 July 2012)
Tapas Kumar Sengupta	
Vijay Kumar Gupta	

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or related corporations.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the financial statements and in this report, and except that certain directors receive remuneration as a result of their employment with related corporations.

Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

TAPAS KUMAR SENGUPTA	VIJAY KUMAR GUPTA
Director	Director

13 July 2013

MMTC TRANSNATIONAL PTE LTD

STATEMENT BY DIRECTORS

For the financial year ended 31 March 2013

In the opinion of the directors,

(a) the financial statements as set out on pages 5 to 24 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2013 and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

TAPAS KUMAR SENGUPTA	VIJAY KUMAR GUPTA
Director	Director
13 July 2013	

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MMTC TRANSNATIONAL PTE LTD

Report on the Financial Statements

We have audited the financial statements of MMTC Transnational Pte Ltd set out on pages 5 to 24, which comprise the balance sheet as at 31 March 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2013, and of the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 13 July 2013

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2013

	Note	**2013 US$**	2012 US$
Sale of goods		**600,589,940**	708,647,874
Other income – net	3	**5,211,006**	2,775,466
Net currency translation loss		**(5,876)**	(16,269)
Expenses			
- Purchases for resale		**(596,057,765)**	(703,280,272)
- Employee compensation	4	**(1,077,129)**	(948,844)
- Depreciation	12	**(42,697)**	(43,332)
- Rental expense - operating lease		**(286,630)**	(280,783)
- Bank charges		**(266,571)**	(233,768)
- Finance expense	5	**(2,749,157)**	(2,292,683)
- Other expenses	6	**(2,815,425)**	(2,243,192)
Total expenses		**(603,295,374)**	(709,322,874)
Profit before income tax		**2,499,696**	2,084,197
Income tax expense	7	**(388,905)**	(212,078)
Profit after tax and total comprehensive income		**2,110,791**	1,872,119

The accompanying notes form an integral part of these financial statements.

MMTC TRANSNATIONAL PTE LTD

BALANCE SHEET
As at 31 March 2013

	Note	2013 US$	2012 US$
ASSETS			
Current assets			
Cash and bank deposits	8	**16,361,538**	17,210,492
Trade and other receivables	9	**16,969,566**	32,191,796
Other current assets	10	**250,323**	137,766
Inventories		**5,478**	5,478
		33,586,905	49,545,532
Non-current assets			
Investment in a subsidiary	11	**-**	-
Property, plant and equipment	12	**20,679**	56,606
		20,679	56,606
Total assets		**33,607,584**	49,602,138
LIABILITIES			
Current liabilities			
Trade and other payables	13	**6,165,694**	28,719,571
Borrowings	14	**11,642,884**	5,444,217
Current income tax liabilities	7	**350,277**	225,714
Total liabilities		**18,158,855**	34,389,502
NET ASSETS		**15,448,729**	15,212,636
EQUITY			
Share capital	16	**1,000,000**	1,000,000
Retained profits		**14,448,729**	14,212,636
Total shareholder's equity		**15,448,729**	15,212,636

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2013

	Note	Share capital US$	Retained profits US$	Total US$
2013				
Beginning of financial year		**1,000,000**	**14,212,636**	**15,212,636**
Total comprehensive income		-	2,110,791	2,110,791
Dividends	17	-	(1,874,698)	(1,874,698)
End of financial year		**1,000,000**	**14,448,729**	**15,448,729**
2012				
Beginning of financial year		1,000,000	17,228,792	18,228,792
Total comprehensive income		-	1,872,119	1,872,119
Dividends	17	-	(4,888,275)	(4,888,275)
End of financial year		1,000,000	14,212,636	15,212,636

The accompanying notes form an integral part of these financial statements.

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2013

	Note	**2013 US$**	2012 US$
Cash flows from operating activities			
Profit after tax		**2,110,791**	1,872,118
Adjustments for:			
Income tax expense		**388,905**	212,078
Depreciation		**42,697**	43,332
Loss on disposal of property, plant and equipment		**-**	674
Interest income		**(399,421)**	(403,746)
Interest expense		**2,749,157**	2,292,683
		4,892,129	4,017,140
Changes in working capital:			
Trade and other receivables		**15,313,763**	(1,443,279)
Other current assets		**(112,557)**	(53,738)
Trade and other payables		**(21,396,824)**	7,642,885
Cash (used in)/generated from operations		**(1,303,489)**	10,163,008
Income tax paid		**(264,342)**	(193,120)
Net cash (used in)/provided by operating activities		**(1,567,831)**	9,969,888
Cash flows from investing activities			
Purchase of property, plant and equipment		**(6,770)**	(9,973)
Interest received		**307,888**	368,742
Net cash provided by investing activities		**301,118**	358,769
Cash flows from financing activities			
Dividends paid		**(3,031,751)**	(1,856,524)
Interest paid		**(2,749,157)**	(2,292,683)
Proceeds from borrowings		**11,642,884**	5,444,217
Repayment of borrowings		**(5,444,217)**	(12,382,858)
Net cash provided by/(used in) financing activities		**417,759**	(11,087,848)
Net decrease in cash and cash equivalents		**(848,954)**	(759,191)
Cash and cash equivalents at beginning of financial year		**17,210,492**	17,969,683
Cash and cash equivalents at end of financial year	8	**16,361,538**	17,210,492

MMTC TRANSNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 20 Cecil Street, #14-02/03/04 Equity Plaza, Singapore 049705.

The principal activities of the Company are trading in minerals, metals, fertilizers, agricultural products, coal and hydrocarbon products, jewellery and other commodities.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The management has assessed that there are no estimates or judgements used that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Interpretations and amendments to published standards effective in 2012

On 1 April 2012, the Company adopted the new or amended FRS and interpretation to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Consolidated financial statements are not prepared as the Company is a wholly owned subsidiary of MMTC Limited, incorporated in India, which produces consolidated financial statements for public use. The registered office address of MMTC Limited is Core – 1, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi, India – 110003.

The basis on which the subsidiary is accounted for is disclosed in note 2.7.

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is presented, net of goods and services tax, rebates and discounts.

Revenue is recognised as follows:

(a) Sale of goods

Revenue from the sale of goods is recognised when products have been delivered in accordance with the shipment terms.

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Currency translation

These financial statements are presented in United States Dollar, which is the functional currency of the Company.

Transactions denominated in a currency other than United States Dollar ("foreign currency") are translated into United States Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation at the closing rates at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.4 Bank balances
Trade and other receivables

Deposits

Bank balances, trade and other receivables and deposits are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method, less any accumulated impairment losses.

The Company assesses at each balance sheet date whether there is objective evidence that these financial assets are impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

These assets are presented as current assets, except for those maturing later than 12 months after the balance sheet date which are presented as non-current assets.

2.5 Income taxes

Current income tax is recognised at the amount expected to be paid to or recovered from the tax authorities.

Deferred income tax is recognised for all temporary differences except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of transaction.

Current and deferred income tax is measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date, and are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.6 Inventories

Inventories, comprise goods held for resale, are carried at the lower of cost and net realisable value. Cost is determined on a specific identification method. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

2.7 Investments in subsidiaries

Subsidiaries are entities in which the Company has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanying a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is taken to profit or loss.

2.8 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.

Depreciation on property, plant and equipment is calculated using the straight Line method to allocate depreciable amounts over their expected useful lives of 3 years.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.9 Impairment of non-financial assets

Property, plant and equipment and investments in subsidiary are reviewed for impairment whenever there is any indication that these assets may be impaired.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.10 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently measured at amortised cost, using the effective interest method.

2.11 Operating lease payments

Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

2.12 Employee compensation

(a) Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due, unless they can be capitalised as an asset.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2.14 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.15 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

MMTC TRANSNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

2.16 Borrowings

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.17 Dividends

Dividends to the Company's shareholder are recognised when the dividends are approved for payment.

3. Other income - net

	2013 US$	2012 US$
Interest income		
- short-term bank deposits	**399,421**	403,746
- customers	**2,502,946**	431,692
	2,902,367	835,438
Sundry income	**77,732**	38,914
Demurrage and despatch	**2,230,907**	1,901,114
	5,211,006	2,775,466

4. Employee compensation

	2013 US$	2012 US$
Wages and salaries	**839,904**	724,639
Employer's contribution to defined contribution plans such as Central Provident Fund	**72,219**	67,203
Other benefits	**165,006**	157,002
	1,077,129	948,844

Other benefits include the rental expenses for the residential premises provided to the employees which amounted to US$ 102,314 (2012: US$91,364).

5. Finance expenses

	2013 US$	2012 US$
Interest expense:		
- trust receipts and invoice financing	**171,386**	206,446
- discounted bills	**2,577,771**	2,086,237
	2,749,157	2,292,683

6. Other expenses

	2013 US$	2012 US$
Demurrage and despatch	**2,491,891**	1,930,425
Other expenses	**323,534**	312,767
	2,815,425	2,243,192

MMTC TRANSNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

7. Income taxes

(a) Income tax expense

	2013	2012
	US$	US$
Tax expense attributable to profit is made up of:		
Current income tax	**238,907**	225,714
Under/(over) provision in prior financial years:		
Current income tax	**149,998**	(13,636)
	388,905	212,078

The Company was granted Global Trader Programme ("GTP") status with effect from 1 April 2000 and further renewed w.e.f 1st April 2010 till 31 March 2015. Income covered by GTP status is taxed at a concessionary rate of 10%. Non-qualifying income is taxed at the standard rate of 17% (2012: 17%). The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before income tax due to the following:

	2013	2012
	US$	US$
Profit before income tax	**2,499,696**	2,084,197
Tax calculated at a tax rate of 17% (2012: 17%)	**424,948**	354,313
Effects of:		
Singapore statutory stepped income exemption	**(20,874)**	(19,433)
Income subject to a lower tax rate	**(146,948)**	(109,143)
Expenses not deductible for tax purposes	**17,622**	11,824
Income not subject to tax	**(35,841)**	(11,847)
	238,907	225,714

(b) Movements in current income tax liabilities

	2013	2012
	US$	US$
Beginning of financial year	**225,714**	206,756
Income tax paid	**(264,342)**	(193,120)
Tax payable on profit for current financial year	**238,907**	225,714
Under/(over) provision in prior financial years	**149,998**	(13,636)
End of financial year	**350,277**	225,714

8. Cash and bank deposits

	2013	2012
	US$	US$
Cash and bank balances	**204,584**	198,262
Fixed deposits with banks	**16,156,954**	17,012,230
	16,361,538	17,210,492

Cash and bank deposits are denominated in the following currencies:

	2013	2012
	US$	US$
United States Dollar	**16,339,441**	17,168,865
Singapore Dollar	**22,097**	41,627
	16,361,538	17,210,492

MMTC TRANSNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

At balance sheet date, the fixed deposits bear interest rates ranging from 0.35% to 3.20% (2012: 0.55% to 3.26%) per annum with the maturity dates ranging between 0.5 month to 12 months (2012: 0.5 month to 11 months).

9. Trade and other receivables

	2013	2012
	US$	US$
Trade receivables:		
- third parties	**703,605**	11,772,701
- holding corporation (note 15)	**16,061,667**	20,308,512
Interest receivable	**195,186**	103,653
Other receivables	**9,108**	6,930
	16,969,566	32,191,796

Trade and other receivables are denominated in the following currencies:

	2013	2012
	US$	US$
United States Dollar	**16,960,458**	32,184,866
Singapore Dollar	**9,108**	6,930
	16,969,566	32,191,796

10. Other current assets

	2013	2012
	US$	US$
Deposits	**100,000**	98,048
Prepayments	**150,323**	39,718
	250,323	137,766

Deposits are denominated mainly in Singapore Dollars

11. Investment in a subsidiary

	2013	2012
	US$	US$
Unquoted equity shares, at cost	**7,632**	7,632
Less: Allowance for impairment in value	**(7,632)**	(7,632)
	-	-

Details of the subsidiary are as follows:

Name of subsidiary	Principal activity	Country of incorporation and business	Equity holding	
			2013	2012
			%	%
MMTC Transnational (Moscow) Pte Ltd	Dormant	Russia	**100**	100

12. Property, plant and equipment

	Leasehold improvements	Furniture and fittings	Computer equipment	Office equipment	Total
	US$	US$	US$	US$	US$
2013					
Cost					
Beginning of financial year	71,910	39,657	39,644	21,503	172,714
Additions	-	880	5,890	-	6770
End of financial year	71,910	40,537	45,534	21,503	179,484

MMTC TRANSNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

Accumulated depreciation					
Beginning of financial year	35,952	32,781	30,571	16,804	116,108
Depreciation charge	23,968	7,169	8,884	2,676	42,697
End of financial year	59,920	39,950	39,455	19,480	158,805
Net book value					
End of financial year	**11,990**	**587**	**6,079**	**2,023**	**20,679**

	Leasehold improvements	Furniture and fittings	Computer equipment	Office equipment	Total
	US$	US$	US$	US$	US$
2012					
Cost					
Beginning of financial year	71,910	39,657	35,006	19,700	166,273
Additions	-	-	6,450	3,523	9,973
Disposals	-	-	(1,812)	(1,720)	(3,532)
End of financial year	71,910	39,657	39,644	21,503	172,714
Accumulated depreciation					
Beginning of financial year	11,984	25,269	23,843	14,538	75,634
Depreciation charge	23,968	7,512	8,540	3,313	43,332
Disposals	-	-	(1,812)	(1,046)	(2,858)
End of financial year	35,952	32,781	30,571	16,804	116,108
Net book value					
End of financial year	**35,958**	**6,876**	**9,073**	**4,699**	**56,606**

13. Trade and other payables

	2013	2012
	US$	US$
Trade payables:		
- third parties	**3,895,986**	25,296,465
- holding corporation	**156,229**	249,985
Accrued operating expenses	**238,781**	141,370
Dividend payable	**1,874,698**	3,031,751
	6,165,694	28,719,571

Trade and other payables are denominated in the following currencies:

	2013	2012
	US$	US$
United States Dollar	**5,543,185**	28,538,332
Singapore Dollar	**590,076**	158,668
Others	**32,433**	22,571
	6,165,694	28,719,571

14. Borrowings

	2013	2012
	US$	US$
Short-term loan	**11,642,884**	5,444,217

The short term loan has a maturity of 21 days (2012: 27 days) from the balance sheet date.

