

## **Annexure III**

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# **BROAD DESCRIPTION OF EXISTING PROCESSES**

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**Key Abbreviations**

S. No.	Abbreviation	Description
1	BG	Bank Guarantee
2	BL	Bill of lading
3	BOD	Board of Directors
4	CIF	Cost, Insurance and Freight
5	CO	Corporate Office
6	C&F	Cost and Freight
7	CHA	Custom House Agents
8	CMD	Chief Managing Director
9	Corp IT	Corporate income tax
10	CIT(A)	Commissioner of Income-tax (Appeals)
11	CWC	Central Warehousing Corporation
12	D&B	Dun & Bradstreet
13	DWT	Deadweight Tonnes
14	DD	Demand Draft
15	EC	Executive Committee
16	EDLI	Employee Deposit linked insurance
17	EMD	Earnest Money Deposit
18	EPFO	Employees' Provident Fund Organization

S. No.	Abbreviation	Description
19	ERP	Enterprise resource planning
20	ETA	Estimated Time of Arrival (of vessel)
21	FOBT	Free On Board Trimmed
22	FOR	Free on Rail
23	FOB	Free On Board
24	F&A	Finance and Accounting
25	FCI	Food Corporation of India
26	FSI	Foreign Service Accounts
27	FDR	Fixed Deposit Rates
28	FY	Fiscal Year
29	FMCOD	Functional management Committee of Directors
30	GR	Guaranteed Remittance
31	IT	Information technology
32	IT Department	Income Tax Department
33	LC	Letter of Credit
34	LTA	Long term agreement

S. No.	Abbreviation	Description
35	LIC	Life Insurance Corporation of India
36	LOI	letter of intent
37	MMTC	Metals and Minerals Trading Corporation of India
38	MCX	Multi Commodity Exchange
39	MT	Metric ton
40	NCDEX	National Commodity and Derivatives Exchange
41	NOR	Notice of Readiness
42	NFM	Non-ferrous metal
43	NIT	Notice inviting tender
44	NINL	Neelachal Ispat Nigam Limited.

S. No.	Abbreviation	Description
45	NMDC	National Mineral Development Corporation
46	NSEL	National Spot Exchange Limited
47	POSCO	Pohang Iron and Steel Company
48	PM	Precious Metal
49	RO	Regional Office
50	SAIL	Steel Authority of India
51	SOF	Statement of facts
52	SRO	Sub Regional Office
53	SPCOD	Sale Purchase Committee of Directors
54	SWC	State Warehousing Corporation
55	VAT	Value Added Tax

# **Broad Description Of Current Processes**

## 1 Business segment

### 1.1 Non Ferrous Metals

#### 1.1.1 Non-Ferrous Metals

##### 1.1.1.1 Description

The purpose of this process is to register a new buyer, import non-ferrous metals and its sales while adhering to all the necessary statutory and other mandatory compliances.

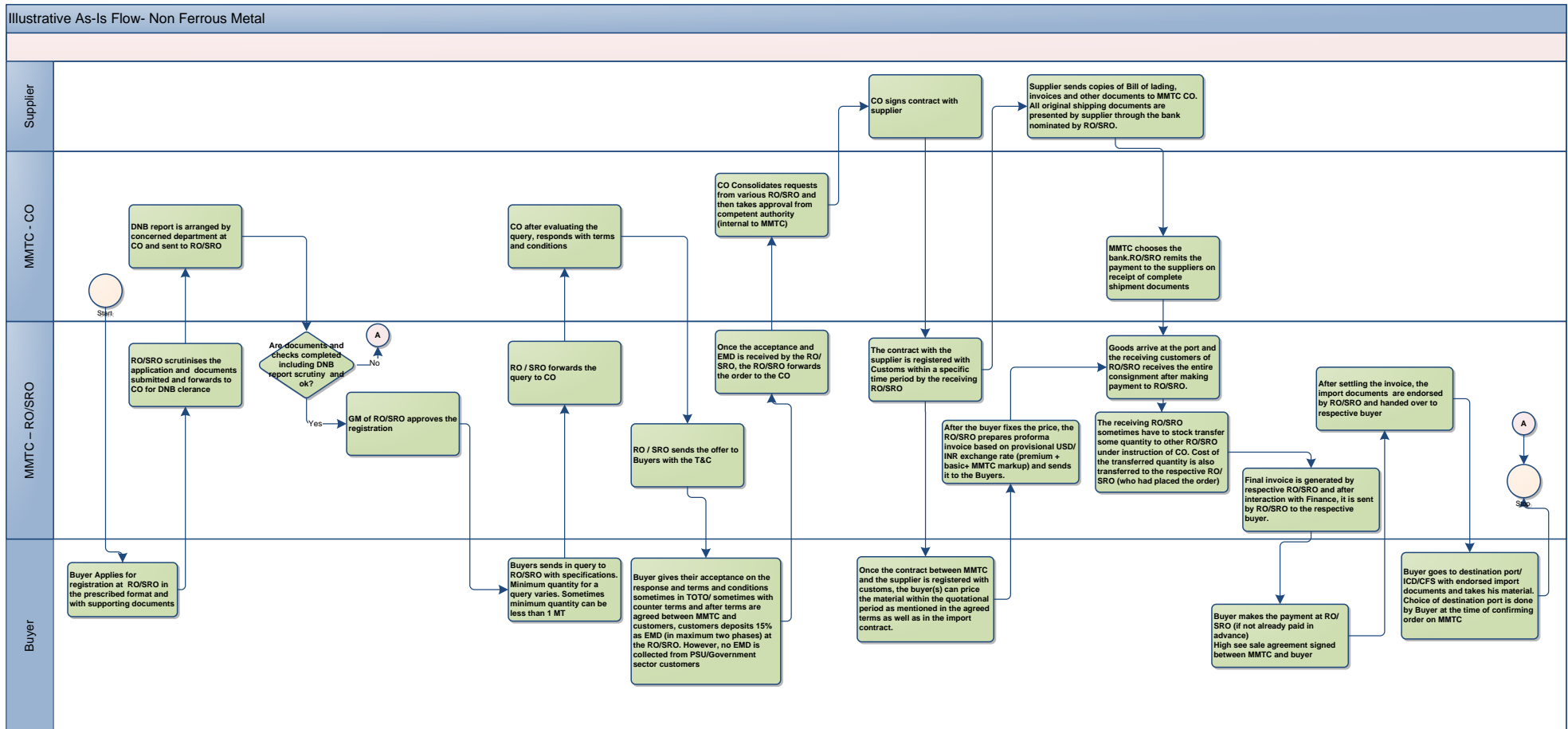
##### 1.1.1.2 Process Summary

<b>Name of process</b>		<b>Import and sale of non-ferrous metals</b>	
<b>Process Goal</b>			
To register new buyers, receive and respond to queries, import of non-ferrous metal and its trade with registered buyers.			
<b>Process Owner</b>			
Regional/Sub-Regional Office			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Non Ferrous Metal division –CO <input checked="" type="checkbox"/> Non Ferrous Metal division –RO / SRO <input checked="" type="checkbox"/> Associated finance <input checked="" type="checkbox"/> Buyers <input checked="" type="checkbox"/> Supplier		<input checked="" type="checkbox"/> Customs / Port Authorities	
<b>Process Input</b>		<b>Process Output</b>	

<input checked="" type="checkbox"/> New buyer registration forms and supporting documents	<input checked="" type="checkbox"/> New buyer registration number
<input checked="" type="checkbox"/> Query from prospective buyers	<input checked="" type="checkbox"/> Offer from CO to prospective buyer (via RO)
<input checked="" type="checkbox"/> Acceptance of offer by buyer	<input checked="" type="checkbox"/> Contract between MMTC and buyer
	<input checked="" type="checkbox"/> Contract between MMTC and supplier
	<input checked="" type="checkbox"/> Import documents like bill of lading, invoices etc.
<b>Transactional Volume/ frequency</b>	
<input checked="" type="checkbox"/> Approximately for the year 2012 for all NFM combined was 9000 MT	
<b>Formats</b>	
<input checked="" type="checkbox"/> Standard templates for Bill of lading, certificate etc.	
<input checked="" type="checkbox"/> MMTC standard reporting templates	



1.1.1.3 Process Map



**1.1.1.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	<b>New buyer registration</b>	
<b>1.01</b>	A new buyer applies for registration with MMTC along with the required supporting documents at RO/SRO	Buyer
<b>1.02</b>	RO/SRO scrutinizes the application and sends it to the CO for DNB clearance	Regional/Sub-Regional office – NFM division
<b>1.03</b>	DNB report is arranged by concerned department at CO and is examined at the RO/SRO.	Regional/Sub-Regional office – NFM division
<b>1.04</b>	In case the DNB report is ok, the Regional/Sub-Regional office, GM/In-Charge approves the registration	Regional/Sub-Regional office – NFM division
<b>2.</b>	<b>Query from buyer</b>	
<b>2.01</b>	Buyer sends a query to RO/SRO with specifications. Minimum quantity for a query varies. Sometimes, minimum quantity can be less than 1 MT	Buyer
<b>2.02</b>	RO/SRO forwards the query to CO	Regional/Sub-Regional & Corporate office – NFM division
<b>2.03</b>	CO after evaluating the query responds to the RO / SRO with the terms and conditions	Corporate office – NFM division

Sr.No.	Process Detail	Responsibility Centre
2.04	RO/SRO responds to the buyer along with the terms and conditions received from the CO	Regional/Sub-Regional office – NFM division
3.	Import and sale of NFM	
3.01	Buyer gives their acceptance on the response and terms and conditions sometimes in TOTO/ sometimes with counter terms and after terms are agreed between MMTC and customers, customers deposits 15% as EMD (in maximum two phases) at the RO/SRO. However, no EMD is collected from PSU/Government sector customers.	Buyer
3.02	Once the acceptance and EMD is received by the RO/SRO, the RO/SRO forwards the order to the CO	Regional/Sub-Regional office – NFM division
3.03	The CO consolidates various orders received from different RO/ SRO and takes an internal approval for import from competent authority	Corporate office – NFM division
3.04	Once the approval is received, CO sign a contract with supplier for supply of the goods	Corporate office – NFM division
3.05	The contract with the supplier is registered with customs within a specific time period by the receiving RO/SRO	Regional/Sub-Regional office – NFM division
3.06	Once the contract between MMTC and the supplier is registered with customs, the buyer(s) can price the material within the quotational period as mentioned in the agreed terms as well as in the import contract.	Buyer