The interest rate of the borrowings at the balance sheet date is 1.10% (2012: 1.09%) per annum.

MMTC TRANSNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

15. Immediate and ultimate holding corporation

The Company's immediate and ultimate holding corporation is MMTC Limited, incorporated in India.

16. Share capital

The Company's share capital comprises fully paid-up 1,461,502 (2012: 1,461,502) ordinary shares with no par value, amounting to a total of US$1,000,000 (2012: US$1,000,000).

17. Dividends

	2013	2012
	US$	US$
Ordinary dividend paid/payable		
Interim exempt (one-tier) dividend paid in respect of the previous financial year of US$ Nil (2012: US$ 1.27) per share	**-**	1,856,524
Interim exempt (one-tier) dividend payable in respect of current financial year of US$1.28 (2012: US$2.07) per share	**1,874,698**	3,031,751
	1,874,698	4,888,275

18. Commitments

(a) Purchase and sales commitments

As at balance sheet date, the outstanding commitments under purchases and sales contracts for goods not recognised in the financial statements are as follows:

	2013	2012
	US$	US$
Purchase commitments	**12,267,004**	27,503,948
Sales commitments	**12,270,504**	27,515,948

(b) Operating lease commitments

The Company leases residential and office premises under non-cancellable operating leases agreements. The leases have varying terms and renewal rights.

The future minimum lease payments under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	2013	2012
	US$	US$
Not later than one year	**391,769**	342,196
Later than one year but not later than five years	**85,081**	308,045
	476,850	650,241

19. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

MMTC TRANSNATIONAL PTE LTD

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2013

(a) Sales and purchases of goods and services

	2013 **US$**	2012 US$
Sales to holding corporation	**373,522,408**	451,694,916
Purchases from holding corporation	**24,390,774**	108,073,286

(b) Key management personnel compensation is as follows:

	2013 **US$**	2012 US$
Salaries and other short-term employee benefits	**356,843**	309,672
Post-employment benefits - contribution to defined contribution plans	**9,923**	4,467
	366,766	314,139

The amount disclosed above represents amount paid to directors during the financial year.

20. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors and the holding corporation provide guidelines for overall risk management, as well as policies covering these specific areas.

(a) Market risk

(i) Foreign currency exchange rate risk

The Company's business operations are not exposed to significant foreign currency risks, as it has no significant transactions denominated in foreign currencies.

(ii) Interest rate risk

Interest rate risk arises primarily with respect to short-terms borrowings under import and export financing. The Company monitors market interest rates closely to ensure that favourable interest rates are secured. At balance sheet date, the Company has minimal exposure to interest rate risk.

(iii) Price risk

The Company has insignificant exposure to commodities price risk as it does not hold significant commodities financial instruments.

(b) Credit risk

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings as determined by international credit rating agencies.

The Company has no significant concentration of credit risk except for amount due from holding corporation which has a good collection track record with the Company. The Company has policies in place to ensure that sales of goods are made to customers with adequate financial standing and an appropriate credit history. At balance sheet date, there is no class of financial assets that is past due or impaired.

(c) Liquidity risk

The Company manages liquidity risk by maintaining cash and available funding through an adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The Company's major classes of financial liabilities are trade and other payables and borrowings and their contractual maturities are less than one year.

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Company monitors capital on the basis of the total shareholder's equity as shown on the balance sheet.

The Company is not subject to any externally imposed capital requirements.

21. New or revised accounting Standards and Interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2013. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

22. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of MMTC Transnational Pte Ltd on 13 July 2013

MMTC LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR
THE FINANCIAL YEAR ENDED 31ST MARCH, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OFMMTC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **MMTC LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We did not audit the financial statement of subsidiary whose financial statements reflect total assets of INR 1,833.41 million as at March 31, 2013 and total revenue of INR 32,920.23 million for the year ended on that date, associates whose net carrying cost of investments is INR 4,519.94 million and in Joint Ventures whose financial statements reflect total assets of INR 4,017.32 million as at March 31, 2013 and total revenue of INR 32,627.88 million for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these Subsidiary, Associates and Joint Ventures, is based solely on the report of other auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

Our observation in-respect of the inadequacies in the internal control systems, as stated in para (iv) of Annexure to the main audit report, which may have consequential effect on the accounts for the year. (Effect not ascertainable)

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31stMarch, 2013;

b. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

c. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

(a) It is observed that due to recording of many incorrect / unexplained accounting entries deliberately recorded in the books at Regional Office Hyderabad with a view to suppress the actual sundry debtors recoverable from party / group the Management has directed a special audit to ascertain the amount actually recoverable. Based on its report a provision of INR 2.288.20 million (P.Y. INR **NIL** million) has been made on account of un-recoverability of the amount from the said sundry debtor. [Refer note no. 17(ii)]

(b) Subsequent to the submission of the final report of special audit a further provision of INR 155.44 million (P.Y. INR 1,002.50 million) is made on account of certain acts of commission & omission pertaining to recoverable from debtors at Regional Office Chennai. [Refer note no. 17(i)]

(c) Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities in many cases have not been confirmed and consequent reconciliation / adjustments if any, required upon such confirmation are not ascertainable. (Refer note no. 38)

(d) The RMS software is not reflecting correct inventory of Sanchi items due to the problems in the package. Manual record of inventory of Sanchi items is also not maintained.

(e) Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer note no. 22)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us].

   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **JAIN KAPILA ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 00287N

Place: New Delhi

Date: August 14, 2013

D.K. Kapila
Sr. Partner
M. No.:016905

MMTC LIMITED					
BALANCE SHEET AS AT 31-03-2013					
					(₹ in million)
	Note No.	**AS AT 31-03-2013**		**AS AT 31-03-2012**	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS	3				
Share Capital	3.1	**1000.00**		1000.00	
Reserves & Surplus	3.2	**13919.90**	**14919.90**	15964.81	16964.81
NON-CURRENT LIABILITIES	4				
Long-term borrowings	4.1	**968.91**		992.14	
Other Long term liabilities	4.2	**301.82**		105.94	
Long-term provisions	4.3	**1705.40**	**2976.13**	1374.43	2472.51
CURRENT LIABILITIES	5				
Short-term borrowings	5.1	**15825.41**		34589.72	
Trade payables	5.2	**24573.94**		33487.62	
Other current liabilities	5.3	**9343.28**		18541.60	
Short-term provisions	5.4	**1333.95**	**51076.58**	2295.61	88914.55
TOTAL :			**68972.61**		**108351.87**
ASSETS					
NON-CURRENT ASSETS	6				
Fixed Assets	6.1				
Tangible assets	6.1.1	**1498.42**		1491.65	
Intangible assets	6.1.2	**140.77**		17.01	
Capital Work-in-progress	6.1.3	**1257.18**		1181.09	
Non-current investments	6.2	**4579.62**		6075.40	
Deferred tax assets (net)	6.3	**1458.17**		713.29	
Long-term loans and advances	6.4	**1100.92**		1074.54	
Other non-current assets	6.5	**22.08**	**10057.16**	91.84	10644.82
CURRENT ASSETS	7				
Current investments	7.1	**150.87**		-	
Inventories	7.2	**9013.61**		9502.15	
Trade receivables	7.3	**19352.31**		28271.49	
Cash and Bank Balances	7.4	**17055.42**		29480.91	
Short-term loans and advances	7.5	**11588.07**		20175.74	
Other current assets	7.6	**1755.17**	**58915.45**	10276.76	97707.05
Total :			**68972.61**		**108351.87**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 14th August, 2013
Place : New Delhi

MMTC LIMITED					
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2013					
					(₹ in million)
	Note No.	**YEAR ENDED 31-03-2013**		**YEAR ENDED 31-03-2012**	
INCOME					
Revenue from operations	8	**328856.15**		670224.07	
Other Income	9	**3337.06**	**332193.21**	7079.49	677303.56
Total Revenue			**332193.21**		677303.56
EXPENSES					
Cost of materials consumed	10	**2677.61**		5810.18	
Purchases of Stock-in-Trade	11	**307030.16**		652429.18	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	**242.07**		(2,943.40)	
Employee benefits expense	13	**2137.50**		1923.36	
Finance costs	14	**2503.17**		5902.56	
Depreciation and amortization expense		**165.53**		144.33	
Other expenses	15	**16024.79**	**330780.83**	12545.69	675811.90
Total expenses			**330780.83**		675811.90
Profit before exceptional and extraordinary items and tax			**1412.38**		**1,491.66**
Exceptional Items	16		**127.28**		(1.26)
Profit before extraordinary items and tax			**1285.10**		**1492.92**
Extraordinary Items	17		**2443.64**		1002.05
Profit before tax			**(1,158.54)**		**490.87**
Tax expense:					
Current tax					
Provision for Taxation		**270.22**		544.27	
Earlier year		**(81.94)**		(101.74)	
Deferred tax		**(739.28)**		(379.47)	
Share of interest in Joint Ventures		**17.34**	**(533.66)**	1.38	**64.44**
Profit for the period			**(624.88)**		**426.43**
Interest in share of profit from associate					
Share of profit from associates		**(393.99)**		146.57	
Less: Goodwill amoritised (Associates)		**87.67**	**(481.66)**	0.03	146.54
Net profit for the period			**(1,106.54)**		**572.97**
Earnings per equity share of nominal value of ₹ 1/- each					
Basic (in ₹)			**(1.11)**		**0.57**
Diluted (in ₹)			**(1.11)**		**0.57**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 14th August, 2013
Place : New Delhi

MMTC LIMITED				
Consolidated Cash Flow Statement for the year ended 31-03-2013				
				(₹ in million)
	For the year ended 31-03-2013		For the year ended 31-03-2012	
A. Cash flows from operating activities				
Profit before Tax & Extra ordinary items		1285.10		1492.92
Adjustment for :				
Extra-ordinary items	(2,443.64)		(1,002.05)	
Loss on valuation of inventories	7.39		12.06	
Depreciation & amortisation expense	251.69		144.80	
Net Foreign Exchange (gain)/loss	(194.14)		(73.38)	
(Profit) /Loss on sale of Tangible Assets	(0.46)		(0.06)	
Interest income	(2,954.19)		(6,632.85)	
Dividend Income	(12.75)		-	
Finance Costs	2503.17		5908.43	
Provision for diminution in value of CWIP	0.00		0.00	
Debt/claims written off	0.70		1.35	
Provision for doubtful Debts /Loans & Advances	62.53		133.11	
Diminution in value of investment property	(1.25)		1.25	
Provision no longer Required	(24.42)		(14.51)	
Liabilities no longer Required	(150.74)		(295.22)	
		(2,956.11)		(1,817.07)
		(1,671.01)		(324.15)
Changes in assets & liabilities				
Inventories	481.15		(2,952.52)	
Trade Receivables	8,954.84		(2,445.07)	
Loans & Advances	8561.29		20,530.39	
Other current & non current assets	8521.59		12,141.85	
Trade payables	(8,719.54)		(1,629.72)	
Other liabilities	(8,851.70)		(37,957.99)	
Provisions	120.08	9,067.71	534.21	(11,778.85)
		7,396.70		(12,103.00)
Taxes Paid		(586.11)		(315.18)
Net cash flows from operating activities		6,810.59		(12,418.18)
B. Cash flows from Investing Activities				
Purchase of tangible assets	(245.89)		(220.46)	
Sale of tangible Assets	4.26		0.33	
Sale/Purchase of Investments	(10.83)		2.96	
Dividend received	12.75		-	
Interest received	2954.19		6632.85	
Godwill on consolidation	(219.26)	2495.22	(0.15)	6415.53
Net cash flows from investing activities		2495.22		6415.53
C. Cash flows from financing activities				
Borrowings	(18,787.54)		(26,663.33)	
Finance Costs	(2,503.17)		(5,908.43)	
Dividend (inclusive of tax) paid	(290.56)	(21,581.27)	(290.56)	(32,862.32)
Net cash flows from Financing Activities		(21,581.27)		(32,862.32)
Net increase / (decrease) in Cash & Cash Equivalents		(12,275.46)		(38,864.97)
Opening Balance of Cash & Cash Equivalents	29480.91		68345.88	
Closing Balance of Cash & Cash Equivalents	17205.45		29480.91	

1. Figures for the previous year have been regrouped wherever considered necessary.

2. Adjustments for certain accruals/deferrals made at Corporate Office on the basis of information received from branch offices

3. Cash and Cash equivalents consists of cash and bank balance & deposits with banks and short term investment with maturity of less than three months

	As at the end of 2012-13	As at the end of 2011-12
A. Cash and cash equivalents		
(a) Cheques, drafts on hand	**563.73**	9.12
(b) Cash on hand	**0.07**	0.07
(c) Balances with Banks		
- in current account	**247.14**	2493.17
-in cash credit account (debit balance)	**427.53**	174.29
-term deposit with original maturity up to 3 months	**2838.40**	2408.75
- Short term investments with maturity of less than 3 months	**150.03**	
B. Others- other Balances with Bank		
-As Margin money/under lien	**3.00**	2392.80
-in term deposits with original maturity more than 3 months and upto 12 months	**11409.42**	21759.13
-in term deposits with original maturity more than 12 months	**1.13**	173.62
C. Share of interest in Joint Ventures	**1565.00**	69.96
Total	**17205.45**	**29480.91**

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 14th August, 2013
Place : New Delhi

CONSOLIDATED ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General Information:

The company is incorporated and domiciled in India, and a Mini- Ratna public sector undertaking under the administrative control of Ministry of Commerce & Industry, Government of India. The registered office of the Company is situated at Core-1, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003, India. The company has 13 regional offices at various places in India and a wholly owned subsidiary MMTC Transnational Pte Ltd. (MTPL), Singapore.

The principal activities of the Company are export of Minerals and import of Precious Metals, Non-ferrous metals, Fertilizers, Agro Products, coal and hydrocarbon etc.

The company's trade activities span across various countries in Asia, Europe, Africa, Middle East, Latin America and North America.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Financial Statements have been prepared as of a going concern on historical cost convention and in accordance with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

2.2. PURCHASES AND SALES

a. Purchases and sales are booked on performance of the contract/agreement entered into with the sellers/buyers or against allocation letter received from government.