Sr.No.	Process Detail	Responsibility Centre
3.07	After the buyer fixes the price, the RO/SRO prepares proforma invoice based on provisional USD/INR exchange rate (premium + basic+ MMTC markup) and sends it to the Buyers.	Regional/Sub-Regional office – NFM division
3.08	Supplier sends copies of Bill of lading, invoices and other documents to MMTC CO. All original shipping documents are presented by supplier through the bank nominated by RO/SRO.	RO/SRO – NFM division
3.09	MMTC chooses the bank.RO/SRO remits the payment to the suppliers on receipt of complete shipment documents	RO/SRO– NFM division & Associated Finance
3.10	Goods arrive at the port and the receiving customers of RO/SRO receive the entire consignment after making payment to RO/SRO.	Regional/Sub-Regional office – NFM division
3.11	The receiving RO/SRO sometimes have to stock transfer some quantity to other RO/SRO under instruction of CO. Cost of the transferred quantity is also transferred to the respective RO/SRO (who had placed the order)	Regional/Sub-Regional office – NFM division & Associated finance
3.12	Final invoice is generated by respective RO/SRO and after interaction with Finance, it is sent by RO/SRO to the respective buyer.	Regional/Sub-Regional office – NFM division & Associated finance
3.13	Buyer makes the payment at RO/SRO (if not already paid in advance) High see sale agreement signed between MMTC and buyer	Regional/Sub-Regional office – NFM division  Buyer
3.14	After settling the invoice, the import documents are endorsed by RO/SRO and handed over to respective buyer	Regional/Sub-Regional office – NFM division

Sr.No.	Process Detail	Responsibility Centre
3.15	Buyer goes to destination port/ICD/CFS with endorsed import documents and takes his material. Choice of destination port is done by Buyer at the time of confirming order on MMTC	Buyer

## 1.2 Precious Metals

### 1.2.1 Precious Metal- Gold & Silver in house production of Medallion

#### 1.2.1.1 Description

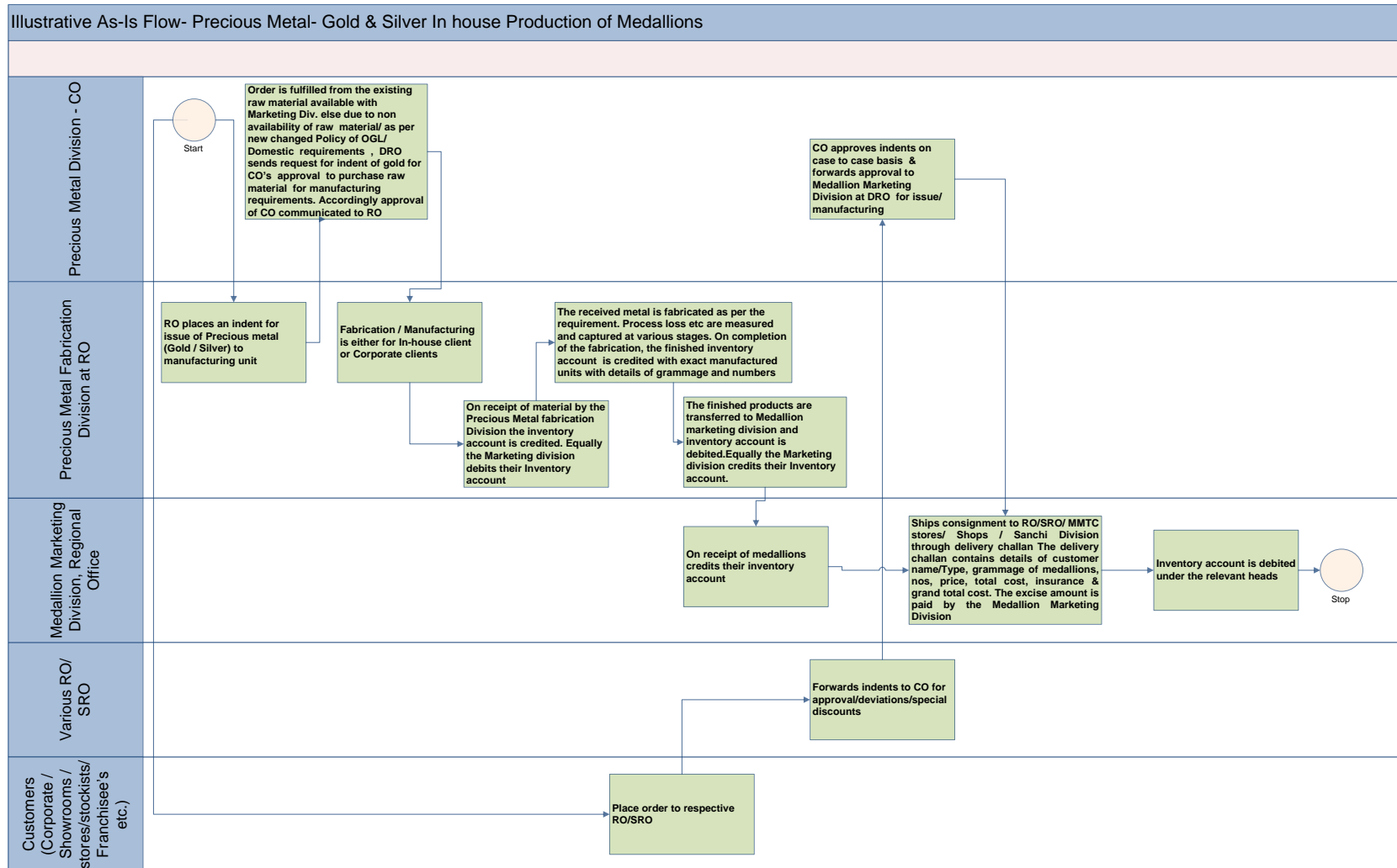
The purpose of this process is to receive orders from customers, issuance of precious metal for fabrication, fabrication of metal, receipt of final fabricated products from In house unit/outside fabricator, issuance of fabricated medallions to the Medallion Marketing Unit for further supply to customer/stockist/showroom/RO(s) while adhering to all the necessary statutory and other mandatory compliances.

#### 1.2.1.2 Process Summary

<b>Name of process</b>	<b>Precious metal – Gold &amp; Silver in house production of Medallion</b>
<b>Process Goal</b>	To receive orders from customers, issuance of precious metal for fabrication, fabrication of metal, receipt of final fabricated products from In house unit/outside fabricator and the issuance of the fabricated medallions to Medallion Marketing Unit for further supply to customer/stockist/showroom/RO(s).
<b>Process Owner</b>	<b>A. Precious Metal Division- Corporate Office , B. Precious Metal Marketing &amp; fabrication Division- Regional Office, C. Medallion Marketing</b>

Division of Regional Office	
Primary Actors	Secondary Actors
<input checked="" type="checkbox"/> Precious Metal Division- Corporate Office (For special approvals/deviations/special Discounts if any) <input checked="" type="checkbox"/> Precious Metal Marketing & fabrication Division- Regional Office <input checked="" type="checkbox"/> <b>Medallion Marketing Division, Regional Office</b> <input checked="" type="checkbox"/> Various ROs/SROs <input checked="" type="checkbox"/> Associate finance	<input checked="" type="checkbox"/> Customers (corporate, Franchisees, stores/stockist/showrooms etc.) <input checked="" type="checkbox"/> Excise Department
Process Input ( Regional Office)	Process Output
<input checked="" type="checkbox"/> Orders from customers <input checked="" type="checkbox"/> Indent for <b>issue of</b> precious metal for fabrication <input checked="" type="checkbox"/> Inventory account (Fabrication unit)	<input checked="" type="checkbox"/> Approved indents <input checked="" type="checkbox"/> Updated inventory account (Marketing unit)
Transactional Volume/ frequency	
<input checked="" type="checkbox"/> As per demand	
Formats	
<input checked="" type="checkbox"/> MMTC standard reporting templates – like Daily issue / receipt register <input checked="" type="checkbox"/> Process Loss register <input checked="" type="checkbox"/> Pipeline of work register <input checked="" type="checkbox"/> Final inventory position of the day	

### 1.2.1.3 Process Map



**1.2.1.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Receipt of order from Corporate customers/Showrooms/ROs/Franchisees	
<b>1.01</b>	A customer (corporate or in-house) places an order at the respective RO/SRO	Customer
<b>1.02</b>	RO forwards the indents to CO for approval/deviations/special discounts	Corporate office – PM division
<b>1.03</b>	CO approves indents on case to case basis & forwards approval to Medallion Marketing Division at DRO for issue/manufacturing	Corporate office – PM division
<b>1.04</b>	In case of existing inventory, the order is fulfilled else Marketing division places an order with the Precious Metal Fabrication Division	Medallion Marketing Division
<b>2.</b>	Customer order and its fulfillment by Precious Metal Fabrication Division ( Regional Office)	
<b>2.01</b>	Precious Metal Fabrication Division at RO places an indent for issue of Precious metal (Gold / Silver) to manufacturing unit	Precious Metal Fabrication Division
<b>2.02</b>	Order is fulfilled from the existing raw material available with Marketing Div. else due to non availability of raw material/ as per new changed Policy of OGL/Domestic requirements , DRO sends request for indent of gold for CO's approval to purchase raw material for manufacturing requirements. Accordingly approval of CO communicated to RO	Corporate office – PM division



Sr.No.	Process Detail	Responsibility Centre	
2.03	On receipt of material by the Precious Metal fabrication Division the inventory account is credited. Equally the Marketing division debits their Inventory account	Precious Metal Fabrication Division	
2.04	The received metal is fabricated as per the requirement. Process loss etc. are measured and captured at various stages. On completion of the fabrication, the finished inventory account is credited with exact manufactured units with details of grammage and numbers	Precious Metal Fabrication Division	
2.05	The finished products are transferred to Medallion Marketing Division and the inventory account is debited. Equally the Marketing division credits their Inventory account.	Precious Metal Fabrication Division	
2.06	On receipt of medallions, the Medallion Marketing Division credits their inventory account	Medallion Division	Marketing
2.07	<p>The Medallion Marketing Division ships the consignment to respective RO/SRO/ MMTC stores/ Shops / Sanchi Division through delivery challan and debits its inventory account.( details of customer name/Type, grammage of medallions, nos, price, total cost, insurance &amp; grand total cost.)</p> <p>The excise amount is paid by the Medallion Marketing Division</p>	Medallion Division	Marketing