Wherever there is part performance of such contract/agreement/allocation, the part completed is booked as Purchase/Sale.

b. In case of certain commodities import of which is canalized through the company, imported on 'Government Account' against authorization letter issued by Government of India, Purchase/Sale is booked in the name of the Company.

c. Gold/Silver received under deposit:-

i. Purchases include gold/silver withdrawn from Deposit on outright purchase basis for sale to exporters, as per the scheme of Exim Policy being operated by the Company as a nominated agency.

ii. Purchase of Gold during the year for domestic sale is accounted for on withdrawal from the Gold/Silver under deposit and fixation of price with the suppliers. The stock held by the company at year end as Gold/Silver under Deposit is accounted for under current assets as ' stock towards unbilled purchases' and under current liability as amount payable towards unbilled purchases' at the bullion price prevailing as at the close of the year. However, customs duty paid in respect of balance in deposits is shown as prepaid expenses.

iii. Gold/silver withdrawn on loan basis from the Gold/Silver under deposit, are shown as loan given to customers and shown under Loans and Advances. The corresponding liability towards the stocks received from foreign suppliers is shown under Sundry Creditors. Loan/Sundry Creditors are adjusted when purchase and sales are booked.

iv. In the case of replenishment basis, gold/silver booked by exporter by paying margin money, purchase is
booked after "fixing" the price with the foreign suppliers. However, sale is booked when quantity is actually delivered after completion of export.

d. Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favor of buyer before the goods cross the custom frontiers of India.

e. Purchase/Sale is booked in respect of trade done through commodity exchange like National Spot Exchange which is backed by physical delivery of goods.

f. In respect of exports of Iron Ore/Manganese Ore where final sale value is ascertained on the basis of destinational weight and analysis results and such results are awaited, provision towards DWA risk is made @ 1% on the provisional sale value. In case of FOBT supplies where DWA risk on the purchase value is to the account of supplier provision @1% is made on the difference between sale value and purchase value.

g. Pending settlements, certain expenses/ gain/loss like dispatch earned/ demurrage payable etc. are accounted for on provisional basis.

2.3. REVENUE RECOGNITION

a) Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since relisability of such items is uncertain in accordance with the provisions of AS – 9 issued by ICAI:-

i. Tax credit, duty credit authorization under Target Plus scheme, REP/Advance Licenses, Service Tax refund, etc.

ii. Decrees pending for execution/contested dues and interest thereon, if any:

iii. Interest on overdue recoverables where realisability is uncertain.

iv. Liquidated damages on suppliers/underwriters, refund of custom duty on account of survey shortage, and refund of income-tax/sales-tax/VAT and interest thereon.

b) Insurance claims are accounted for upon being accepted by the insurance company.

c) Claims are recognized in the Profit & Loss Account on accrual basis including receivables from Govt. towards subsidy, cash incentives, reimbursement of losses etc. when it is not unreasonable to expect ultimate collection. Claims recognized but subsequently becoming doubtful are provided for through Profit & Loss Account.

2.4. PREPAID EXPENSES

Prepaid expenses upto Rs.10,000/- in each case are charged to revenue. Deposits upto Rs.5,000/- in each case with Government Department, Statutory Corporations, Electricity Boards and Local Bodies are also charged off to revenue.

2.5. FIXED ASSETS

(a) All fixed assets are stated at historical cost less accumulated depreciation and any impairment in value.

(b)The Company's expenditure toward construction/development of assets on land owned by the Government/Semi Government Authorities, is capitalized under heading "Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company".

2.6. DEPRECIATION

Depreciation is provided on straight line method at the rates approved by the Board of Directors, which are equal to or higher than those provided under schedule XIV of the Companies Act, 1956. Depreciation on assets acquired/disposed during the year is provided from/upto the month the asset is acquired/disposed. Depreciation includes amortisation of lease-hold land and Railway Wagon Rakes under WIS. Wooden partitions and temporary structures are fully depreciated in the year of purchase/erection. Moveable assets whose written down value at the beginning of the year and / or value in respect of purchases made during the year are Rs 20,000/- or less in each case, 100% depreciation is provided except retaining a nominal value of Re 1/-. The depreciation rates are as under:

Name of Assets	Rate of Depreciation as adopted by Company	Rate of Depreciation as provided in Sch.XIV
A. General Assets		
Furniture & Fittings	10%	6.33%
Weigh bridges	10%	4.75%
Typewriters, Machines, Fans & Office Equipment & AC	12.5%	4.75%
Vehicles	20%	9.50%
Computers (including software)	20%	16.21%
Lease hold land	As per lease agreement	
Wagon Rakes	As per agreement/ Wagon Investment Scheme	
Electrical installations excluding fans	10%	1.63%
Water supply, sewerage and drainage	10%	1.63%
Road and Culverts	2.5%	1.63%
Building and flats	2.5%	1.63%
Residential flats(ready built)	5%	1.63%
Warehouses/Godown	4%	1.63%
B. Manufacturing Unit's Assets		
Factory Building	3.34%	3.34%
Electrical Installations	4.75%	4.75%
Water Supply	4.75%	4.75%
Plant & Machinery(General)		
Single Shift	4.75%	4.75%
Double Shift	7.42%	7.42%
Triple Shift	10.34%	10.34%
Plant & Machinery-Continuous Process(including Wind Mill)	5.28%	5.28%
C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company	Over useful life of asset or five years whichever is less.	
D. All movable assets up to Rs.20,000/-	100% for Movable assets costing Rs.20,000/- or less each	100% for assets costing Rs.5,000/- or less each
E. Mobile handsets are directly charged to revenue in the year of purchase as cost of Mobile handsets is reimbursed to officials as per their entitlement, against purchase by the officials in their own name which are not returned to the Company.		
F. Goodwill is amortised over a period of five years		

2.7. INVESTMENTS

a. Long term investments are valued at cost less provision for permanent diminution in value.

b. Current investments are valued at lower of cost and fair value.

2.8. FOREIGN CURRENCY TRANSACTIONS

i. Transactions with rupee payment countries in respect of non-convertible Indian currency are being treated as foreign exchange transactions.

ii. Foreign currency monetary items (except overdue recoverable where realisibility is uncertain) are converted using the closing rate as defined in the AS-11 issued by the Institute of Chartered Accountants of India. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Profit and Loss account.

iii. Liability in foreign currency relating to acquisition of fixed assets is converted using the closing rate as defined in AS 11 issued by the Institute of Chartered Accountants of India. The difference in exchange is recognized in the Profit & Loss Account.

iv. In respect of forward exchange contracts, the premium / discount and loss/gain will be recognized as under:-

a. In respect of forward exchange contracts against existing underlying transactions, the premium / discount is recognized proportionately over the life of the contract. The loss/gain due to difference in exchange rate between (i) closing rate or the rate on the date of settlement if the transaction is settled during the year, and (ii) the exchange rate at later of the date of the inception of the forward contract or the last reporting date is recognised in the Profit & Loss Account for the year.

b. In respect of forward contracts relating to firm commitments and highly probable forecast transactions, loss due to exchange difference is recognized in the Profit & Loss Account in the reporting period in which the exchange rate changes. Any profit or loss arising on renewal or cancellation of such contracts is recognized as income or expense for the period.

v Investments in subsidiary company outside India are translated at the rate of exchange prevailing on the date of acquisition.

2.9. SEGMENT REPORTING

Primary Segment: The management evaluates the company's performance and allocates the resources based on analysis of various performance indicators by the following business segments / Product segments i.e.

i. Minerals
ii. Precious Metals
iii. Metals
iv. Agro Products
v. Coal & Hydrocarbon
vi. Fertilizer
vii. General Trade/others.

Above Business Segments have been identified in line with AS-17 "Segment Reporting" taking into account the company's organizational structure as well as different risks and returns of these segments.

Secondary Segment: Secondary Segments have been identified based on the geographical location of the customer of the company i.e.
i. Outside India
ii. Within India (including high sea sales to customers in India)

2.10. EMPLOYEE BENEFITS

i. Provision for gratuity, leave encashment/availment, post retirement medical benefit and long service benefits i.e. service award, compassionate gratuity and employees' family benefit scheme is made on the basis of actuarial valuation as per AS-15(Revised) issued by The Institute of Chartered Accountants of India.

ii. Provident fund contribution is made to Provident Fund Trust on accrual basis.

iii. Payment of Ex-gratia and Notice pay on Voluntary Retirement are charged to revenue in the year incurred.

2.11. PHYSICAL VERIFICATION OF STOCKS

i. Physical verification of stocks is undertaken once in a year and balances are arrived at after necessary adjustments till the end of the year. The stocks as physically verified are adopted as closing stocks and shortages/excesses suitably dealt with.

ii. In some of the cases where stocks are lying with Handling Agent/SWC/CWC/Private Parties the stocks have been adopted on the basis of certificate given by the respective agencies.

2.12. VALUATION OF STOCKS

Inventories including Goods-in-Transit are valued at lower of the cost or realisable value as on 31st March. In case of back to back transactions, net realizable value is ascertained on the basis of cost plus profit margin.The method of valuation is as under:

a) EXPORTS:

i) Cost of export stocks is arrived at after including direct expenses incurred upto the point at which the stocks are lying. Similarly the realisable value is derived by deducting from the market price the expenses to be incurred from that point to the stage where they are sold.

ii) In respect of mineral ores the realisable value of ores is worked out at the minimum of the Fe/Mn contents of the grade of the ore as per export contract and is compared with the weighted average cost at weighted average Fe/Mn contents/weighted average moisture contents of the ore. The embedded stocks of Iron ore are excluded from inventory and hence not valued.

b) IMPORTS:

i) The cost of imported stocks is arrived at by working out the yearly regional weighted average cost except for Non-ferrous Metals where weighted average cost of remaining stock after including all expenses incurred upto the point at which they are lying is considered. However, where stocks are specifically identifiable, actual cost of the material including all expenses incurred upto the point at which they are lying is considered.

ii) Gold/Silver purchased from foreign suppliers against booking by exporters under replenishment option and not delivered at the year end are shown as stocks of company and valued at cost .

c) DOMESTIC:

i. The cost of gold/silver medallions and silver articles is arrived at by working out the yearly location-wise weighted average cost of material and cost of opening stock. Costs include manufacturing/fabrication charges, wastages and other direct cost.

ii. In case of cut & polished stones and jewellery (finished/semi finished) where stocks are specifically identifiable, actual cost of the material including all expenses incurred upto the point at which they are lying is considered. Costs include wastage and other direct manufacturing costs.

iii. Packing material is valued at lower of the cost or realisable value as on 31st March.

iv. STOCK ON LOAN/FABRICATION: Stocks with fabricators are taken as the stocks of the company, till adjustments.

2.13. PRIOR PERIOD ADJUSTMENTS

Expenditure/income relating to previous year is shown in the accounts under the head “Prior Period Adjustment Account” as per the provisions of AS-5 (Net Profit or Loss for the period, Prior Period Items and Changes in Accounting Policies) issued by Institute of Chartered Accountants of India.

2.14. BORROWING COSTS

(i) Borrowing cost in ordinary course of business are recognized as an expense in the period in which these are incurred.

(ii) Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalised as part of cost of such asset upto the date the assets are ready for their intended use. All other borrowing costs are recognised as an expense in the year in which they have been incurred.

2.15. DEFERRED TAX

Deferred tax is recognized, subject to consideration of prudence on timing differences representing the difference between the Taxable income and Accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using tax rates and the tax laws that have been enacted or substantively enacted by the Balance Sheet date.

2.16. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value and impairment loss is charged to Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

2.17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) Provisions

(a) Provisions for Doubtful Debts/Advances/Claims:

Provision for doubtful debts/advances/claims is made where there is uncertainty of realization irrespective of the period of its dues. For outstanding over three years (except Government dues) full provision is made unless the amount is considered recoverable. Debts/advances/claims are written off when unrealisability is almost established.

(b) Others

(i) Provision is recognized when

a. the Company has a present obligation as a result of the past event.

b. a probable outflow of resources is expected to settle the obligation and

c. a reliable estimate of the amount of the obligation can be made.

(ii) Reimbursement of the expenditure required to settle a provision is recognised as per contract provision or when it is virtually certain that reimbursement will be received.

(iii) Provisions are reviewed at each Balance Sheet date.

(II) Contingent liabilities and contingent assets

i. Contingent liabilities are not recognized but are disclosed in the Notes to the Accounts.

ii. Contingent assets are neither recognized nor disclosed in the financial statements.

2.18. TREATEMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION /CONSTRUCTION PERIOD

Expenditure during construction period is included under Pre-operative expenses and the same is being allocated to the respective fixed assets on the completion of erection/installation.

2.19. OPERATING LEASES

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the income statement on a straight line basis over the period of lease.

Contingent rents are recognized as an expense in the income statement in the financial year in which termination takes place. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the financial year in which termination takes place.

2.20. The financial statements are reported in Indian Rupee and all values are rounded to the nearest million unless otherwise stated.

2.21. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to MMTC Limited, its subsidiary Company and the interest of the Company in joint ventures, in the form of jointly controlled entities.

(a) The financial statements of the Parent Company and its Subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants on India.

(b) In translating the financial statements of non-integral foreign subsidiary for incorporation of its financial statements, the following procedures are adopted:-

i) the assets and liabilities, both monetary and non-monetary, of the non-integral foreign subsidiary translated at the closing rate as defined in the AS-11 issued by the Institute of Chartered Accountants of India;

ii) income and expense items of the non-integral foreign subsidiary are translated at average exchange rate and

iii) all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

(‘c) In case of Associates, where the Company, directly or indirectly through subsidiaries holds more than 20% of equity, have been accounted for using “Equity Method” of Accounting described by Accounting Standard (AS) 23 “Accounting for Investment in Associates in Consolidated Financial Statements” issued by the Institute of Chartered Accountants of India.

(d) The Company accounts for its share in the change in the net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates’ profit and loss account and through its reserve for the balance, based on available information.

(e) The differences between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

(f) The Consolidated Financial Statements include the interest of the Company in Joint Venture Companies, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company’s share of each of the assets, liabilities, income and expenses of a jointly controlled entity is considered as, separate line items in the Consolidated Financial Statements.