## 1.2.2 Precious Metal –Silver Medallion (Outsourcing)

### 1.2.2.1 Description

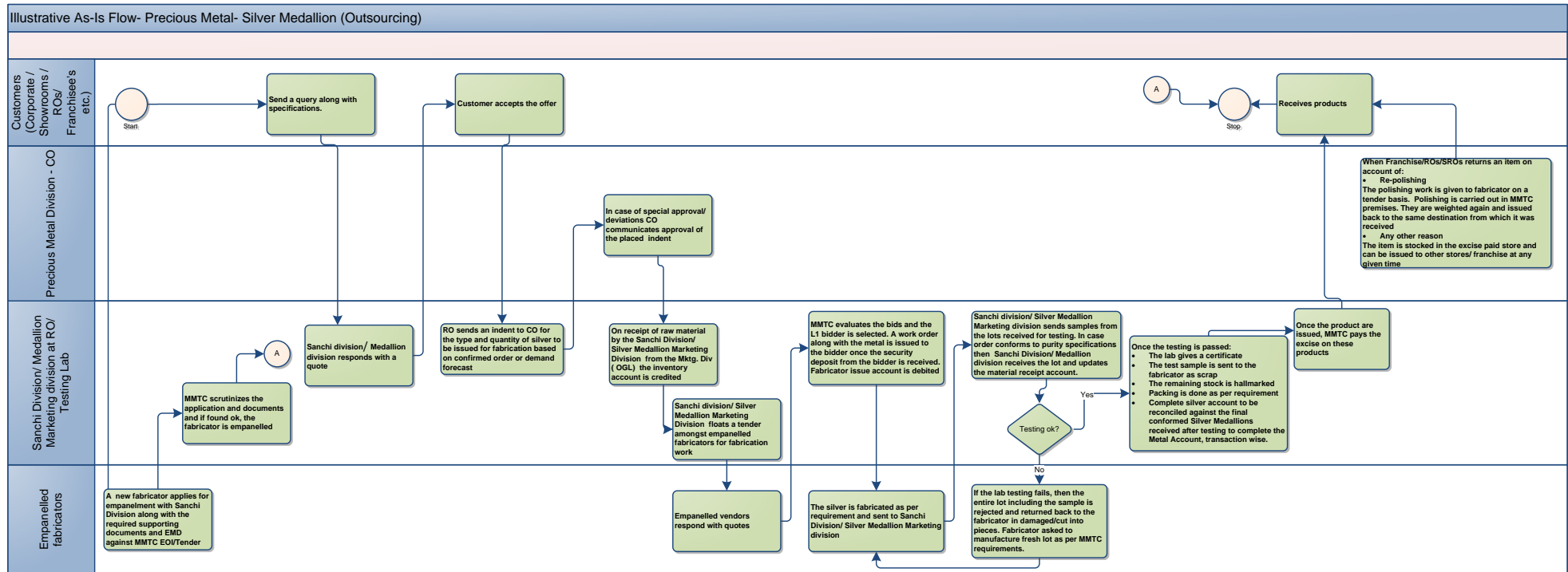
The purpose of this process is to receive orders from customers, issuance of precious metal for fabrication, fabrication of metal by empanelled fabricators, testing of the silver medallion and the issuance of the final silver medallions while adhering to all the necessary statutory and other mandatory compliances

### 1.2.2.2 Process Summary

<b>Name of process</b>		<b>Precious metal – Silver Medallion (outsourcing)</b>	
<b>Process Goal</b>			
To empanel fabricators, receive orders from customers, tendering of scope of work amongst empanelled fabricators, issuance of precious metal for fabrication, fabrication of metal by empanelled fabricators, testing of the silver medallions at MMTC'S A&H unit, receipt of only the purity conformed Silver Medallions and the issuance of the final Silver Medallions to the ordered ROs/SROs/customers			
<b>Process Owner</b>			
Precious Metal Division- Corporate Office, Sanchi Division of ROs, Medallion unit of ROs			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Precious Metal Division- Corporate Office (For special approvals/deviations/special discounts if any) <input checked="" type="checkbox"/> Sanchi Division, ROs <input checked="" type="checkbox"/> Medallion Unit, ROs <input checked="" type="checkbox"/> Regional Head <input checked="" type="checkbox"/> Associate finance, ROs		<input checked="" type="checkbox"/> Customers (corporate, Franchise, stores etc) <input checked="" type="checkbox"/> Excise Department	
<b>Process Input (Regional Office level)</b>		<b>Process Output (Regional Office level)</b>	

<input checked="" type="checkbox"/> Application for empanelment by fabricators	<input checked="" type="checkbox"/> Tender for fabrication work amongst empanelled fabricators
<input checked="" type="checkbox"/> Orders from customers	<input checked="" type="checkbox"/> Work order to empanelled fabricators
<input checked="" type="checkbox"/> Indent for issue for precious metal for fabrication	<input checked="" type="checkbox"/> Approved indents
<input checked="" type="checkbox"/> Inventory account (Silver Medallions Marketing Division)	<input checked="" type="checkbox"/> Updated inventory account (after issuance of Silver Medallions)
<b>Transactional Volume/ frequency</b>	
<input checked="" type="checkbox"/> As per demand	
<b>Formats</b>	
<input checked="" type="checkbox"/> Stock register	
<input checked="" type="checkbox"/> Issue/ receipt register ( details of raw silver issued & Receipt of manufactured Silver Medallions in numbers & grammage & details of Process loss in grammage)	
<input checked="" type="checkbox"/> Empanelled fabricator status report	

1.2.2.3 Process Map



**1.2.2.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Empanelment of new fabricators	
<b>1.01</b>	A new fabricator applies for empanelment with Sanchi Division/Medallion division along with the required supporting documents and EMD against MMTC EOI/Tender	Prospective fabricator
<b>1.02</b>	Sanchi division/Medallion division scrutinizes the application and if found fit, empanels the fabricator	Sanchi Division Of ROs/ Silver Medallion Marketing Division
<b>2.</b>	Query from corporate customers	
<b>2.01</b>	Corporate customer sends a query to Sanchi Division/ Silver Medallion Marketing Division of Regional Office along with specifications	Sanchi Division Of ROs/ Silver Medallion Marketing Division
<b>2.02</b>	Sanchi Division/ Silver Medallion Marketing Division responds with a proposal in consultation with DRO/other ROs having empanelled fabricators	Sanchi Division Of ROs/ Silver Medallion Marketing Division
<b>2.03</b>	If the customer accepts the proposal, the order is confirmed	Corporate customer
<b>3.</b>	Issue of precious metal, its fabrication and receipt of manufactured Silver Medallions and further issue to ROs/SROs/Customers/showrooms/stockists	
<b>3.01</b>	Order is either fulfilled from the existing raw material available with Marketing Div. else due to non availability of raw material/ as per new changed Policy of OGL/Domestic requirements , DRO sends	Sanchi Division Of ROs/ Silver Medallion Marketing

Sr.No.	Process Detail	Responsibility Centre
	request for indent of silver for CO's approval to purchase raw material for manufacturing requirements. Accordingly approval of CO communicated to RO	Division
3.02	In case of special approval/deviations CO communicates approval of the placed indent	Corporate office – PM division
3.03	On receipt of raw material by the Sanchi Division/ Silver Medallion Marketing Division from the Marketing. Division ( OGL) the inventory account is credited	Sanchi Division Of ROs/ Silver Medallion Marketing Division
3.04	Sanchi division/ Silver Medallion Marketing Division floats a tender amongst empanelled fabricators for fabrication work	Sanchi Division / Silver Medallion Marketing Division
3.05	Empanelled fabricator respond with bids and L1 fabricator is selected	Sanchi Division/ Silver Medallion Marketing Division Empanelled fabricators
3.06	Sanchi division/ Silver Medallion Marketing Division issues the metal to fabricator post receipt of security deposit. Fabricator Account is debited	Sanchi Division
3.07	The received metal is fabricated as per the requirement, by the fabricator. The finished goods are handed over to Sanchi Division/ Silver Medallion Marketing Division after Testing Process.	Sanchi Division Empanelled fabricators
3.08	Testing Process: Sanchi division/ Silver Medallion Marketing Division sends samples from the lots	Sanchi Division/ Silver

Sr.No.	Process Detail	Responsibility Centre
	received for testing. In case order conforms to purity, specifications etc then Sanchi Division receives the lot and updates the material receipt account.	Medallion Marketing Division
<b>3.09 (A)</b>	<p>If the testing is ok, then:</p> <ul style="list-style-type: none"> <li>• The lab gives a certificate</li> <li>• The test sample is sent to the fabricator as scrap</li> <li>• The remaining stock is hallmarked</li> <li>• Packing is done as per requirement</li> <li>• Complete silver account to be reconciled against the final conformed Silver Medallions received after testing to complete the Metal Account, transaction wise.</li> </ul>	A & H unit/Testing lab
<b>3.09 (B)</b>	If the lab testing fails, then the entire lot including the sample is rejected and returned back to the fabricator in damaged/cut into pieces. Fabricator asked to manufacture fresh lot as per MMTC requirements.	Sanchi Division/ Silver Medallion Marketing Division
<b>3.10</b>	Once the product are issued to ROs/SROs/Customers, MMTC pays the excise on these products	Sanchi Division/ Silver Medallion Marketing Division Excise Department
<b>4.</b>	Returns	
<b>4.01</b>	In case a franchise/ROs/SROs returns an item, the item is stocked in the excise paid store and can be issued to other stores/ franchise at any given time	Sanchi Division/ Silver Medallion Marketing Division

Sr.No.	Process Detail	Responsibility Centre
<b>5.</b>	Returns on account of polishing	
<b>5.01</b>	In case an item requires re-polishing, the same is stored in the excise paid store	Sanchi Division/ Silver Medallion Marketing Division
<b>5.02</b>	The polishing work is given to fabricator on a tender basis. The polishing is carried out in MMTC premises.	Empanelled Fabricator
<b>5.03</b>	Once the polishing is completed, the individual items are weighted again.	Sanchi Division/ Silver Medallion Marketing Division
<b>5.04</b>	The item is then issued to the same destination from which it was sent	Sanchi Division/ Silver Medallion Marketing Division