(g) As far as possible the Consolidated Financial Statement is prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented in the same manner as the Company’s Separate Financial Statements.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2013

3. SHAREHOLDERS’ FUND

3.1 SHARE CAPITAL & RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING AT THE BEGINNING AND AT THE END OF THE REPORTING PERIOD

				(₹ in million)	
		31-03-2013		31-03-2012	
		Number	Amount	Number	Amount
A. Authorised					
Equity Shares of Par Value Rs.1/- each		**1,000,000,000**	**1000.00**	1,000,000,000	1,000.00
B. Issued, subscribed and fully paid					
Opening Balance as on 1st April 2012		**1,000,000,000**	**1000.00**	1,000,000,000	1,000.00
Addition				0	0.00
				0	0.00
Deduction				0	0
Closing Balance as 31st March 2013		**1,000,000,000**	**1000.00**	**1,000,000,000**	**1000.00**
Share of interest in Joint Ventures					
Total			**1000.00**		**1,000.00**

During 2010-11, 50,000,000 shares of the company of ₹ 10/- each were divided into 500,000,000 shares of ₹ 1/- each and bonus shares were issued in the ratio of 1:1 by capitalizing a sum of ₹ 500 million from general reserve.

The Company has one class of share capital, comprising ordinary shares of ₹ 1/- each. Subject to the Company’s Articles of Association and applicable law, the Company’s ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

The Company does not have any holding company. Hence no share is held by its holding company or its subsidiaries or associates.

No shareholder other than the promoters is holding more than 5% shares of the company. The shareholding of the promoters i.e. President of India as on 31-03-2013 is 993,312,000 shares (P.Y. 993,312,000 shares)

3.2 RESERVES & SURPLUS

			₹ in million	
	31-03-2013		31-03-2012	
Reserves				
Capital reserve-Opening Balance		**980.98**		96.79
Add: Transferred from Surplus		**(980.29)**		884.19
Add: Share of Joint Ventures		**3.71**		
Closing Balance		**4.40**		980.98
General reserve-Opening Balance		**5980.29**		6059.48
Add: Tranferred from Surplus		**748.86**		75.00
		6729.15		6134.48
Less: Deduction		**0.00**		154.19
Closing Balance		**6729.15**		5980.29
Foreign Currency Translation Reserve -Opening Balance		**202.90**		(230.09)
Add: Addition		**0.00**		432.99
		202.90		202.90
Less: Deduction		**610.66**		0.00
Closing Balance		**(407.76)**		202.90
Sustainable Development Reserve-Opening Balance		**-**		-
Add: Addition		**2.11**		-
		2.11		-
Less: Deduction		**-**		-
Closing Balance		**2.11**		-
Corporate Social Responsibility Reserve-Opening Balance		**-**		-
Add: Addition		**4.36**		-
		4.36		-
Less: Deduction		**-**		-
Closing Balance		**4.36**		-
Total (A)		**6,332.26**		7,164.17
Surplus				
Surplus-Opening Balance		**8800.64**		8739.77
Add: Net profit after tax transferred from Statement of Profit and Loss		**(1,173.25)**		548.23
Add: Share of interest in Joint Ventures transferred from statement of Profit and Loss		**66.71**		(121.80)
Amount available for appropriation		**7694.10**		9166.20
Appropriations:				
Final Dividend		**100.00**		250.00
Dividend Tax		**-**		40.56
Amount transferred to general reserve		**-**		75.00
Sustainable Development Reserve		**2.11**		
Corporate Social Responsibility Reserve		**4.36**		
Surplus-Closing Balance (B)		**7587.63**		8800.64
Total (A+B)		**13919.90**		**15964.81**

4. NON CURRENT LIABILITIES

4.1 LONG TERM BORROWINGS

				(₹ in million)
	31-03-2013		31-03-2012	
		-		-
Share of interest in Joint Ventures				
a. Secured	-		-	
b. Unsecured	968.91	968.91	992.14	992.14
Sub-Total				
a. Secured	-		-	
b. Unsecured	968.91	968.91	992.14	992.14
TOTAL		968.91		992.14

4.2 OTHER LONG TERM LIABILITIES

				(₹ in million)
	31-03-2013		31-03-2012	
Trade payable				
-Other than MSMEs	104.38		12.86	
-MSMEs	-	104.38	-	12.86
Others				
-Sales Tax/CST/Custom duty	19.95		18.74	
-Others	66.85	86.80	13.21	31.95
		191.18		44.81
Share of Interest in Joint Ventures		110.64		61.13
Total		301.82		105.94

4.3 LONG TERM PROVISIONS

				(₹ in million)
	31-03-2013		31-03-2012	
A. Employee Benefits				
i. Leave encashment	230.43		214.73	
ii. Post retirement medical benefits	1207.47		924.78	
iii. Half pay leave	165.47		145.76	
iv. Service Award	52.39		46.15	
v. Compassionate Gratuity	2.19		2.38	
vi. Employees' Family Benefit Scheme	43.99		39.92	
		1701.94		1373.72
B. Others		-		-
		1701.94		1373.72
Share of interest in Joint Ventures		3.46		0.71
Total		1705.40		1374.43

5. Current Liabilities

5.1 SHORT TERM BORROWINGS

				(₹ in million)
	31-03-2013		31-03-2012	
A. Loans repayable on demand				
From Banks				
Secured (against hypothecation of inventories , trade receivables and other current assets present and future)	6342.03		25674.83	
Unsecured	9074.14	15416.17	8914.89	34589.72
		15416.17		34589.72
Share of interest in Joint Ventures		409.24		-
Total		15825.41		34589.72

The loans have not been guaranteed by any of the director or others.

The loans have been taken from Banks under Cash Credit/Packing Credit Accounts/Others and are repayable within one year.

The company has not defaulted in repayment of any loan and interest thereon.

5.2 TRADE PAYABLE

				(₹ in million)
	31-03-2013		31-03-2012	
A. Sundry Creditors				
i. Other than MSMEs	**19456.81**		26672.52	
ii. MSMEs	**-**	**19456.81**	-	26672.52
B. Bills payable		**3639.31**		6576.11
		23096.12		33248.63
Share of interest in Joint Ventures		**1477.82**		238.99
Total		**24573.94**		**33487.62**

Sundry Creditors include ₹ 2858.08 million (P.Y. ₹ 10217.50 million) being notional value of 1017 Kgs. (P.Y. 3747 Kgs.) of gold taken on loan from foreign suppliers and issued to the Customers of the Company on loan basis.

5.3 OTHER CURRENT LIABILITIES

				(₹ in million)
	31-03-2013		31-03-2012	
a. Interest accrued but not due on borrowings		**161.12**		229.26
b. Interest accrued and due on borrowings		**0.16**		1.44
c. Income received in advance	**-**	**0.05**		-
d. Other payables (specify nature)				
-Forward cover -Amount payable to Bank	**13,901.30**		24059.70	
Less: Foreign Currency Receivable	**13,153.80**		24044.65	
	747.50		15.05	
-Sundry Creditors -others	**119.29**		88.76	
-Advance received from customers	**998.02**		597.13	
-Unpaid dividend	**0.07**		0.05	
-Despatch payable	**49.09**		37.48	
-Demurrage payable	**84.74**		88.80	
-Credit balance in sundry debtors	**554.59**		1546.87	
-Security deposit & EMD	**244.39**		1105.73	
-Taxes & Employees dues remittance pending	**1068.86**		816.93	
-Salaries & Allowances	**9.72**		61.68	
-Administrative Expenses	**199.33**		135.98	
-Amount payable towards unbilled purchases	**1435.09**		9941.28	
-Others (i)	**3340.24**		3690.33	
		8850.93		18126.07
		9012.26		18356.77
Share of interest in Joint Ventures		**331.02**		184.83
Total		**9343.28**		**18541.60**

(i) Includes ₹ 54.24 million (P.Y. ₹ NIL million) towards MMTC's share in the expenditure incurred by JV company consequent to decision of promoters to wind up the project due to delay in receipt of environment clearance.

5.4 SHORT TERM PROVISIONS

	31-03-2013		31-03-2012	(₹ in million)
A. Employee Benefits				
i. Bonus/Performance related pay	**68.01**		113.92	
ii. Earned Leave	**45.64**		26.04	
iii. Post Retirement Medical Benefit	**78.74**		57.22	
iv. Half Pay Leave	**22.06**		15.16	
v. Gratuity	**0.43**		0.00	
vi. Superannuation Benefits	**66.46**		287.55	
vii. Service Award	**4.98**		7.06	
viii. Compassionate Gratuity	**0.42**		0.29	
ix. Employees' Family Benefit Scheme	**8.96**		4.29	
x Others	**0.02**	**295.72**	0	511.53
B. Others				
i. Taxation	**829.24**		1336.38	
ii. Proposed dividend	**201.97**		404.98	
iii. Dividend Distribution Tax	**0.00**		40.56	
iv. Destinational Weight and Analysis Risk	**1.38**		0.00	
v. Corporate Social Responsibility	**0.00**	1032.59	0.72	1782.64
		1328.31		2294.17
Share of interest in Joint Ventures		**5.64**		1.44
Total		**1333.95**		**2295.61**

6 NON CURRENT ASSETS

6.1 FIXED ASSETS

6.1.1 Tangible Assets

(₹in Million)

	Gross Blocks					Depreciation / Impairment						Net carrying value	
	01-04-2012	Addition	Other Adjustments	Disposals	31-03-2013	Opening balance as at 01-04-2012	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2013	31-03-2013	31-03-2012
Land freehold													
-Office building	3.66				3.66				0.00		0.00	3.66	3.66
-Staff Quarters	1.33				1.33				0.00		0.00	1.33	1.33
Land leasehold													
-Office building	40.14			0.54	39.60	11.28	0.50		11.78	0.15	11.63	27.97	28.86
-Staff Quarters	2.67				2.67	1.07	0.03		1.09		1.09	1.58	1.60
Building													
-Office Building	128.01			0.34	127.67	50.07	3.30		53.36	0.29	53.07	74.59	77.94
-Staff Quarters/Residential Flats	69.34	0.29		0.00	69.63	50.69	1.36		52.05		52.05	17.58	18.65
-Water supply, Sewerage & Drainage	9.46				9.46	9.31	0.04		9.34		9.34	0.12	0.16
-Electrical Installations	17.51	0.91		0.22	18.21	15.78	0.31		16.09	0.23	15.86	2.35	1.74
-Roads & Culverts	3.58				3.58	2.32	0.09		2.41		2.41	1.17	1.26
-Audio/Fire/Airconditioning	12.49	0.03		0.00	12.52	12.32	0.05		12.37	0.00	12.37	0.15	0.17
Plant & Equipment	796.73	0.00		0.58	796.15	247.47	39.55		287.01	0.47	286.55	509.61	549.26
Furniture & Fixtures													
-Partitions	22.13	3.85		1.01	24.97	21.70	3.83		25.53	1.02	24.52	0.46	0.42
-Others	51.64	1.87		1.78	51.72	47.32	1.58		48.90	1.67	47.23	4.49	4.32
Vehicles	23.22			0.57	22.65	17.99	2.81		20.80	0.57	20.23	2.43	5.23
Office Equipments	62.52	2.89	0.00	7.55	57.85	50.00	3.84		53.83	7.55	46.28	11.58	12.52
Others:-													
Railway Wagon Rakes	553.64				553.64	310.96	55.36		366.32		366.32	187.32	242.68
Railway Loop Line at BNHT	26.17				26.17	26.17			26.17		26.17	0.00	0.00
Warehouse	34.11				34.11	16.68	1.36		18.04		18.04	16.07	17.44
Computer/ Data Processors	174.09	3.34	0.00	0.73	176.70	162.23	6.38		168.61	0.71	167.89	8.80	11.86
Share of interest in Joint Ventures	531.69	154.59	0.00	3.70	682.59	19.16	36.82		55.98	0.55	55.42	627.16	512.53
Total	2564.14	167.76	0.00	17.01	2714.89	1072.49	157.19	0.00	1229.69	13.21	1216.47	1498.42	1491.65
Last Year	2211.76	374.06	3.72	17.95	2564.14	958.80	135.09		1093.89	21.40	1072.49	1491.65	1252.96

(a) Cost of office land/building/flats/culverts, sewerage and drainage in some of the offices have been accounted for provisionally pending receipt of final bills or under construction/execution of lease deed.

(b) Leasehold lands, roads and culverts, sewerage, drainage and water supply for staff quarters at Delhi includes those held jointly with State Trading Corporation of India Limited (STC).

(c) Residential flats includes 41 shares (P.Y. 41 shares) of Cooperative Group Housing Society of the value of ₹ 0.002 million (PY ₹ 0.002 million). Conveyance of some of the flats of the original value as on 31.03.2013 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed.

(d) Cost of Office Building on lands not owned by the Corporation is ₹ 6.24 million (P.Y. ₹ 6.18 million) and provision for depreciation is ₹ 3.32 million (P.Y. ₹ 3.18 million)

(e) Cost of Water Supply on Land not owned by the Corp. is ₹ 0.66 million (P.Y. ₹ 0.66 million).

(f) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million (P.Y. ₹ 11.63 million) & accumulated depreciation of ₹ 5.84 million (P.Y. ₹ 5.72 million) constructed on the leasehold land at Paradip which expired on 20.11.2011 Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

6.1.2 Intangible Assets

(₹in Million)

	Gross						Amortisation						Net Carrying Value	
	01-04-2012	Addition	Additions through Business Combinations	Other adjustments	Disposals	31-03-2013	Opening balance as at 01-04-2012	Amortisation for the year	Impairment / (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2013	31-03-2013	31-03-2012
Computer software	0.42	1.88				2.30	0.31	0.25		0.56		0.56	1.74	0.11
Goodwill on consolidation(Joint Ventures)	25.80	1.61		1.51	0.00	25.90	15.56	5.68		21.23		21.23	4.67	10.25
Goodwill on consolidation(Associates)	0.00	219.16				219.16	0.00	87.67		87.67		87.67	131.50	0.00
Others														
Share of interest in Joint Ventures	15.85	0.16			0.00	16.01	9.19	3.95		13.14		13.14	2.87	6.66
Total	42.07	222.81	0.00	1.51	0.00	263.37	25.06	97.55	0.00	122.60	0.00	122.60	140.77	17.01
Last Year	41.04	1.05	0	0	0.03	42.07	15.88	9.17		25.06		25.06	17.01	25.16

6.1.3 Capital work-in-progress

(₹in Million)

	Assets					Depreciation / Impairment						Net carrying value	
Assets	01-04-2012	Addition	Other Adjustments	Disposals	31-03-2013	Opening balance as at 01-04-2012	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2013	31-03-2013	31-03-2012
Building													
-Building Under Construction	6.71				6.71	6.71			6.71		6.71	0.00	0.00
-Electrical Installations	6.70				6.70	6.70			6.70		6.70	0.00	0.00
-Roads & Culverts	0.47				0.47	0.47			0.47		0.47	0.00	0.00
Computer	0.00	0.09			0.09	0.00			0.00		0.00	0.09	0.00
Plant & Equipment	13.80		-		13.80	13.80			13.80		13.80	0.00	0.00
Development of Gomia Coal Block	0.00	54.86	-		54.86	0.00			0.00		0.00	54.86	0.00
Share of interest in Joint Ventures	1181.09	118.38	0.00	97.23	1202.24	0.00			0.00		0.00	1202.24	1181.09
Total	1208.77	173.32	-	97.23	1284.87	27.69	0.00	0.00	27.69	0.00	27.69	1257.18	1181.09
Last Year	1363.73	126.22	(5.14)	276.04	1208.77	27.69	0.00		27.69	0.00	27.69	1181.09	1336.04

6.2 NON CURRENT INVESTMENTS

	31-03-2013		31-03-2012	(₹ in million)
I. TRADE INVESTMENTS				
A. Investment Property				
Bandra Kurla Complex		**36.31**		35.06
B. Investment in Equity instrument				
a) Associates				
i. Neelachal Ispat Nigam Limited				
Fully paid up 289,342,744 Equity shares of Rs.10/- each (P.Y. Fully paid up 289,342,744 Equity shares of Rs. 10/- each)	3796.85		3796.85	
Add: Income from Associates till date	854.59		1248.57	
Less: Goodwill	131.50		0.00	
Add: Capital Reserve	0.00		980.29	
	4519.94		6025.71	
ii. Devona Thermal Power & Infrastructure Ltd.				
Fully paid up 13,000 Equity shares of Rs.10/- each(P.Y. Fully paid up 13,000 Equity shares of Rs.10/- each)	0.13		0.13	
Less: Goodwill	0.13		0.13	
	0.00	**4519.94**	0.00	6025.71
b) Joint Ventures		-		-
c) Others				
i. Indo French Biotech Limited				
Fully paid 4,750,000 Equity shares of Rs.10/- each (P.Y. Fully paid 4,750,000 Equity shares of Rs.10/- each)	47.50		47.50	
Less: Provision for Diminution in value of investment	47.50		47.50	
	0.00		0.00	
ii. United Stock Exchange Limited				
Fully paid 3,000,000 Equity shares of Rs.10/- each (P.Y. Fully paid 3,000,000 Equity shares of Rs.10/- each)	30.00	**30.00**	30.00	30.00
C. Investment in Government and trust securities				
9% Government Stock 2013		**0.00**		0.03
		4586.25		6090.80
II. OTHER INVESTMENTS				
Share of interest in Joint Ventures		**(6.63)**		(15.40)
Total		**4579.62**		**6075.40**

All Non Current Investments are carried at cost less provision for permanent diminution in value, if any. The company is not having any quoted investments. Aggregate amount of un-quoted investments is ₹ 3874.48 million (P.Y. ₹ 3874.51 million). Aggregate amount of provision for diminution in value of investments is ₹ 47.50 million (P.Y. ₹ 47.50 million).

6.3 DEFERRED TAX ASSETS (NET)

The deferred tax assets as at 31st March 2013 comprises of the following:

(₹ in million)

Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2012	Credit / (Charge) during 2012-13	**Deferred Tax asset / (Liability) as at 31.3.2013**
Depreciation	(194.87)	18.18	**(176.69)**
Prov. For Doubtful	807.73	804.98	**1612.71**
DWA Risk	0.00	0.45	**0.45**
VRS Expenses	8.56	9.04	**17.60**
Interest received from IT Deptt.	0.00	0.16	**0.16**
Others	93.54	(93.53)	**0.01**
Interest in Joint Ventures	(1.67)	5.60	**3.93**
TOTAL	**713.29**	**744.88**	**1458.17**

6.4 LONG TERM LOANS AND ADVANCES

				(₹ in million)
	31-03-2013		31-03-2012	
A. SECURITY DEPOSITS				
I. Secured, considered good	49.46		8.24	
II. Unsecured, considered good	36.73		78.73	
III. Doubtful	37.45		36.82	
Sub-total	123.64		123.79	
Less: Provision for bad and doubtful advances	37.45	86.19	36.82	86.97
B. LOANS AND ADVACNES TO RELATED PARTIES				
I. Secured, considered good	-		-	
II. Unsecured, considered good				
-Others	3.56		0.99	
III. Doubtful	4.85		4.85	
Sub-total	8.41		5.84	
Less: Provision for bad and doubtful advances	4.85	3.56	4.85	0.99
C. OTHER LOANS AND ADVANCES				
I. Secured, considered good				
-Loan & advances to PSUs/Other Coampanies	158.22		156.03	
-Interest accrued & due/not due	32.08		50.81	
-Loan to Employees	186.86	377.16	173.76	380.60
II. Unsecured, considered good				
-Interest accrued & due/not due	34.44		3.36	
-Loan to Employees	91.04		49.55	
-Others	472.56		508.71	
III. Doubtful	248.31		289.36	
Sub-total	846.35		850.98	
Less: Provision for bad and doubtful advances	248.31	598.04	289.36	561.62
		1064.95		1030.18
Share of interest in Joint Ventures		35.97		44.36
TOTAL		1100.92		1074.54

Out of the above amount due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member is ₹ 0.70 million (P.Y. ₹ 0.97 million)

6.5 OTHER NON-CURRENT ASSETS

				(₹ in million)
	31-03-2013		31-03-2012	
A. Long Term Trade Receivables				
i. Considered good (Secured against hypothecation of assets/ mortgage of title deeds and Bank Guarantees)	0.00		0.96	
ii. Unsecured Considered good	17.43		21.95	
iii. Considered doubtful*	4168.52		1315.86	
Sub-total	4185.95		1338.77	
Less : Provision for bad and doubtful receivables *	4168.52	17.43	1315.86	22.91
B. Others		-		-
		17.43		22.91
Share of interest in Joint Ventures		4.65		68.93
TOTAL		22.08		91.84

* includes ₹ 1157.49million (P.Y. ₹ 1002.05 million) at RO Chennai and ₹ 2288.20 million (P.Y. ₹ NIL million) at RO Hyderabad towards recoverable and provision on account of certain acts of commission and omission relating to bullion transactions (Refer Note No. 17).

7 CURRENT ASSETS

7.1 CURRENT INVESTMENTS

				(₹ in million)
	31-03-2013		31-03-2012	
A. Investment in Mutual Funds (Quoted)				
IDBI Mutual Fund -Liquid Fund (Daily Dividend)	150.00		-	
(150000 units of ₹ 1000/- each (P.Y. NIL)				
		150.00		-
B. Investment in Government or trust securities				
9% Govt. Stock 2013		0.03		-
		150.03		-
Share of interest in Joint Ventures		0.84		-
Total		150.87		-

Current investments are valued at lower of cost and fair value.

Aggregate market value of quoted investments as on 31.03.2013 ₹ 150.05 million (P.Y. ₹ NIL million) against cost of ₹ 150.00 million (P.Y. ₹ NIL million).

Aggregate amount of un-quoted investments is ₹ 0.87 million (P.Y. ₹ NIL million).

7.2 INVENTORIES

				(₹ in million)
	31-03-2013		31-03-2012	
A. Raw materials	100.48		93.94	
B. Work-in-progress	-		-	
C. Finished goods	845.59		-	
D. Stock-in-trade	7942.09		9149.17	
(includes goods in transit valued at ₹1996.69 million (P.Y. ₹1809.97 million))				
E. Stores and spares	-		-	
F. Loose tools	-		-	
G. Packing Materials	-		0.00	
H. Others (specify nature).	0.65	8888.81	1.20	9244.31
		8888.81		9244.31
Share of interest in Joint Ventures		124.80		257.84
Total		9013.61		9502.15

As taken, valued and certified by the management.

Inventories including goods in transit are valued at lower of the cost or realizable value as on 31st March 2013.

Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 7.39 million (P.Y ₹ 12.06 million) during the year.

Further there has been fall in price of Gold & Silver after 31 st March 2013 which may result in fall in realizable value of inventory by ₹ 120.67 million basis prevailing realizable value as on 21.05.2013.

7.3 TRADE RECEIVABLES

				(₹ in million)
	31-03-2013		31-03-2012	
A. Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment				
i. Secured, Considered good	3969.65		1015.72	
ii. Unsecured Considered good	1062.09		1128.88	
iii. Doubtful	152.08		546.88	
	5183.82		2691.48	
Less: Provision for bad and doubtful debts	152.08	5031.74	546.88	2144.60
B. Other Trade Receivables				
i. Secured, Considered good	12674.14		11479.88	
ii. Unsecured Considered good	1632.30		14636.07	
iii. Doubtful	17.10		-	
	14323.54		26115.95	
Less: Provision for bad and doubtful debts	17.10	14306.44	-	26115.95
		19338.18		28260.55
Share of interest in Joint Ventures		14.13		10.94
Total		19352.31		28271.49

7.4 CASH AND BANK BALANCES

				(₹ in million)
	31-03-2013		31-03-2012	
a. Cash and cash equivalents				
- Cheques, Drafts on hand		563.73		9.12
- Cash on hand		0.07		0.07
- Balances with Banks				
(a) in Current Account	247.14		2493.17	
(b) in Cash Credit Account (Debit balance)	427.53		174.29	
(c) in Term Deposits with original maturity upto 3 months	2838.40	3513.07	2408.75	5076.21
b. Other Balances with Banks				
- As Margin money/lien	3.00		2392.80	
- in term deposits with original maturity more than 3 months and upto 12 months	11409.42		21759.13	
- more than 12 months original maturity	1.13	11413.55	173.62	24325.55
		15490.42		29410.95
Share of interest in Joint Ventures		1565.00		69.96
Total		17055.42		29480.91

Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments ₹ 3.00 million (P.Y. ₹ 2392.80 million).

Balances with banks includes ₹ 0.07 million (P.Y. ₹ 0.05 million) for unpaid dividend.

"Cash and cash equivalents'" has been changed to "Cash and Bank balances" in accordance with provisions of Accounting Standard-3 issued by The Institute of Chartered Accountants of India.

7.5 SHORT TERM LOANS AND ADVANCES

				(₹ in million)
	31-03-2013		31-03-2012	
A. Loans and advances to related parties				
i. Secured -Considered good	-		-	
ii. Unsecured -Considered good	-		-	
iii. Doubtful	-		-	
	-		-	
Less : Provision for Bad and Doubtful loans and advances	-	-	-	-
B. Others				
i. Bills Receivable	884.39		1188.13	
Less: Bills Discounted	0.00		7.01	
Secured -Considered good		884.39		1181.12
ii. Advance recoverable in cash or kind				
Secured -Considered good	3221.16		15202.65	
Unsecured -Considered good	5624.71		2141.04	
Doubtful	275.00		176.55	
	9120.87		17520.24	
Less : Provision for Bad and Doubtful loans and	275.00	8845.87	176.55	17343.69
iii. Advance to Suppliers				
Secured -Considered good	0.00		0.26	
Unsecured -Considered good	230.94		308.80	
Doubtful	35.16		89.96	
	266.10		399.02	
Less : Provision for Bad and Doubtful loans and	35.16	230.94	89.96	309.06
iv. Income Tax (including advance income tax, TDS and refund due)				
Unsecured -Considered good		1205.04		1326.09
		11166.24		20159.96
Share of interest in Joint Ventures		421.83		15.78
Total		11588.07		20175.74

Due by directors and other officers (Chief General Managers and Company Secretary) ₹ 0.10 million (P.Y. ₹ 2.45 million)

7.6 OTHER CURRENT ASSETS

				(₹ in million)
	31-03-2013		31-03-2012	
Deferred Premium	304.22		334.49	
Gold/Silver stock towards unbilled purchases	1435.09		9941.28	
	1739.31		10275.77	
Less: Provision for doubtful amount, if any	-	1739.31	-	10275.77
Share of interest in Joint Ventures		15.86		0.99
Total		1755.17		10276.76

8 REVENUE FROM OPERATIONS

				(₹ in million)
	2012-13		2011-12	
a. Sale of products		294350.20		665462.51
b. Sale of services		27.31		0.46
c. Other operating revenue				
-Despatch earned	43.61		5.25	
-Claims	1401.32		370.22	
-Subsidy	294.86		2937.36	
-Other Trade Income	219.32		746.22	
	1959.11		4059.05	
Less:				
d. Excise Duty	10.52	1948.59	3.10	4055.95
		296326.10		669518.92
Share of interest in Joint Ventures		32530.05		705.15
Total		328856.15		670224.07

In respect of coal imported for NTPC supply during previous years, sale in some cases had been booked provisionally pending issue of final invoices since final quality analysis at destination was not received . This has no impact on the profitability since the difference, if any, on issuance of final invoice shall be to the account of the supplier.