### 1.2.3 Precious Metal- Silverware (Outsourcing)

#### 1.2.3.1 Description

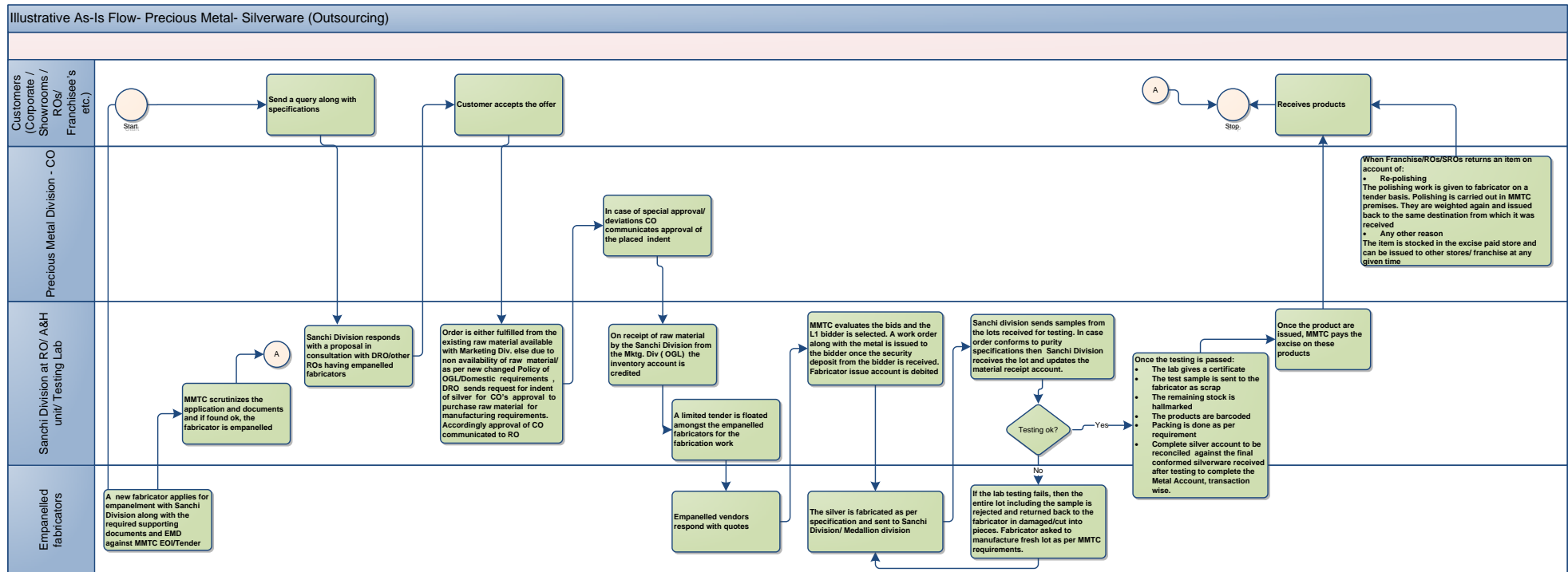
The purpose of this process is to receive orders from customers, issuance of precious metal for fabrication, fabrication of metal by empanelled fabricators, testing of the silverware and the issuance of the final silverware while adhering to all the necessary statutory and other mandatory compliances

#### 1.2.3.2 Process Summary

Name of process		Precious metal – Silverware (outsourcing)	
<b>Process Goal</b>			
To empanel fabricators, receive orders from customers, tendering of scope of work amongst empanelled fabricators, issuance of precious metal for fabrication, fabrication of metal by empanelled fabricators, testing of the silverware at MMTC's A&H Unit , receipt of only the purity conformed silverware and the issuance of the final silverware to the ordered ROs/SROs/customers			
<b>Process Owner</b>			
Precious Metal Division- Corporate Office, Sanchi Division of ROs.			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Precious Metal Division- Corporate Office ((For special approvals/deviations/special Discounts if any <input checked="" type="checkbox"/> Sanchi Division, ROs <input checked="" type="checkbox"/> Medallion Unit, ROs <input checked="" type="checkbox"/> Regional Head <input checked="" type="checkbox"/> Associate finance, ROs		<input checked="" type="checkbox"/> Customers (corporate, Franchise, stores etc) <input checked="" type="checkbox"/> Excise Department	
<b>Process Input (Regional Office level)</b>		<b>Process Output (Regional Office level)</b>	

<input checked="" type="checkbox"/> Application for empanelment by fabricators	<input checked="" type="checkbox"/> Tender for fabrication work amongst empanelled fabricators
<input checked="" type="checkbox"/> Orders from customers	<input checked="" type="checkbox"/> Work order to empanelled fabricators
<input checked="" type="checkbox"/> Indent for issue for precious metal for fabrication	<input checked="" type="checkbox"/> Approved indents
<input checked="" type="checkbox"/> Inventory account( Sanchi silverware Marketing division)	<input checked="" type="checkbox"/> Updated inventory account( after issuance of silverware)
<b>Transactional Volume/ frequency</b>	
<input checked="" type="checkbox"/> As per demand	
<b>Formats</b>	
<input checked="" type="checkbox"/> Stock register	
<input checked="" type="checkbox"/> Issue/ receipt register ( details of raw silver issued & Receipt of manufactured silverware in numbers & grammage & details of Process loss in grammage)	
<input checked="" type="checkbox"/> Empanelled fabricator status report	

1.2.3.3 Process Map



**1.2.3.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Empanelment of new fabricators	
<b>1.01</b>	A new fabricator applies for empanelment with Sanchi Division along with the required supporting documents and EMD against MMTC EOI/Tender	Prospective fabricator
<b>1.02</b>	Sanchi division scrutinizes the application and if found fit, empanels the fabricator	Sanchi Division of ROs
<b>2.</b>	Query from corporate customers	
<b>2.01</b>	Corporate customer sends a query to Sanchi Division of Regional Office along with specifications	Sanchi Division of ROs
<b>2.02</b>	Sanchi Division responds with a proposal in consultation with DRO/other ROs having empanelled fabricators	Sanchi Division
<b>2.03</b>	If the customer accepts the proposal, the order is confirmed	Corporate customer
<b>3.</b>	Issue of precious metal, its fabrication and receipt of manufactured silverware and further issue to ROs/SROs/Customers/showrooms/stockist	
<b>3.01</b>	Order is either fulfilled from the existing raw material available with Marketing Div. else due to non availability of raw material/ as per new changed Policy of OGL/Domestic requirements , DRO sends request for indent of silver for CO's approval to purchase raw material for	Sanchi Division

Sr.No.	Process Detail	Responsibility Centre
	manufacturing requirements. Accordingly approval of CO communicated to RO	
3.02	In case of special approval/deviations CO communicates approval of the placed indent	Corporate office – PM division
3.03	On receipt of raw material by the Sanchi Division from the Mktg. Div. ( OGL) the inventory account is credited	Sanchi Division
3.04	Sanchi division floats a tender amongst empanelled fabricators for fabrication work	Sanchi Division
3.05	Empanelled fabricator respond with bids and L1 fabricator is selected	Sanchi Division Empanelled fabricators
3.06	Sanchi division issues the metal to fabricator post receipt of security deposit. Fabricator Account is debited	Sanchi Division
3.07	The received metal is fabricated as per the requirement, by the fabricator. The finished goods are handed over to Sanchi Division after Testing Process.	Sanchi Division Empanelled fabricators
3.08	Testing Process: Sanchi division sends samples from the lots received for testing. In case order conforms to purity, specifications etc then Sanchi Division receives the lot and updates the material receipt account.	Sanchi Division
3.09 (A)	If the testing is ok, then:	Sanchi Division

Sr.No.	Process Detail	Responsibility Centre
	<ul style="list-style-type: none"> <li>• The lab gives a certificate</li> <li>• The test sample is sent to the fabricator as scrap</li> <li>• The remaining stock is hallmarked</li> <li>• The products are barcoded</li> <li>• Packing is done as per requirement</li> <li>• Complete silver account to be reconciled against the final conformed silverware received after testing to complete the Metal Account, transaction wise.</li> </ul>	Testing lab
<b>3.09 (B)</b>	If the lab testing fails, then the entire lot including the sample is rejected and returned back to the fabricator in damaged/cut into pieces. Fabricator is asked to manufacture fresh lot as per MMTC requirements.	Sanchi Division
<b>3.10</b>	Once the product are issued to ROs/SROs/Customers, MMTC pays the excise on these products	Sanchi Division Excise Department
<b>4.</b>	Returns	
<b>4.01</b>	In case a franchise/ROs/SROs returns an item, the item is stocked in the excise paid store and can be issued to other stores/ franchise at any given time	Sanchi Division
<b>5.</b>	Returns on account of polishing	
<b>5.01</b>	In case an item requires re-polishing, the same is stored in the excise paid store	Sanchi Division

Sr.No.	Process Detail	Responsibility Centre
5.02	The polishing work is given to fabricator on a tender basis. The polishing is carried out in MMTC premises.	Empanelled Fabricator
5.03	Once the polishing is completed, the individual items are weighted again and new barcoding is done	Sanchi Division
5.04	The item is then issued to the same destination from which it was sent	Sanchi Division

### 1.3 Fertilizers

#### 1.3.1 Sale of Sulphur

##### 1.3.1.1 Description

The purpose of this process is to describe the complete cycle involved in the sale of sulphur.