9 OTHER INCOME

				(₹ in million)
	2012-13		2011-12	
a. Interest				
-Interest on fixed deposits	1953.23		3879.95	
-Interest from customers on amount overdue	174.63		134.35	
-others	826.34	2954.20	2483.71	6498.01
b. Dividend				
-from subsidiary company				
-Others		12.75		-
c. Net gain/ loss on sale of investments		-		-
d. other non operating income (net of expenses directly attributable to such income)				
-Staff quarter rent	5.61		5.40	
-Misc. Receipts	114.44		159.83	
-Liabilities written back	150.74		295.22	
-foreign exchange gain	1.50		104.39	
Less: foreign exchange loss	-	272.29	-	564.84
		3239.24		7062.85
Share of interest in Joint Ventures		97.82		16.64
Total		3337.06		7079.49

10 COST OF MATERIAL CONSUMED

				(₹ in million)
	2012-13		2011-12	
Raw Material		2,677.61		5,484.10
Packing Material		-		-
Consumables		-		-
Loose Tools		-		-
		2,677.61		5,484.10
Share of interest in Joint Ventures		0.00		326.08
Total		2677.61		5,810.18

11 PURCHASES OF STOCK-IN-TRADE

(₹ in million)

Product Groups	2012-13		2011-12	
A) Purchases				
Precious Metals	**104987.17**		470946.10	
Metals	**16136.06**		27812.63	
Fertilizers	**29567.70**		64472.54	
Minerals	**15655.22**		12313.50	
Agro Products	**50586.50**		34213.12	
Coal and Hydrocarbons	**58137.75**		42254.04	
General Trade	**9.12**	**275079.52**	396.93	652408.86
B) Stock received / issued in kind				
Precious Metals	**(19.85)**		(7.97)	
		(19.85)		(7.97)
		275059.67		652400.89
Share of interest in Joint Ventures		**31970.49**		28.29
Total		**307030.16**		**652429.18**

12 CHANGES IN INVENTORIES

(₹ in million)

	2012-13		2011-12	
A. FINISHED GOODS				
Opening Balance	**1625.85**		0.24	
Closing Balance	**947.02**		0.28	
Change in inventory of Finished Goods		**678.83**		-0.04
B. WORK-IN-PROGRESS				
Opening Balance	**-**		-	
Closing Balance	**-**		-	
Change in inventory of Work-in-progress		**-**		-
C. STOCK-IN-TRADE				
Opening balance	**7357.82**		6479.73	
Closing balance	**7949.19**		9256.09	
Change in inventory of Stock-in-Trade		**(591.37)**		(2,776.36)
		87.46		(2,776.40)
Share of interest in Joint Ventures		**154.61**		(167.00)
TOTAL CHANGE IN INVENTORIES		**242.07**		**(2,943.40)**

13 EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	2012-13		2011-12	
Salaries and wages				
Salaries and Allowances	**1215.16**		1156.64	
Leave encashment	**129.16**		123.61	
VR expenses	**28.44**		36.87	
Bonus	**12.78**		5.54	
Performance Related pay	**6.25**		50.92	
Medical Expenses	**111.90**		85.21	
Post Retirement Medical Expenses	**337.26**		199.22	
Group Insurance	**0.16**		0.40	
Contribution to DLIS	**1.44**	**1842.55**	1.28	1659.69
Contribution to provident fund and other funds				
Provident Fund	**92.38**		83.56	
Gratuity Fund	**31.77**		35.23	
Family Pension Scheme	**12.37**		9.66	
Superannuation Benefit	**62.77**	**199.29**	66.48	194.93
ESOP/ESPP		**0.00**		0.00
Staff Welfare Expenses		**45.90**		34.23
		2087.74		1888.85
Share of interest in Joint Ventures		**49.76**		34.51
Total		**2137.50**		**1923.36**

Liability of ₹ 62.77 million (P.Y. ₹ 66.48 million) towards superannuation benefit has been made during the year as per DPE guidelines for wage revision.

14 FINANCE COSTS

		(₹ in million)
	2012-13	2011-12
I. Interest expense	1557.22	5144.98
II. Other borrowing costs	-	0.00
III.Applicable Net gain/loss on foreign currency transactions	0.37	-
IV Premium on forward contract	786.46	728.62
	2344.05	5873.60
Share of interest in Joint Ventures	159.12	28.96
Total	2503.17	5902.56

Interest expense include ₹. 1.51 million (P.Y. ₹. 14.34 million) paid for shortfall in payment of advance income tax.

15 OTHER EXPENSES

				(₹ in million)
	2012-13		2011-12	
A. Operating Expenses				
Freight	5416.68		1691.88	
Demurrage	50.43		124.07	
Clearing, Handling, Discount & Other charges	2141.36		933.24	
L/C negotiation and other charges	26.17		42.55	
Difference in exchange (i)	(192.64)		195.57	
Customs duty	7351.55		8807.41	
Insurance	26.14		13.01	
Godown insurance	14.00		10.62	
Plot and Godown rent	4.20		24.12	
Packing Material	446.68		22.00	
Provision for destinational weight and analysis risk	1.38	15285.95	0.00	11864.47
B. Administrative Expenses				
Consumption of stores and spare parts	-		-	
Power & Fuel	1.24		1.24	
Rent	43.34		35.81	
Rates and taxes	16.81		24.83	
Insurance	1.59		3.44	
Repairs to buildings	36.16		39.09	
Repairs to machinery	1.14		4.44	
Electricity & Water Charges	23.36		20.29	
Advertisement & Publicity	30.59		31.71	
Printing & Stationery	7.33		7.70	
Postage & Telegram	1.70		1.99	
Telephone	16.49		17.56	
Telecommunication	10.94		10.99	
Travelling	50.05		39.70	
Vehicle	19.31		18.90	
Entertainment	7.83		8.34	
Legal	43.71		19.54	
Auditors Remuneration	8.02		6.85	
Bank Charges	5.12		22.82	
Books & Periodicals	0.57		0.59	
Trade	5.01		5.23	
Repair & Renewals	18.28		19.59	
Computer Expenses	0.64		1.13	
Subscription	4.95		4.41	
Training, Seminar & Conference	5.44		3.81	
Professional/Consultancy	23.31		23.35	
CSR & Sustainable Development	18.23		34.50	
Difference in exchange	(45.07)		5.43	
Donations	-		0.11	
Service Tax	3.07		-	
Prior period items	(5.52)		(109.26)	
Exhibition, Fair and Sales Promotion	37.96		69.28	
Bad Debts/Claims/Assets written off/ withdrawn	0.70		1.35	
Provision for Bad & Doubtful Debts/ Claims/Advances	62.53		133.11	
Miscellaneous expenses	119.80	574.63	67.57	575.44
		15860.58		12439.91
Share of interest in Joint Ventures		164.21		105.78
Total		16024.79		12545.69

(i) Due to adoption of notional exchange rate on the B/L date.

(a) Deferred forward premium of ₹ 304.22 million (P.Y. ₹ 335.60 million) for imports and ₹ NIL million (P.Y. ₹ (1.10) million) for exports is to be recognized in the Profit & Loss Account of the subsequent accounting year.

(ii) Amount paid to auditors'

	2012-13	2011-12
		(₹ in million)
As Auditor	4.77	4.06
For Taxation Matters	1.15	1.12
For Company Law Matters	-	-
For Management Services	0.03	0.03
For Other Services	1.66	1.37
For Reimbursement of Expenses	0.41	0.28
	8.02	6.85

(iii) Prior period items

	2012-13	2011-12
		(₹ in million)
Expenditure		
Cost of sales	383.52	20.85
Salaries & wages	0.00	0.21
Administrative Expenses	0.69	5.88
Interest	4.09	4.49
Depreciation	-1.03	0.41
Others	11.10	1.59
Sub-Total	398.37	33.43
Income		
Sales	349.10	1.85
Interest	0.38	134.84
Other Receipts	54.42	6.01
Sub-Total	403.90	142.69
TOTAL (Net)	(5.52)	(109.26)

16 EXCEPTIONAL ITEMS

Exceptional item includes the following:-

	2012-13		2011-12	
				(₹ in million)
Write-down of inventories to net realisable value and its reversal	7.39		12.06	
Reversal of any provisions for the cost of resturcturing	-		-	
Disposals of items of fixed assets	(0.46)		(0.06)	
Disposals of long-term investments	-		-	
Legislative changes having retrospective application	-		-	
Litigation settlements	144.63		-	
Provisions no longer required	(24.42)		(14.51)	
Diminution in value of Investment property	0.00		1.25	
Share of interest in Joint Ventures	0.14	127.28	0.00	(1.26)
		127.28		(1.26)

17 EXTRAORDINARY ITEMS

Extraordinary items represent:

i. Consequent upon receipt of final report of special audit conducted by a firm of Chartered Accountants provision of ₹ 155.44 million (P Y ₹ 1002.05 million) made in the books of accounts against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at Regional Office, Chennai relating to Bullion transactions. The balance of debtors has been re stated and credit balance of ₹ 13.40 million and debit balance of ₹ 48.02 million is yet to be reconciled but complete provision of ₹ 1157.49 million against the debit balance has been made. The Company has also filed a complaint with CBI who has since registered two separate FIRs and started detailed investigations. Also Directorate of Enforcement has registered an offence under Prevention of Money Laundering Act, 2002 against two ex-officials and two debtors.

ii. Based upon the findings of the Special Audit conducted by KPMG a provision of ₹ 2288.20 million (P Y ₹ NIL million) made in the books of accounts against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at Regional Office, Hyderabad relating to Bullion transactions. The Company has also filed a complaint with CBI who has since registered FIR and started detailed investigations.

18. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR):

I. Contingent Liabilities:

a) Guarantees issued by Banks on behalf of the Company ₹ 4448.26 million (P.Y. ₹ 1460.40 million) and Corporate Guarantee amounting to ₹ 2017.15 million (P.Y. ₹ 360.40 million) in favour of customer has been given towards performance of contract against which backup guarantee have been obtained from associate suppliers.

b) Corporate Guarantees of ₹ 14409.10 million (P.Y. ₹ 14409.10 million) given by the company in favour of financial institutions/banks on behalf of Neelachal Ispat Nigam Limited (NINL) for securing principal and interest in respect of loans to NINL.

c) Claims against the Company not acknowledged as debts ₹. 2274.05 million (P.Y. ₹ 816.88 million).

d) Letters of Credit opened by the Company remaining outstanding ₹ 6142.11 million (P.Y. ₹ 9901.18 million).

e) Bills discounted with banks ₹ Nil million (P.Y. ₹ 7.01 million).

f) Sales Tax Demand of ₹ 988.89 million (P.Y. ₹ 995.70 million) in dispute against which ₹ 115.96 million (P.Y. ₹ 94.92 million) has been deposited and ₹ 6.74 million (P.Y. ₹ 6.74 million) covered by bank guarantees.

g) Service Tax demand in respect of business auxiliary service amounting to ₹ 486.48 million (P.Y. ₹ 470.38 million).

h) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 1697.08 million as on 31.03.2013 (PY ₹ 987.79 million).

i) Additional liability, if any, on account of sales tax demands on completion of assessments, disputed claims of some employees, non-deduction of Provident Fund by Handling Agents/Contractors, disputed rent and interest/penalty/legal costs etc., in respect of amounts indicated as contingent liabilities being indeterminable, not considered.

j) A party has served a legal notice for non lifting of part quantity of coking coal in respect of supplies to M/s NINL, relating to delivery period 2008-09, claiming an amount of ₹ 4273.71 million ($ 78.72 million translated @ ₹ 54.29 being the closing rate of exchange as on 31.03.2013) (PY ₹ 4005.00 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, which has been refuted since the same is not tenable. MMTC has also put the party on notice to lodge counter claim for non supply of coking coal for the year 2009-10. The matter has been taken up at Govt. level as the supplier is also one of the major supplier of coking coal to other PSUs and all terms, conditions and prices are determined by an Empowered Joint Committee consisting of senior level nominees of Govt. and PSUs.

k) Custom department have raised demand of ₹ 1850.13 million (P.Y. NIL million) at various RO's during the current year on account of differential custom duty on import of Steam Coal supplied by the company to Power utilities through associate suppliers on back to back terms on fixed margin basis. The liability if any on account of custom duty or sales tax shall be to the account of the backup supplier.

l) In some of the cases amounts included under contingent liabilities relate to commodities handled on Govt. of India's account and hence the same would be recoverable from the Govt. of India.

m) Share in Contingent Liabilities of Joint Ventures based on their audited statement of accounts ₹ 137.46 million (P.Y. ₹ 172.89 million)

n) Share in Contingent Liabilities of Associates based on their audited statement of accounts ₹ 3002.84 million (P.Y. ₹ 1995.91 million)

II. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2.82 million (P.Y. ₹ NIL million).

b) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Joint ventures based on their audited statement of accounts ₹ 49.94 million (P.Y. ₹ 23.52 million).

c) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Associates based on their audited statement of accounts ₹ 1710.02 million (P.Y. ₹ NIL million).

GENERAL DISCLOSURES:-

19. Following goods on account of un-billed purchases are held by the Company under deposit and shown under other current assets (note no. 7.6) as well as other current liabilities (note no. 5.3) .

₹ in million

Items		31-03-2013		31-03-2012	
		Qty.(kgs)	Value	Qty.(kgs)	Value
Gold		**434**	**1354.48**	3469	9450.18
Gold Jewellery		**0**	**6.87**	44.29	124.82
Silver		**1475**	**73.74**	6904	366.27

20. The Company being the nominated agency for import of Gold and Silver has imported Gold under usance L/Cs or availed buyer's credit. Money received towards sale value are put under Fixed Deposits with banks as margin or otherwise. Interest earned thereon relating to payment received from customers before due date of usance L/C or the buyer's credit is payable to the customers as a business policy.

21. Based on interim orders of Hon'ble Supreme Court of Small Causes in the matter of mesne profit for the period from June,2000 to March,2002 relating to office premises at Mumbai, an amount of ₹ 30.00million has been deposited with the Court and based on Final Order of Hon'ble Supreme Court ₹ 20.00 million is payable as final settlement amount liability for the full amount exist in accounts. Cheque has been issued by the Mumbai RO after deducting TDS but same has not been accepted by the party and the matter has been referred to the Court, where the decision is pending. Adjustment if any shall be made in accounts after receipt of filnal orders of the court.

22 In respect of GR-1 forms outstanding beyond due date the Company has filed application with the authorized dealers for extension of time/waiver/ write off. Pending decision on the application, the liability, if any, that may arise is unascertainable. Enforcement Directorate has imposed penalty for ₹ 19.81 million (P.Y. ₹ 23.33 million) which are being contested. Against this, an amount of ₹ 0.30 million (P.Y. ₹ 1.60 million) has been deposited and bank guarantee of ₹ 10.30 million (P.Y. ₹ 10.30 million) furnished.

23. The company has taken decision to replace the existing ERP Package due to various changes taken place in the business model in the recent years and to also meet the latest statutory requirements.

24. The employee's benefits provided by the Company as required under Accounting Standard 15 (Revised) are as under:-

i. Leave Encashment – Payable on separation to eligible employees who have accumulated earned and half pay leave. Encashment of accumulated earned leave is also allowed leaving a minimum balance of 15 days twice in a year.

ii. Post Retirement Medical Benefit (PRMB) – Available to retired employees at empanelled hospitals for inpatient treatment and also for OPD treatment.

iii. Gratuity - Gratuity is paid to all employees on retirement/separation based on the number of years of service. The scheme is funded by the Company and is managed by a separate Trust through LIC. In case of MICA division employees the scheme is managed directly by the company through LIC.

iv. Long Service Benefits : Long Service Benefits payable to the employees are as under:-

(a) Service Award amounting to ₹ 2500/- for each completed year of service is payable to the employees on superannuation/voluntary retirement scheme.

(b) Compassionate Gratuity amounting to ₹ 50,000/- is payable in lump-sum to the dependants of the employee due death in service.

(c) Payments under Employees' Family Benefit Scheme is payable to the dependants of the employee who dies in service till the notional date of superannuation. A monthly benefit @ 40% of Basic Pay & DA last drawn subject to a maximum of ₹ 12000/- on rendering service of less than 20 years and similarly a monthly benefit @ 50% of Basic Pay & DA last drawn subject to maximum ₹ 12000/- on rendering service of 20 years or more at the time of death.

Other disclosures as required under AS – 15(Revised) on 'Employee Benefits', in respect of defined benefit obligation are:

(a) Reconciliation of present value of defined benefit obligations:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Present value of projected benefit obligations as at 01/04/2012	704.92	240.04	160.92	982.00	100.09
(ii)	Interest cost	56.39	18.77	13.01	81.04	
(iii)	Current service cost	14.15	9.80	6.59	11.23	
(iv)	Benefit paid	43.02	57.25	9.06	69.45	
(v)	Actuarial(gain)/loss	24.10	63.94	16.07	281.39	12.84
(vi)	Present value of obligation as at 31st March,2013 (i+ii+iii-iv+v)	756.54	275.30	187.53	1286.21	112.93

(b) Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2013:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Service cost	14.15	9.80	6.59	11.23	
(ii)	Interest cost	56.39	18.77	13.01	81.04	
(iii)	Actual return on plan assets	65.21	-	-	-	
(iv)	Net Actuarial (gain) /loss recognized in the period	24.10	63.94	16.07	281.39	12.84
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	29.43	92.51	35.67	373.66	12.84

(c) Changes in the fair value of planned assets

(₹ in million)

		GRATUITY
Fair value of plan assets as at 1.4.2012	709.04	708.44
Adjustment in Opening Balance	0.60	
Actual return on plan assets		65.21
Contribution by employer		29.25
Benefit paid		43.02
Actuarial gain/(loss)		-
Fair value of plan assets as at 31.3.2013		759.88

(d) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under Post Retirement Medical Benefit scheme.

(₹ in million)

Sl.No.	Particulars	One percentage Increase in inflation rate	One percentage decrease in inflation rate
i)	Effect on the aggregate of the service cost and interest cost	10.91	(9.02)
ii)	Effect on defined benefit obligation	107.35	(90.03)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2013
(i)	Discount rate (Per Annum)	8.00% / 8.00% - LIC / Others
(ii)	Future cost increase	6.00% / 5.50% - LIC / Others
(iii)	Retirement age	60 Years
(iv)	Mortality table	LIC(1994-96) duly modified
(v)	Withdrawal rates	1% to 3% depending upon Age

25. In terms of AS-17 the Company has identified its Primary Reportable Business Segments as Minerals, Precious Metals, Metals, Agro Products, Coal & Hydrocarbon, Fertilizer and General Trade/others. The Secondary Segments are identified based on the geographical location as Outside India and Within India. Details are placed at Annexure 'A'.

26. Related Party Disclosures under AS-18 (As identified & certified by the Management)

A. Name of the related parties and description of relationship:

a) Key Management Personnel

i. Shri D.S. Dhesi Chairman-cum Managing Director (w.e.f.08.10.2012)
ii. Smt. Vijaylaxmi Joshi Chairman-cum Managing Director (upto 05.10.2012)
iii. Shri Sunir Khurana Director (up to 18.09.2012)
iv. Shri Ved Prakash Director
v. Shri Rajeev Jaideva Director
vi. Shri M.G. Gupta Director
vii. Shri Anand Trivedi Director(w.e.f. 03.07.2012)
viii. Shri P.K.Jain Director (w.e.f. 15.05.2013)
ix. Shri Tapas Kumar Sengupta, Managing Director,MTPL
x Shri Vijay Kumar Gupta, Director,MTPL

b) Subsidiary

MMTC Transnational Pte. Ltd., Singapore

c) Associate

Neelachal Ispat Nigam Ltd. –
Devona Thermal Power & Infrastructure Ltd.

d) Joint Ventures:-

Free Trade Warehousing Pvt. Ltd
Haldia Free Trade Warehousing Pvt. Ltd.
Greater Noida Integrated Waresousing Pvt. Ltd.
Integrated Warehousing Kandla Project Development Pvt. Ltd.
MMTC Pamp India Pvt. Ltd.
MMTC Gitanjali Private Ltd.
Indian Commodity Exchange Ltd.
Sical Iron Ore Terminal Ltd.
TM Mining Company Limited
Blue Water Iron Ore Terminal Pvt. Ltd.

(₹ in million)

Particulars	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	15967.74	151.40		16119.14
Sale of goods	9796.35	1486.59		11282.94
Sale of fixed assets				
Dividend Received				
Finance including loans and equity contribution in cash or in kind				
Corporate Guarantees				
Other payment Demurrage / Dispatch				
Other receipt Demurrage / Dispatch				
Remuneration			49.76	49.76
Outstanding Balance				
Receivable	4736.24	3.34		4739.58
Payable	44.87	1.57		46.44

27. Earning per Share:

Particulars	2012-13	2011-12
Profit after Tax (₹ in million)	(1106.54)	572.97
Total number of Equity Shares (million)	1000.00	1000.00
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share) (P.Y. Face value ₹ 1/- per share)	(1.11)	0.57

28. As per Accounting Standard – 27 – 'Financial reporting of interest in Joint Ventures' issued by the Institute of Chartered Accountants of India, the Company's share of ownership interest, assets, liabilities, income, expenses, contingent liabilities and capital commitments in the Joint venture companies, all incorporated in India are given below:-

(₹ in million)

Sl. No	Name of the Joint Venture Company	% of Company's ownership Interest	Country of Incorporation	Assets	Liabilities	Income	Expenditure	Cont. Liabilities	Capital Commitments
1.	Free Trade Warehousing Pvt. Ltd.	26	India	144.74	141.77	0.46	0.59	10.46	
2.	Greater Noida Integrated Warehousing Pvt. Ltd.	26	India		0.02		0.01		
3.	MMTC Pamp India Pvt. Ltd.	26	India	2444.60	2235.09	32445.00	32328.27	32.00	4.82
4.	Sical Iron Ore Terminal Ltd.	26	India	1213.56	875.63			16.01	45.12
5.	MMTC Gitanjali Pvt Ltd.	26	India	91.49	62.40	159.63	158.46	78.99	
6	Indian Commodity Exchange Ltd.	26	India	125.62	57.36	22.79	50.68		
7	TM Mining Company Ltd.	26	India	0.01	0.08		0.12		
8	Blue Water Iron Ore Terminal Pvt. Ltd.*	18	India	0.98	0.93	0.05	12.43		

* Un-audited

29. As required by Accounting Standard(AS) 28 " Impairment of Assets " notified by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

30. Reconciliation of provisions in terms of AS-29 is as under:

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.2012	Adjustment during year	Addition during year	Closing Balance as on 31.03.2013
Destinational Weight & Analysis Risk	0.00	0.00	1.38	1.38
Bonus/PRP	113.92	58.69	12.78	68.01
Superannuation Benefit	287.55	283.86	62.77	66.46
Provision for Taxation	1336.38	777.36	270.22	829.24
Proposed Dividend	404.98	404.98	201.97	201.97
Tax on Proposed Dividend	40.56	40.56	0.00	0.00
Un allocated budget for Corporate Social Responsibility	0.72	0.72	0.00	0.00

31. Income tax of ₹ 1204.71 million (P.Y. ₹ 1325.78 million) under the head Short Term Loans and Advances consists of ₹ 357.23 million (P.Y. ₹ 293.80 million) paid to Income Tax Department against the disputed demands of ₹ 367.16 million (P.Y. ₹ 293.80 millions) for various assessment years and advance tax/TDS of ₹ 847.48 million (PY ₹ 1031.98 million) towards income tax liability for financial years 2011-12 & 2012-13. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.

32. In respect of a case relating to Sterlite, which is still pending in the Court, principle amount of ₹ 157.37 million (P.Y. ₹ 157.37 million) had already been deposited with the court in earlier years by providing full liability. Upon the order of Honorable High Court of Bombay, an amount of ₹ 144.63 million toward interest has also been deposited with court during the current year by charging the same to revenue as exceptional item.

33. An amount of ₹ 284.53 million (P.Y. ₹ 284.53 million) is outstanding against M/s AIPL in respect of Mint silver transaction against which full provision has been made. The Company has filed a recovery suit of ₹ 314.02 million (P.Y. ₹ 314.02 million) which includes overdue interest of ₹ 29.49 million(P.Y. ₹ 29.49 million) which has been decreed in favour of the Company. M/s AIPL have also filed a suit against Government Mint/MMTC for damages of ₹ 1671.97 million (L.Y. ₹ 1671.97 million) which is not tenable as per legal opinion and is being contested.

34. The company had imported pulses on the directives of the Govt. of India during the year 2007-08 to 2010-11. The Government has allowed reimbursement of losses up to 15% of landed cost and trading margin @ 1.2% of CIF value. An amount of ₹ 193.50 million (P.Y. ₹ 77.10 million) towards in excess of 15% claim booked in earlier years, has been withdrawn during the current year. The scheme was discontinued w.e.f. 2011-12

35. Against the disputed demand of custom duty, penalty etc amounting to ₹ 241.12 million (P.Y. ₹ 241.12 million) in respect of utilization of Target Plus License for import of RBD palmolin oil, liability of ₹ 241.12 million (P.Y. ₹ 241.12 million) already exists in the accounts. Liability on account of interest, if any, will be provided on final decision of the case.

36. A claim for ₹ 18.89 million (P.Y. ₹ 18.89 million) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 15.28 million (P.Y. ₹ 15.28 million) exists in the accounts after taking into account the EMD and other payables amounting to ₹ 3.61 million (P.Y. ₹ 3.61 million). The company has requested customs for abandonment which is pending for adjudication. A criminal & civil suit has been files against the Associate. The associate has submitted a proposal for consideration of Dispute Settlement Committee and accordingly paid an amount of ₹ NIL (P.Y. ₹ 1.73 million) during the year.

37. Particulars in respect of Loans and Advances in the nature of loans as required by Clause 32 of the Listing Agreement:

A) Loans and Advances given to Associates in the nature of advances (Interest Free):

Loanee	Balance as at 31.03.2013	Maximum outstanding during the year
Neelachal Ispaat Nigam Ltd.	₹ 3.56 million	₹ 3.56 million
	(P.Y. ₹ 0.99 million)	(P.Y. ₹ 1.19 million)

B) Particulars of Investments by the Loanees: ₹ NIL (PY ₹ NIL)

38. Letters have been issued to parties for confirmation of balances with the request to confirm or send comment by the stipulated date failing which balance as indicated in the letter would be taken as confirmed. Confirmation letters have not been received in a few cases. However, no adverse communication received from any party.

39. At Regional Office, Mumbai, during the year 2011-12, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 29.94 million without making delivery of the material (copper). However, the company has obtained an interim stay restraining the bank from making the payment under the letter of credit. The same supplier is also fraudulently holding on to the master bills of lading of another shipment of copper which would enable the Regional Office, Mumbai to take delivery and possession of goods valued at ₹ 85.98 million, already paid for and received at the Indian port.

40. At Regional Office, Hyderabad fake bills of lading covering two shipments of copper valued at ₹ 37.50 million (P.Y. 37.50 miliion were received during 2011-12 through banking channels against which no material was received. The foreign supplier has been paid in full through letter of credit after the company received full payment from its Indian customer. The company has initiated legal action against the foreign supplier.

41. The company has made certain changes in the Accounting Policies during the year as under:-

i. Accounting Policy No. 2.1 has been reworded to read as "The Financial Statements have been prepared as of a going concern on historical cost convention and in accordance with the mandatory Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956."
ii. Accounting Policy No. 2.2 (a) has been reworded to read as "Purchases and sales are booked on performance of the contract/agreement entered into with the sellers/buyers or against allocation letter received from government. Wherever there is part performance of such contract/agreement/allocation, the part completed is booked as Purchase/Sale" so as to disclose the correctly the practice followed by the company.
iii. Accounting Policy No. 2.2 (d) "Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of such documents of title to the goods to buyer before the goods cross the custom frontiers of India" and 2.2 (e) "Purchase/Sale is booked in respect of trade done through commodity exchange like National Spot Exchange backed by physical delivery of goods" has been added to clarify the accounting practice followed by the company.
iv. Accounting Policy No. 2.6 (E) has been reworded by adding the words "as cost of Mobile handsets is reimbursed to officials as per their entitlement, against purchase by the officials in their own name which are not returned to the Company" so as to clarify the basis of charging the cost of mobile sets to revenue.

The above changes have no financial impact on the company.

42. Final Dividend @ ₹ 0.10/- per Equity Share of ₹ 1/- each amounting to ₹ 10 crore during 2012-13 has been proposed out of the profit of the previous financial years and remaining undistributed.

43. There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2013.

44. The list of Subsidiaries, Associates and Joint Ventures included in the Consolidated Financial Statements are as under:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2013
MMTC Transnational Pte Ltd.	Singapore	100%

NAME OF ASSOCIATES	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2013
Neelachal Ispat Nigam Limited	India	49.78%
Devona Power & Infrastructure Limited	India	26.00%

NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2013
Greater Noida Integrated Warehousing Pvt. Ltd.	India	26.00%
Free Trade Warehousing Pvt. Ltd.	India	26.00%
MMTC PAMP India Pvt. Ltd.	India	26.00%
SICAL Iron Ore Terminal Ltd.	India	26.00%
MMTC Gitanjali Pvt. Ltd.	India	26.00%
Indian Commodity Exchange Limited	India	26.00%
TM Mining Company Limited	India	26.00%

45. Details of subsidiary of MMTC Transnational Pte Ltd is as follows:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2003
MMTC Transnational (Moscow)Pte Ltd.	Russia	100%

Consolidated Financial Statement including MMTC Transnational (Moscow) Pte Ltd. have not been prepared. The Directors are of the view that there is no practical value to the shareholder of the Company to have the financial statements of the subsidiaries consolidated with the financial statements of the Company to form Consolidated Financial Statement of the group, because the cost of preparing consolidated Financial Statement exceed their usefulness as the subsidiary continues to be a dormant company.