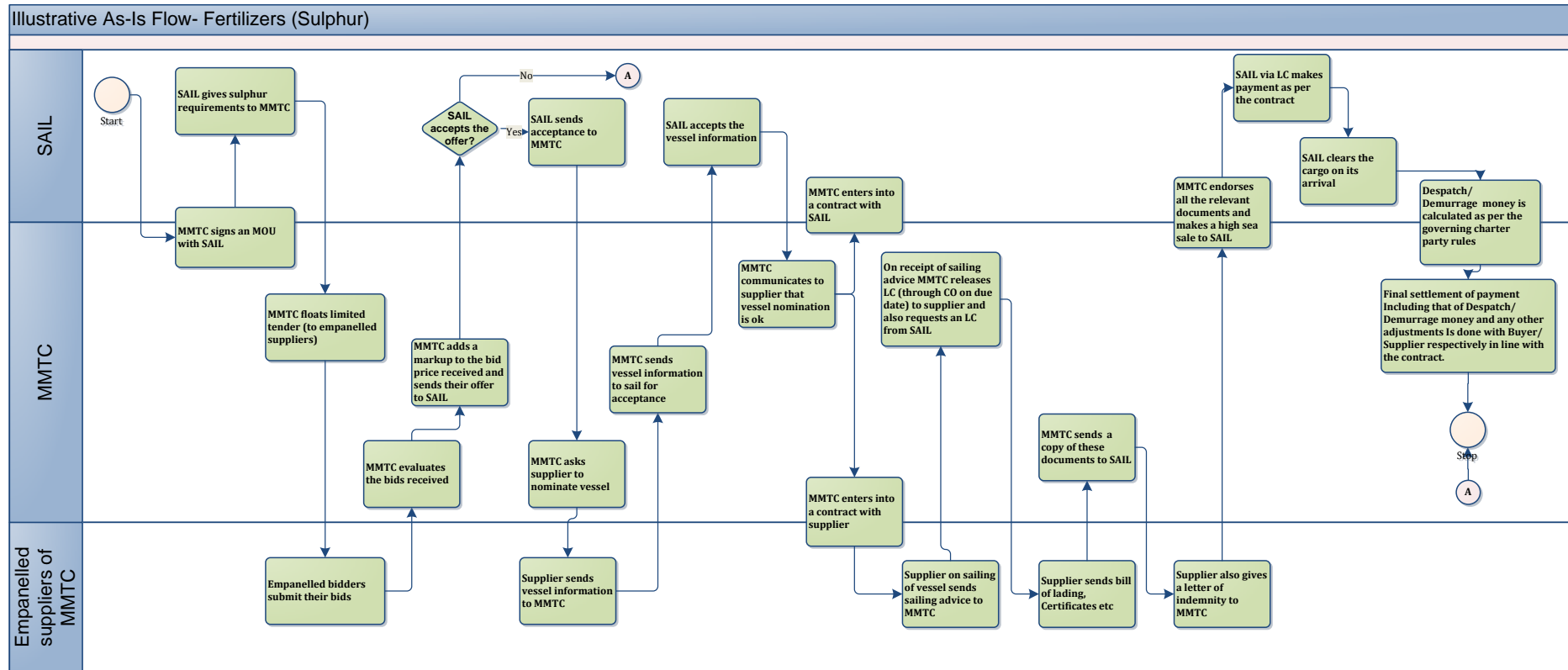
##### 1.3.1.2 Process Summary

Name of process	Contracting
Process Goal	To sign a Memorandum of Understanding (MOU) with SAIL, receive the requirements from SAIL, float limited tenders to empanelled suppliers, evaluation of their bids and supply of sulphur to SAIL.
Process Owner	

Name of process		Contracting	
Fertilizer Division			
Primary Actors		Secondary Actors	
<input checked="" type="checkbox"/> Fertilizer Division – CO <input checked="" type="checkbox"/> Fertilizer Division – RO <input checked="" type="checkbox"/> Associate finance		<input checked="" type="checkbox"/> Steel Authority of India Limited (SAIL) <input checked="" type="checkbox"/> Empanelled suppliers of MMTC	
Process Input		Process Output	
<input checked="" type="checkbox"/> Signing of MOU with SAIL <input checked="" type="checkbox"/> MMTC's offer including MMTC markup to the bid price <input checked="" type="checkbox"/> Receipt of requirement of Sulphur from SAIL <input checked="" type="checkbox"/> LC from SAIL to be received and LC on supplier to be established <input checked="" type="checkbox"/> Receipt of sailing advice from suppliers <input checked="" type="checkbox"/> Receipt of vessel related documents from supplier		<input checked="" type="checkbox"/> Contract with SAIL <input checked="" type="checkbox"/> Contract with Supplier <input checked="" type="checkbox"/> Offer from MMTC to SAIL <input checked="" type="checkbox"/> Bill of lading	
Transactional Volume/Frequency			
<input checked="" type="checkbox"/> Sulphur is imported in 3-4 consignments in a year under existing MOU between SAIL and MMTC			
Formats			
<input checked="" type="checkbox"/> Standard templates for Bill of lading, sailing advice, certificates etc. <input checked="" type="checkbox"/> MMTC standard reporting templates			



1.3.1.3 Process Map



**1.3.1.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
1.1.	MMTC signs a Memorandum of Understanding (MOU) with SAIL.	Fertilizer Division – CO
1.2.	SAIL gives requirements of Sulphur to MMTC Corporate office	SAIL
1.3.	MMTC Corporate office floats a limited tender to empanelled suppliers	Fertilizer Division – CO
1.4.	Empanelled suppliers submit their bids in response to the tender	Empanelled suppliers
1.5.	MMTC Corporate office evaluates the bids received and selects the L1 bidder	Fertilizer Division – CO
1.6.	MMTC Corporate office adds a markup to the L1 price and sends its offer to SAIL	Fertilizer Division – CO
1.7.	SAIL sends acceptance to MMTC's offer	SAIL
1.8.	MMTC asks the supplier to nominate vessel and send its information back	Selected Supplier
1.9.	MMTC sends the vessel information to SAIL for acceptance	Fertilizer Division – CO
1.10.	Upon acceptance of vessel information by SAIL, MMTC signs contract both with SAIL & selected supplier	Fertilizer Division – CO SAIL Supplier
1.11.	Supplier on sailing of vessel sends sailing advice to MMTC Corporate office.	Selected Supplier

Sr.No.	Process Detail	Responsibility Centre
1.12.	MMTC Corporate office releases LC to selected supplier and requests LC from SAIL	Fertilizer Division – CO SAIL
1.13.	MMTC sends copy of all documents (bill of lading, sailing advice, certificates etc.) to SAIL	Fertilizer Division – CO
1.14.	MMTC endorses relevant documents and makes a high seas sale to SAIL	Fertilizer Division – CO SAIL
1.15.	SAIL makes payment to MMTC through LC as per contract	SAIL
1.16.	SAIL clears cargo and takes the material	SAIL
1.17.	Dispatch/Demurrage money is calculated by MMTC as per the governing charter party rules	Fertilizer Division – CO
1.18.	Final settlement of payment including calculated dispatch/demurrage money and any other adjustments is done with SAIL/selected Supplier respectively in line with the contract	SAIL Fertilizer Division – CO

## 1.3.2 Export process to Nepal

### 1.3.2.1 Description

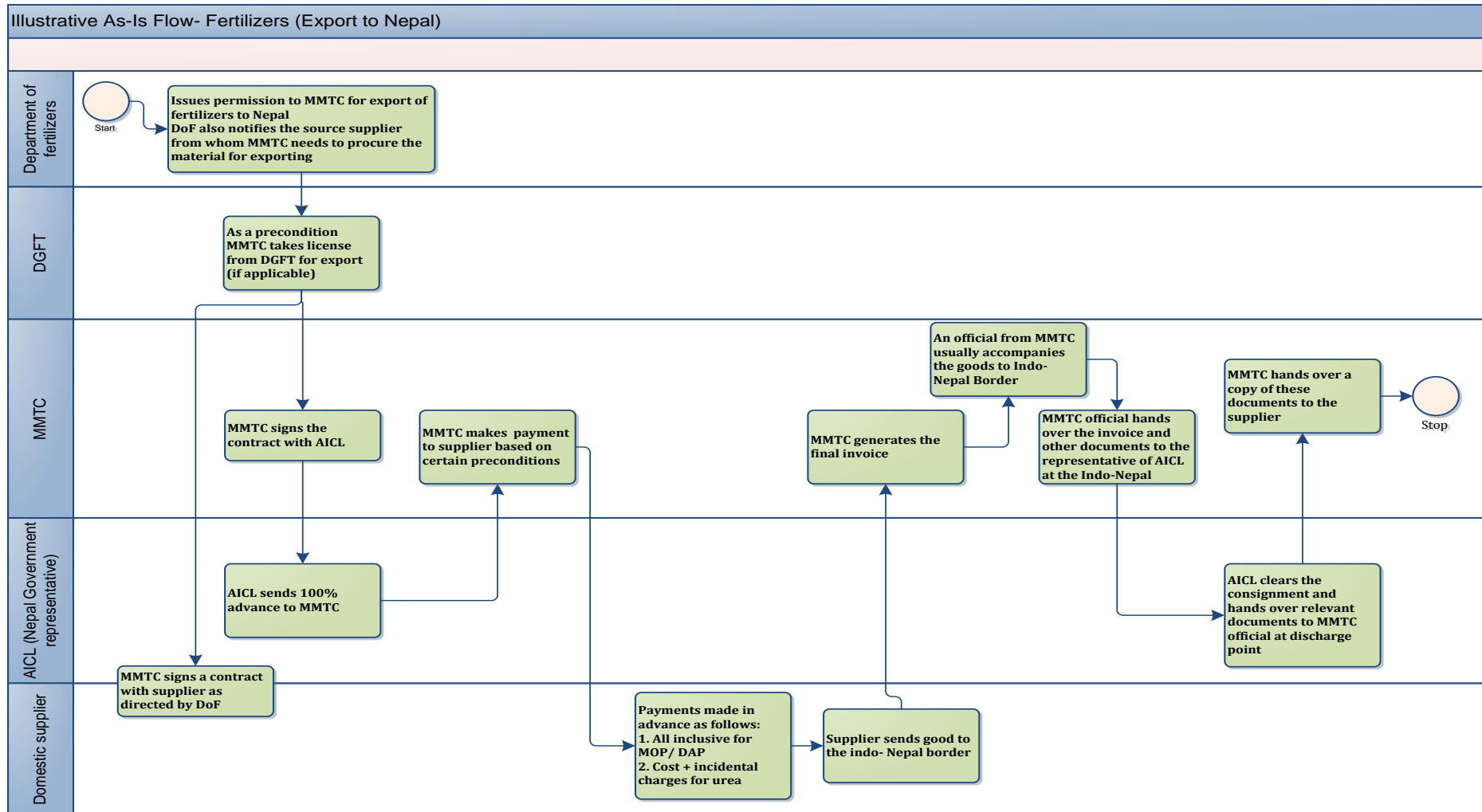
The purpose of this process is to export fertilizers to Nepal by the fertilizer division of MMTC.

### 1.3.2.2 Process Summary

Name of process		Contracting	
Process Goal			
To export fertilizers to Nepal by the Fertilizers division of MMTC.			
Process Owner			
Fertilizer Division –RO (Bhubaneswar, Kolkata & Vishakhapatnam).			
Primary Actors		Secondary Actors	
<input checked="" type="checkbox"/> Fertilizer Division – CO <input checked="" type="checkbox"/> Fertilizer Division – RO (BSR, Kolkata) <input checked="" type="checkbox"/> Associate finance		<input checked="" type="checkbox"/> Department of fertilizers (DOF) <input checked="" type="checkbox"/> Director General of Foreign Trade (DGFT) <input checked="" type="checkbox"/> AICL (Nepal government representative) <input checked="" type="checkbox"/> Domestic supplier	
Process Input		Process Output	
<input checked="" type="checkbox"/> Permission from DOF <input checked="" type="checkbox"/> Export License from DGFT, wherever required 100% advance from AICL		<input checked="" type="checkbox"/> Invoice (provisional/final) <input checked="" type="checkbox"/> Contract with AICL <input checked="" type="checkbox"/> Contract with supplier <input checked="" type="checkbox"/> Relevant documents	
Transactional Volume/Frequency			

Name of process	Contracting
<input checked="" type="checkbox"/> Export done approximately <ol style="list-style-type: none"><li data-bbox="331 384 636 416">1. 15-20 rakes of Urea</li><li data-bbox="331 424 752 456">2. Around 5 rakes of DAP/MOP</li></ol>	
Formats	
<input checked="" type="checkbox"/> Standard templates for export license	
<input checked="" type="checkbox"/> MMTC standard reporting templates	

### 1.3.2.3 Process Map



**1.3.2.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
1.1.	Department of fertilizers issues permission to MMTC for export of fertilizer to Nepal	DOF
1.2.	DOF also notifies the source supplier from whom MMTC needs to procure the material for exporting	DOF
1.3.	MMTC takes export license from DGFT wherever required	MMTC DGFT
1.4.	MMTC signs contract with supplier notified by DOF	Fertilizer Division – CO
1.5.	MMTC signs contract with AICL	Fertilizer Division – CO AICL
1.6.	As per the contract between MMTC and AICL, Nepal , MMTC receives 100% advance payment from AICL, Nepal	AICL
1.7.	MMTC makes payment to the supplier on : 1. Dispatch of materials only in case of DAP/MOP. In case of Urea payment to supplier is made in advance Receipt of dispatch documents Payment is as follows: • MOP & DAP – all inclusive • Urea – cost + incidental charges	Fertilizer Division – CO
1.8.	Supplier sends goods to the Indo-Nepal border	Supplier
1.9.	MMTC generates the final invoice	Fertilizer Division- Concerned RO

Sr.No.	Process Detail	Responsibility Centre
1.10.	An official from MMTC accompanies the goods to the Indo-Nepal border	Fertilizer Division- Concerned RO
1.11.	MMTC official hands over invoice and other documents to the AICL representative at the Indo-Nepal border	Fertilizer Division- Concerned RO
1.12.	AICL clears the consignment and hands over relevant documents to MMTC official at discharge points	AICL
1.13.	MMTC hands over a copy of these documents to the supplier	Fertilizer Division- CO/ concerned RO



### 1.3.3 Sale of Ammonium Sulphate

#### 1.3.3.1 Description

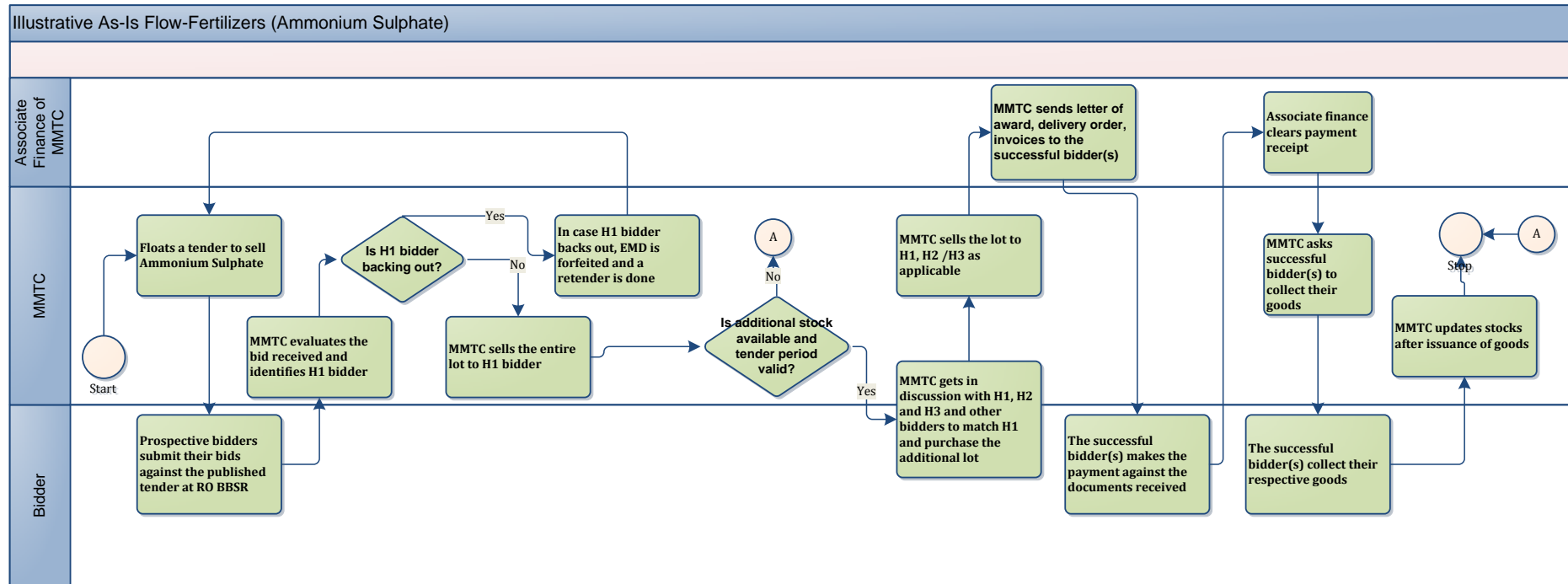
The purpose of this process is to float tenders for sale of ammonium sulphate, receive bids from prospective bidders and carry out the sale of Ammonium Sulphate. MMTC gets the ammonium sulphate stock as a byproduct from NINL.

#### 1.3.3.2 Process Summary

Name of process	Contracting	
Process Goal	To sell ammonium sulphate to prospective buyers through tender process.	
Process Owner	Fertilizer Division	
Primary Actors	Secondary Actors	
<input checked="" type="checkbox"/> Fertilizer Division – CO <input checked="" type="checkbox"/> Fertilizer Division – RO (Bhubaneswar) <input checked="" type="checkbox"/> Associate finance	<input checked="" type="checkbox"/> Buyers	
Process Input	Process Output	
<input checked="" type="checkbox"/> Tender <input checked="" type="checkbox"/> Bid responses	<input checked="" type="checkbox"/> Invoice <input checked="" type="checkbox"/> Payment receipt <input checked="" type="checkbox"/> Updated stock register	
Transactional Volume/Frequency	<input checked="" type="checkbox"/> As per requirement	
Formats		

Name of process	Contracting
<input checked="" type="checkbox"/> Standard templates for invoice, payment receipt	<input checked="" type="checkbox"/> MMTC standard reporting templates

### 1.3.3.3 Process Map



**1.3.3.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	<b>Floating of Tender</b>	
1.1.	RO- Bhubaneswar prepares the tender document and floats the same	Fertilizer Division- CO/ RO- Bhubaneswar
1.2.	Prospective bidders submit their bids against the published tender to RO, Bhubaneswar	MMTC – RO (BBSR)
1.3.	MMTC evaluates the bids and identifies the H1 bidder at RO level and its approval is done by CO	Fertilizer Division- CO/ RO- Bhubaneswar
<b>2.</b>	<b>H1 bidder agrees to buy the entire lot</b>	
2.1.	Process from Step 6 would be followed	
<b>3.</b>	<b>H1 bidder does not agree to buy the entire lot</b>	
3.1.	MMTC gets in discussion with H1 bidder	Fertilizer Division-CO/ RO (Bhubaneswar)
3.2.	H1 bidder agrees to purchase the entire lot	H1 bidder
3.3.	Process from Step 6 would be followed	
<b>4.</b>	<b>H1 bidder does not agree to buy the entire lot</b>	
4.1	The EMD is forfeited	Fertilizer Division-CO/ RO (Bhubaneswar)
4.2	Process from step 1 is followed	
<b>5.</b>	<b>Tender period is valid and additional stock is available with MMTC</b>	
5.1.	MMTC gets in discussion with H1, H2 etc bidders to purchase the additional lot at H1 prices	Fertilizer Division-CO/ RO (Bhubaneswar)

Sr.No.	Process Detail	Responsibility Centre
		H1, H2 and other bidders
5.2.	Process from Step 6 would be followed	
6.	Invoice generation and sale of goods	
6.1.	MMTC generates letter of award, delivery order and invoice(s) and sends them to respective bidders/buyers depending upon the quantity to be sold to them	Fertilizer Division-CO/ RO (Bhubaneswar)
6.2.	The bidder(s) makes payment against the documents received within 5 days of their receipt	Bidder(s)
6.3.	Associate finance clears payment receipt	Fertilizer Division-CO/ RO (Bhubaneswar)
6.4.	MMTC asks bidder(s) to collect the goods	Fertilizer Division-CO/ RO (Bhubaneswar) H1 & other relevant bidder
6.5.	Bidder(s) collects the goods	H1 & other relevant bidder
6.6.	MMTC updates stock register after issuance of goods	Fertilizer Division-CO/ RO (Bhubaneswar)