46. In view, of different sets of environment in which the Joint Ventures/Associates/Subsidiary are operating,

the accounting policies followed by the Joint Ventures/Associates/Subsidiary are different from the accounting policies of the company. The details are given as under:-

Particulars	Name of Joint Ventures/Associates/ Subsidiary	Accounting Policies		Proportion of MMTC's share (Gross Amount)
		MMTC Limited	Joint Venture/ Associates/Subsidiary	
Depreciation	Neelachal Ispat Nigam Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Sical Iron ore Terminals Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Indian Commodity Exchange Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Greater Noida Integrated Warehousing Pvt. Ltd.	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	MMTC Gitanjali Private Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	MMTC Pamp India Private Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
Inventory	MMTC	Weighted average	Specific identification	Not Quantifiable

Valuation	Transnational Pte. Ltd, Singapore	cost	method	
	MMTC Gitanjali Private Limited	Weighted average cost	on FIFO basis & on an average vender-wise	Not Quantifiable
	MMTC Pamp India Private Limited	Weighted average cost	On FIFO Basis	Not Quantifiable
Foreign Currency Translation	Neelachal Ispat Nigam Limited	Non monetary items are reported using the exchange rate at the date of the transaction	Transactions for both capital and revenue during the year in foreign currencies are being recognized at the rate prevalent in force on the date of settlement of transactions	Not Quantifiable
	Neelachal Ispat Nigam Limited	Exchange difference in respect of liabilities relating to fixed assets charged to Profit and Loss account	Exchange differences in respect of liabilities relating to fixed assets are adjusted in the carrying amount of such assets	Not Quantifiable
Basis of preparation of Financial Statment	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Singapore Financial Reporting Standards	Not Quantifiable
Revenue Recognition	MMTC Transnational Pte. Ltd, Singapore	Interest income recognized on accrual basis	Interest income recognized on effective interest method	Not Quantifiable
	Sical Iron ore Terminals Limited	Dividend income recognized on cash basis	Dividend income recognized on time proportion basis	Not Quantifiable
Depreciation and amortization	MMTC Transnational Pte. Ltd, Singapore	Depreciation Rates are as per accounting policy of MMTC Limited	Depreciation charged at 33.33% per annum	₹ 1.39 million were less charged for depreciation and amortization in the accounts.

Trade and other receivable	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Trade and other payables	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Terminal Benefits	MMTC Transnational Pte. Ltd, Singapore	Defined Benefit Plan	Defined Contribution Plan	Not Quantifiable
Financial Assets and Liabilites	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised Cost	Not Quantifiable
Borrowings	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Dividend	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Recognized when approved for payment	Not Quantifiable

47. Compliance of the Companies (Accounting Standard) Rules 2006 has been made. The Company has large number of transactions and diversified activities, which may have put operational constraints in strictly following the said rules. The deviation if any, have been stated in the accounting policies of the Company.

48. Whole time Directors are allowed usage of staff cars for private use up to 1,000 km per month as specified in the contractual terms of appointment on payment of ₹ 520 per month for cars below 16 HP and ₹ 780 for cars above 16 HP.

49. Figures for the previous year have been regrouped / re-casted wherever considered necessary.

50. Accounting policies and notes attached form an integral part of the financial statements.

As per our report of even date attached

For Jain Kapila Associates
Chartered Accountants
F.R. No.:000287N

For and on behalf of Board of Directors

(CA. D K Kapila)
Partner
M. No. 016905

(G. Anandanarayanan)
Assistant Company Secretary

(Vijay Pal)
Chief General Manager (F&A)

(M G Gupta)
Director (Finance)

(Ved Prakash)
Director

(D S Dhesi)
Chairman cum Managing Director

Date : 14th August, 2013
Place : New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR THE YEAR 2012-13

(Primary Disclosures)

(₹in million)

Particulars	BUSINESS SEGMENTS															
	PRECIOUS METAL		**METALS**		**MINERALS & ORES**		**HYDROCARBON**		**AGRO PRODUCTS**		**FERTILIZERS**		**OTHERS**		**TOTAL**	
SEGMENT REVENUE	**31st March 13**	**31st March 12**	**31st March 13**	**31st March 12**	**31st March 13**	**31st March 12**	**31st March 13**	**31st March 12**	**31st March 13**	**31st March 12**	**31st March 13**	**31st March 12**	**31st March 13**	**31st March 12**	**31st March 13**	**31st March 12**
External Sales																
- With in India	168692.48	511636.75	11946.75	12735.70	1761.27	1239.98	56368.35	29022.28	29821.26	12417.96	17615.33	49530.38	112.72	437.36	286318.16	617020.41
- Outside India		0.35	3211.13	10872.18	13900.33	10036.95	974.56	7583.57	15504.13	11916.38	6999.27	8738.28			40589.41	49147.70
Total (A)	168692.48	511637.10	15157.88	23607.88	15661.60	11276.93	57342.91	36605.85	45325.39	24334.34	24614.60	58268.66	112.72	437.36	326907.57	666168.11
Inter-Segment sales																
- With in India																
- Outside India																
Total (B)																
Total Segment Revenue (A+B))	168692.48	511637.10	15157.88	23607.88	15661.60	11276.93	57342.91	36605.85	45325.39	24334.34	24614.60	58268.66	112.72	437.36	326907.57	666168.11
Total revenue of each segment as a percentage of total revenue of all segments	51.60%	76.80%	4.64%	3.54%	4.79%	1.69%	17.54%	5.49%	13.86%	3.65%	7.53%	8.75%	0.03%	0.07%	100.00%	100.00%
Segemental Result																
- With in India	1113.46	891.60	295.59	251.50	50.48	34.72	665.82	644.32	329.27	229.48	82.57	131.00	88.53	96.74	2625.72	2279.36
- Outside India		0.02	95.65	301.53	402.82	246.52	6.90	4.67	286.53	20.26	192.71	113.66			984.61	686.66
Total Segmental Result	1113.46	891.62	391.24	553.03	453.30	281.24	672.72	648.99	615.80	249.74	275.28	244.66	88.53	96.74	3610.33	2966.02
Unallocated Corporate expenses net of unallocated income															4203.86	2809.95
Operating Profit															(593.53)	156.07
Interest Expenses															1557.22	5149.47
Interest Income															2954.19	6632.85
Income taxes															-533.66	64.43
Profit from ordinary activities															1337.10	1575.02
Extraordinary loss/Income															2443.64	1002.05
Net Profit															-1106.54	572.97
OTHER INFORMATION																
Segment assets	7787.49	31392.30	1568.91	3539.53	2415.06	1063.47	20149.42	14017.83	4813.71	5313.51	2649.38	7400.58	499.14	552.37	39883.11	63279.59
Unallocated Corporate assets															29089.50	45072.28
Total assets															68972.61	108351.87
Segment Liabilities	2388.13	22898.59	397.91	2965.68	2422.57	980.04	20953.01	24084.64	10998.04	9395.30	4424.86	6699.16	195.95	267.90	41780.47	67291.32
Unallocated Corporate liabilities															12272.25	24095.73
Total liabilities															54052.72	91387.05
Segment Capital expenditure	0.83														0.83	
Unallocated Capital Expenditure															464.32	496.19
Total Capital Expenditure															465.15	496.19
Segment Depreciation	2.22	1.30			55.36	55.36							36.36	36.36	93.95	93.03
Unallocated Depreciation															159.25	51.30
Total Depreciation															253.20	144.33
Non-cash expenses other than depreciation															60.41	139.92

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED……

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR 2012-13 (SECONDARY DISCLOSURE)

(₹in million)

	GEOGRAPHICAL SEGMENTS					
	OUTSIDE INDIA		WITHIN INDIA		TOTAL	
	31st March 13	31st March 12	31st March 13	31st March 12	31st March 13	31st March 12
SEGMENT REVENUE						
External Sales	**40,589.41**	49,147.70	**286,318.16**	617,020.41	**326,907.57**	666,168.11
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**40,589.41**	49,147.70	**286,318.16**	617,020.41	**326,907.57**	666,168.11
Segement Result	**984.61**	686.66	**2,625.72**	2,279.36	**3,610.33**	2,966.02
Segment assets	**2,593.80**	1,248.91	**37,289.31**	86,075.33	**39,883.11**	87,324.24
Capital expenditure	**-**	-	**0.83**	0.35	**0.83**	0.35

AUDITORS

Office of the Comptroller & Auditor General of India vide their letter No. CA. V/COY/CENTRAL GOVERNMENT, MMTC (13) / 619 dated 24th August, 2012, CA. V/COY/CENTRAL GOVERNMENT, MMTC (13) / 963 dated 21st September, 2012 and CA. V/COY/CENTRAL GOVERNMENT, MMTC (13) / 1574 dated 1st March, 2013 have communicated the appointment of Auditors of the company under section 619(2) of the Companies Act, 1956 for the financial year 2012-13. The details are given below:-

Statutory Auditor	**Region**
Jain Kapila Associates New Delhi	-RO Jhandewalan including SROs -CO, New Delhi (Including foreign offices) Office of Mica Division Consolidation and merger of all branches
Branch Auditors	
D V Sarovar & Co. Bellary	-Bellary Regional Office including Sub-Offices/ distribution centers
Rajesh K Jhunjhunwala & Co. Cuttack	-Bhubneshwar Regional Office including Sub-Offices/ distribution centers
Shah & Shah Associates Ahmedabad	-Ahmedabad Regional Office including Sub-Offices/ distribution centers
Sundar Srini & Sridahar Bangalore	-Bangalore Regional Office including Sub-Offices/ distribution centers
Kailash Chand Jain & Co. Mumbai	-Mumbai Regional Office including Sub-Offices/ distribution centers
Kulkarni & Bhat Goa	-Goa Regional Office including Sub-Offices/ distribution centers
Chaturvedi & Co. Kolkata	-Kolkata Regional Office including Sub-Offices/ distribution centers -Mica Division at Kolkata, Abhraknagar, Jhumritalaya & Giridih
C Ramachandram & Co. Hyderabad	-Hyderabad Regional Office including Sub-Offices/ distribution centers
Bhandawat & Co. Jaipur	-Jaipur Regional Office
Annand & Ponnappan Chennai	-Chennai Regional Office including Sub-Offices/ distribution centers - MICA Division at Gudur
Jhalani & Co. New Delhi	-Delhi Regional Office (Including SROs)
Basha & Narasimhan Visakhapatnam	-Visakhapatnam Regional Office including Sub-Offices/ distribution centers

गौरवपूर्ण 50 वर्ष
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MMTC
LIMITED
1963-2013
CELEBRATING 50 GLORIOUS YEARS

Core#1, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003.

PROXY

DP.Id*

Master Folio No.

Client Id*

I/We, ____________________________ of ______________, being a Member/ Members of the above named Company, hereby appoint Shri/Smt/Ms. ___________________ of _____________ or failing him/her ________________ of __________________________ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 50th Annual General Meeting of MMTC Limited, to be held on 30th September 2013 and at any adjournment(s) thereof.

As witness my/our hand(s) this ____ day of___________ 2013.

Signed by the said ________________

Affix
Revenue
Stamp

*Applicable for investors holding shares in electronic form.
Notes:-

1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

Registered Office: Core #1, Scope Complex, 7, Institutional Area Lodhi Road, New Delhi-110003.

Attendance Slip

RECORD OF ATTENDANCE AT THE 50th ANNUAL GENERAL MEETING BEING HELD ON MONDAY, THE 30th SEPTEMBER, 2013 AT 1130 hrs

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME OF THE SHARE HOLDER OR PROXY OR REPRESENTATIVE ATTENDING THE MEETING.

Mr./Ms/Miss ________________________________
(in capitals)

DP.Id

Client Id/Folio No.

Signature ....

TO BE USED ONLY WHEN SHARE HOLDER FIRST NAMED IS NOT ATTENDING

PLEASE GIVE NAME OF THE FIRST NAMED SHARE HOLDER

Mr./Ms./Miss ____

DP.Id

Client Id/Folio No.

No. of Share(s) held: ____________

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MMTC
LIMITED
भारत सरकार का उपक्रम
A GOVT. OF INDIA ENTERPRISE
touching lives, adding value

खाद्य सुरक्षित भारत के लक्ष्य की ओर अग्रसर

●खाद्यान्न, खाद्य तेल और दालों के आयातक

हम कृषि व्यवसाय में बड़े आयात के लिए आवश्यक वृहत ढांचागत विशेषज्ञता के साथ हम एक वैश्विक कंपनी हैं। हम खाद्यान्नों की खरीद, गुणवत्ता, नियन्त्रण, समयबद्ध रूप से डिलीवरी के हेतु अपने क्षेत्रीय व पोर्ट कार्यालयों और विदेश में संपर्कों के जरिये सम्पूर्ण संभार तंत्र प्रदान करते हैं।

गौरवपूर्ण 50 वर्ष
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MMTC LIMITED
1963-2013
CELEBRATING 50 GLORIOUS YEARS

50 वर्षों के उत्सव के अवसर पर
हम स्वयं को स्वस्थ भारत के प्रति समर्पित करते हैं।

कॉरपोरेट ऑफिसः कोर-1, स्कोप कॉम्प्लैक्स, 7 इंस्टिट्यूशनल एरिया, लोदी रोड, नई दिल्ली-110003
ईमेल : mmtc@mmtclimited.com वेबसाइट : www.mmtclimited.com

कारपोरेट कार्यालय
नई दिल्ली

एमएमटीसी लिमिटेड की ओर से
एम. जी. गुप्ता, निदेशक (वित्त)
द्वारा प्रकाशित

कारपोरेट कम्युनिकेशन्स प्रभाग
द्वारा निर्मित एवं मुद्रित

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touching lives, adding value

Corporate Office
New Delhi

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on behalf of **MMTC Limited.**

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