### 1.3.4 Sale of Urea

#### 1.3.4.1 Description

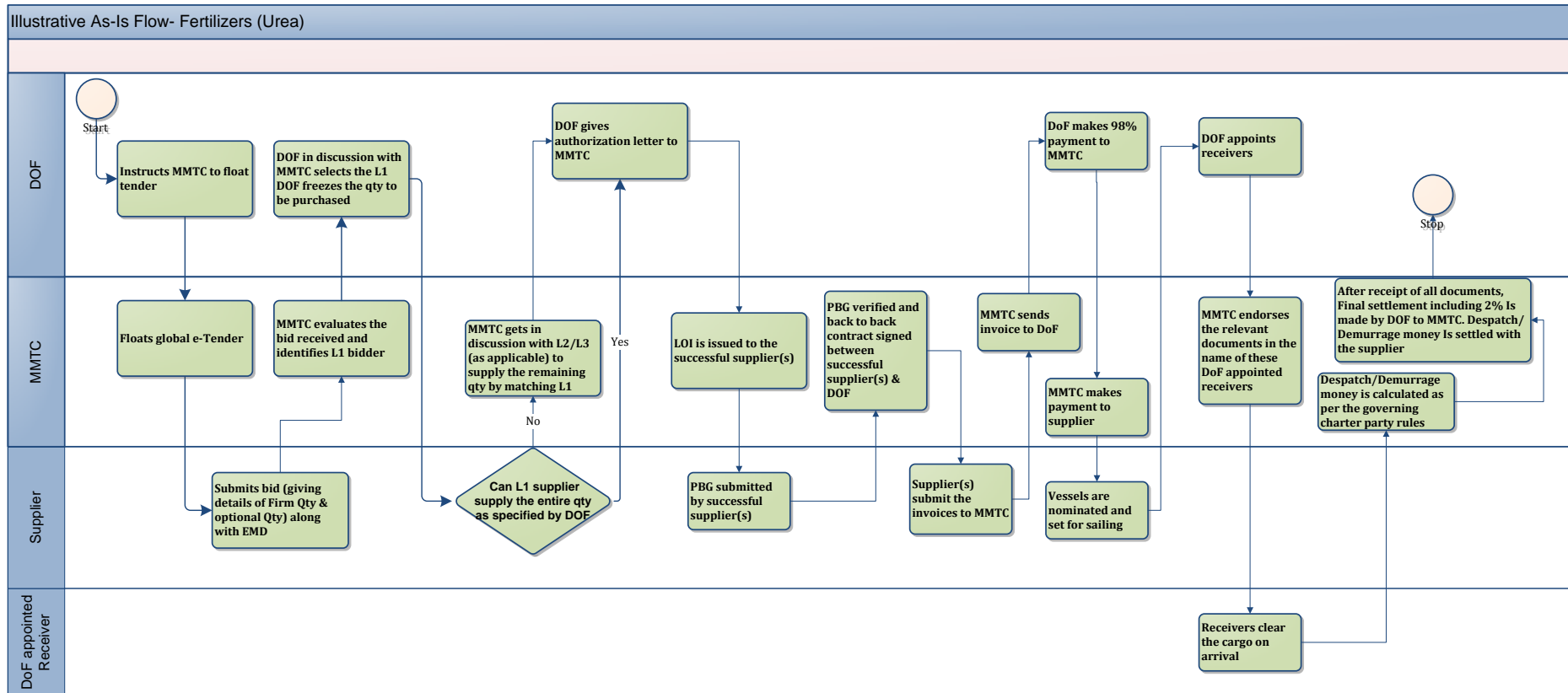
The purpose of this process is to describe the complete cycle involved in the sale of urea

#### 1.3.4.2 Process Summary

Name of process		Contracting	
Process Goal			
Based on instruction of Department of Fertilizers (DOF), MMTC floats global tender to procure urea from suppliers and sells urea to the receivers appointed by DOF.			
Process Owner			
Fertilizer Division			
Primary Actors		Secondary Actors	
<input checked="" type="checkbox"/> Fertilizer Division – CO <input checked="" type="checkbox"/> Department of fertilizers (DOF) <input checked="" type="checkbox"/> Associate finance		<input checked="" type="checkbox"/> Global suppliers	
Process Input		Process Output	
<input checked="" type="checkbox"/> Instructions of DOF <input checked="" type="checkbox"/> Global e-tender <input checked="" type="checkbox"/> Receipt of PBG from suppliers <input checked="" type="checkbox"/> Receipt of vessel related documents from supplier <input checked="" type="checkbox"/> Invoice from suppliers <input checked="" type="checkbox"/> Payment from DOF		<input checked="" type="checkbox"/> Contract with DOF <input checked="" type="checkbox"/> Contract with successful Supplier(s) <input checked="" type="checkbox"/> Documents like Bill of lading etc.	
Transactional Volume/Frequency			

Name of process	Contracting
<input checked="" type="checkbox"/> Urea is imported from global suppliers on behalf of DOF around 2- 3 times in a year.	
Formats	
<input checked="" type="checkbox"/> Standard templates for Bill of lading, sailing advice, certificates etc. <input checked="" type="checkbox"/> MMTC standard reporting templates	

### 1.3.4.3 Process Map





**1.3.4.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
1.	Floating of Global tender	
1.1.	DOF instructs MMTC to float tender	DOF
1.2.	MMTC floats global tender	Fertilizer Division – CO
1.3.	Supplier submits bid giving details of firm and optional quantities along with EMD	Suppliers
1.4.	MMTC evaluates the bids and identifies L1	Fertilizer Division – CO
1.5.	MMTC in discussion with DOF selects the L1.	Fertilizer Division – CO DOF
1.6.	DOF freezes the quantity to be purchased based on the prices quoted by L1 bidder	DOF
2.	L1 bidder agrees to supply the entire quantity as required by DOF	
2.1.	Process from Step 4 would be followed	
3.	L1 bidder does not agree to supply the entire quantity as required by DOF	
3.1.	MMTC gets in discussion with L2/L3 bidder	MMTC, L2/L3 bidder
3.2.	L2/L3 bidder agrees to supply the remaining quantity by matching L1	MMTC, L2/L3 bidder
3.3.	Process from Step 4 would be followed	

Sr.No.	Process Detail	Responsibility Centre
4.	DOF authorization, sale of goods	
4.1.	DOF gives authorization letter to MMTC	Fertilizer Division – CO DOF
4.2.	Letter of Intent is issued to successful supplier(s)	Fertilizer Division – CO Supplier(s)
4.3.	Performance bank Guarantee is submitted by successful supplier(s)	Supplier(s)
4.4.	PBG is verified by MMTC and back to back contract is signed by MMTC with successful suppliers and DOF	Supplier(s) Fertilizer Division – CO DOF
4.5.	Supplier(s) submit their invoices to MMTC	Suppliers
4.6.	MMTC sends invoices to DOF	Fertilizer Division – CO
4.7.	DOF makes 98 % payment to MMTC. MMTC makes payment to the supplier	DOF
4.8.	Suppliers nominate the vessels and are set for sailing	Suppliers
4.9.	DOF appoints receivers	DOF
4.10.	MMTC endorses documents in the name of the appointed receivers	Fertilizer Division – CO
4.11.	Receivers clear cargo on arrival	Receivers
4.12.	Dispatch/Demurrage money is calculated as per the governing charter party rules	Fertilizer Division – CO Suppliers Receivers
4.13.	After receipt of all documents, final settlement including 2% payment is made by DOF to MMTC. Dispatch / Demurrage settled with the supplier.	Fertilizer Division – CO  Suppliers  Receivers

### 1.3.5 Sale of Di Ammonium Phosphate (DAP)

#### 1.3.5.1 Description

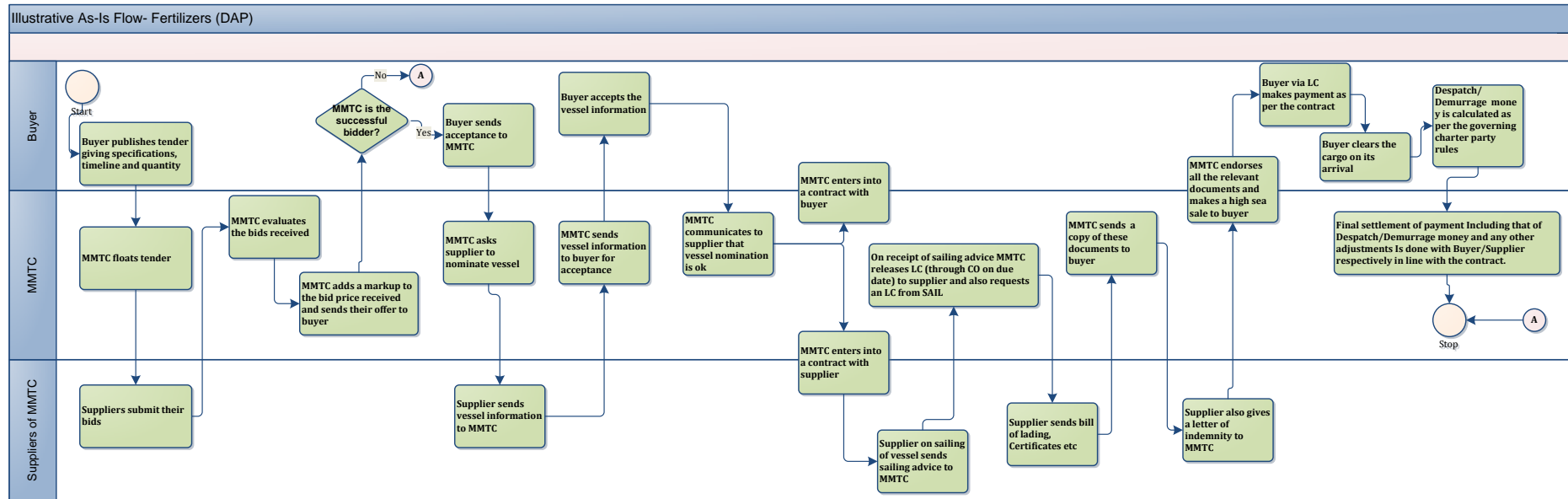
To procure DAP from global suppliers and sale to buyers by responding to tender published by buyers

#### 1.3.5.2 Process Summary

Name of process		Contracting	
Process Goal			
To procure DAP from empanelled suppliers and sell to buyers by responding to tender published by buyers			
Process Owner			
Fertilizers Division			
Primary Actors		Secondary Actors	
<input checked="" type="checkbox"/> Fertilizer Division – CO and concerned RO		<input checked="" type="checkbox"/> Suppliers of MMTC <input checked="" type="checkbox"/>	
Process Input		Process Output	
<input checked="" type="checkbox"/> Tenders published by buyers <input checked="" type="checkbox"/> Limited tender floated by MMTC <input checked="" type="checkbox"/> Receipt of vessel related documents from supplier <input checked="" type="checkbox"/> Invoice from suppliers		<input checked="" type="checkbox"/> Contract with buyer <input checked="" type="checkbox"/> Contract with successful Supplier(s) <input checked="" type="checkbox"/> Documents like Bill of lading, sailing advice etc.	
Transactional Volume/Frequency			

Name of process	Contracting
<input checked="" type="checkbox"/> DAP is imported from suppliers and sold to buyers as per their requirement	
Formats	
<input checked="" type="checkbox"/> Standard templates for Bill of lading, sailing advice, certificates etc. <input checked="" type="checkbox"/> MMTC standard reporting templates	

### 1.3.5.3 Process Map



**1.3.5.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
1.1.	Buyer publishes tender giving specifications, timelines and quantity to be bought	Buyer
1.2.	MMTC floats tender	Fertilizer Division – CO and concerned RO
1.3.	Suppliers submit bids	Suppliers
1.4.	MMTC evaluates the bids	Fertilizer Division – CO and concerned RO
1.5.	MMTC adds a markup to the bid price and sends their offer to the buyer	Fertilizer Division – CO and concerned RO
2.	Buyer does not select MMTC as successful bidder	
2.1.	Process is terminated	Buyer
3.	Buyer selects MMTC and declares as successful bidder	
3.1.	Buyer sends acceptance to MMTC	Buyer
3.2.	MMTC asks supplier to nominate vessel	Fertilizer Division – CO and concerned RO
3.3.	Supplier sends vessel information to MMTC	Supplier
3.4.	MMTC sends vessel information to buyer for acceptance	Fertilizer Division – CO and concerned RO

Sr.No.	Process Detail	Responsibility Centre
3.5.	Buyer accepts vessel information	Buyer
3.6.	MMTC informs supplier that vessel information is ok	Fertilizer Division – CO and concerned RO
3.7.	MMTC signs separate contract with buyer & supplier	Fertilizer Division – CO and concerned RO
3.8.	Supplier on sailing of vessel sends sailing advice to MMTC	Supplier
3.9.	On receipt of sailing advice MMTC releases LC through Corporate office on due date to supplier and also requests LC from SAIL	Fertilizer Division – CO and concerned RO
3.10.	Supplier sends bill of lading , certificates etc. to MMTC	Supplier
3.11.	MMTC sends a copy of these documents to the buyer	Fertilizer Division – CO and concerned RO
3.12.	Supplier gives a letter of indemnity to MMTC	Supplier
3.13.	MMTC endorses all documents and makes a high seas sale to the buyer	Fertilizer Division – CO and concerned RO
3.14.	Buyer makes payment through LC as per the contract	Buyer
3.15.	Buyer clears cargo on arrival	Buyer
3.16.	Dispatch/Demurrage money is calculated as per the governing charter party rules	Fertilizer Division – CO and concerned RO
3.17.	Final settlement of payment is made to suppliers after adjusting Dispatch/Demurrage money and any others with the buyer/supplier respectively in	Fertilizer Division – CO and concerned RO

Sr.No.	Process Detail	Responsibility Centre
	line with the contract.	



### 1.3.6 Sale of MOP

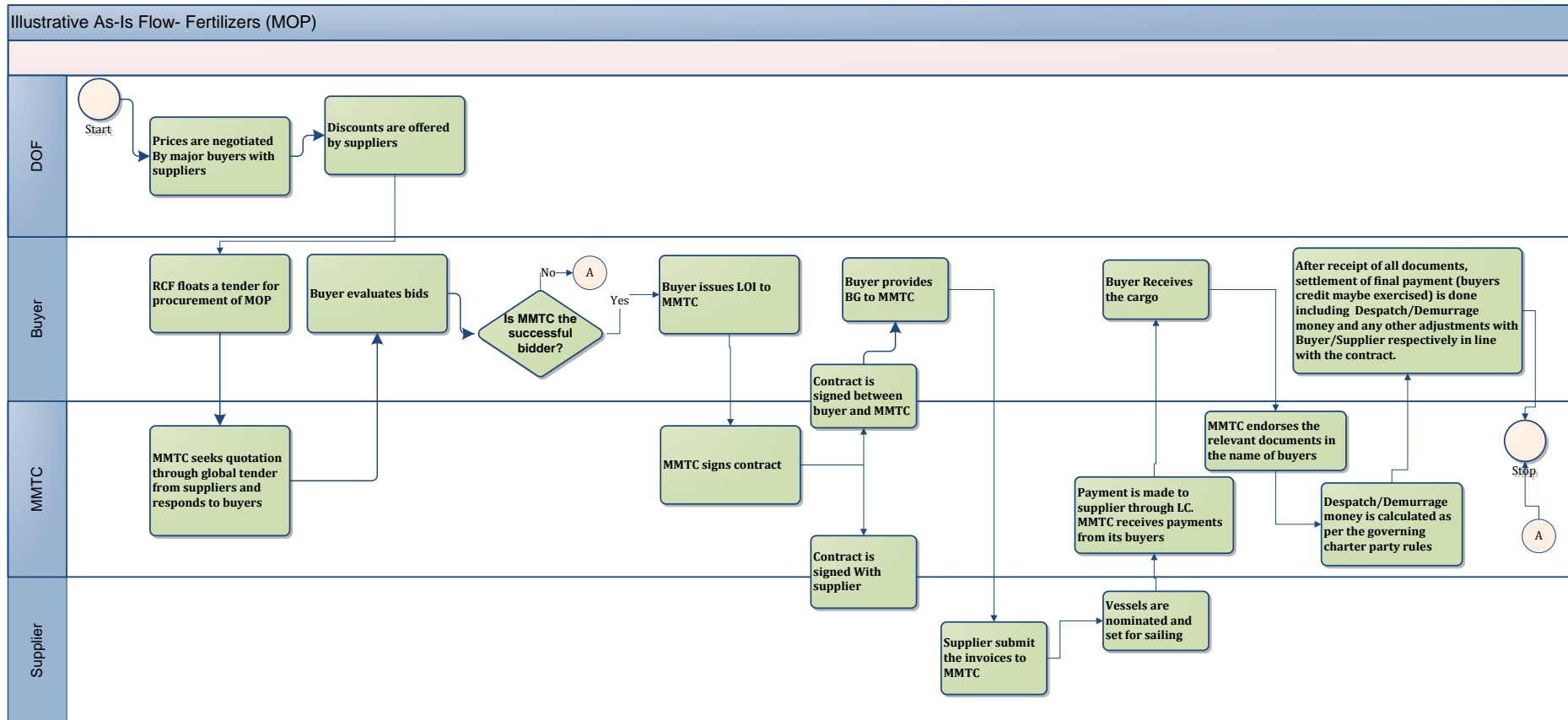
#### 1.3.6.1 Description

The purpose of this process is to describe the complete cycle involved in the sale of MOP

#### 1.3.6.2 Process Summary

Name of process		Contracting	
Process Goal			
To procure MOP from empanelled supplier and sell to buyers by responding to tender published by buyers			
Process Owner			
Fertilizers Division			
Primary Actors		Secondary Actors	
<input checked="" type="checkbox"/> Fertilizer Division – CO		<input checked="" type="checkbox"/> Suppliers of MMTC	
Process Input		Process Output	
<input checked="" type="checkbox"/> Tender floated by MMTC		<input checked="" type="checkbox"/> Contract with buyer <input checked="" type="checkbox"/> Contract with successful Supplier(s) <input checked="" type="checkbox"/> Documents like Bill of lading, sailing advice etc.	
Transactional Volume/Frequency			
<input checked="" type="checkbox"/> MOP is imported approximately 10 times in a year			
Formats			
<input checked="" type="checkbox"/> Standard templates for Bill of lading, sailing advice, certificates etc. <input checked="" type="checkbox"/> MMTC standard reporting templates			

1.3.6.3 Process Map



**1.3.6.4 Process Description**

Sr.No.	Process Detail	Responsibility Centre
1.	Price Fixation	
1.1.	Prices are negotiated by major buyers with suppliers	DoF
1.2.	Discounts are offered by suppliers	Fertilizer Division – CO–
2.	Tender flotation	
2.1.	Buyer publishes tender giving specifications, timelines and quantity to be bought	Fertilizer Division – CO
2.2.	MMTC seeks quotation through global tender from suppliers and responds to buyers	Supplier Fertilizer Division – CO
2.3.	Buyer evaluates the bids	Fertilizer Division – CO
3.	Buyer does not select MMTC as successful bidder	
3.1.	Process is terminated	Buyer
4.	Buyer selects MMTC and declares it as successful bidder	
4.1.	Buyer issue LOI to MMTC	Buyer
4.2.	MMTC signs a contract with buyer	Fertilizer Division – CO Buyer
4.3.	MMTC signs contract with supplier	Fertilizer Division – CO Supplier

Sr.No.	Process Detail	Responsibility Centre
4.4.	Buyer submits BG to MMTC	Buyer
4.5.	Supplier submit the invoices to MMTC	Supplier Fertilizer Division – CO
4.6.	Vessels are nominated and set for sailing	Supplier
4.7.	Payment is made to supplier through Letter of Credit MMTC receives payment from its customers	Supplier Fertilizer Division – CO
4.8.	Buyer receives the cargo	Buyer
4.9.	MMTC endorses the relevant document in the name of Buyers	Fertilizer Division – CO
4.10.	The buyer clear the cargo on arrival	Buyer
4.11.	Dispatch/Demurrage money is calculated as per the governing charter party rules by MMTC	Fertilizer Division – CO
4.12.	After receipt of all documents, settlement of final payment (buyers credit maybe exercised) is done including Dispatch/Demurrage money and any other adjustments with Buyer/Supplier respectively in line with the contract by buyer	Buyer Fertilizer Division – CO Supplier

## 1.4 Minerals

### 1.4.1 Iron Ore Export

#### 1.4.1.1 Process for Contracting

##### 1.4.1.1.1 Description

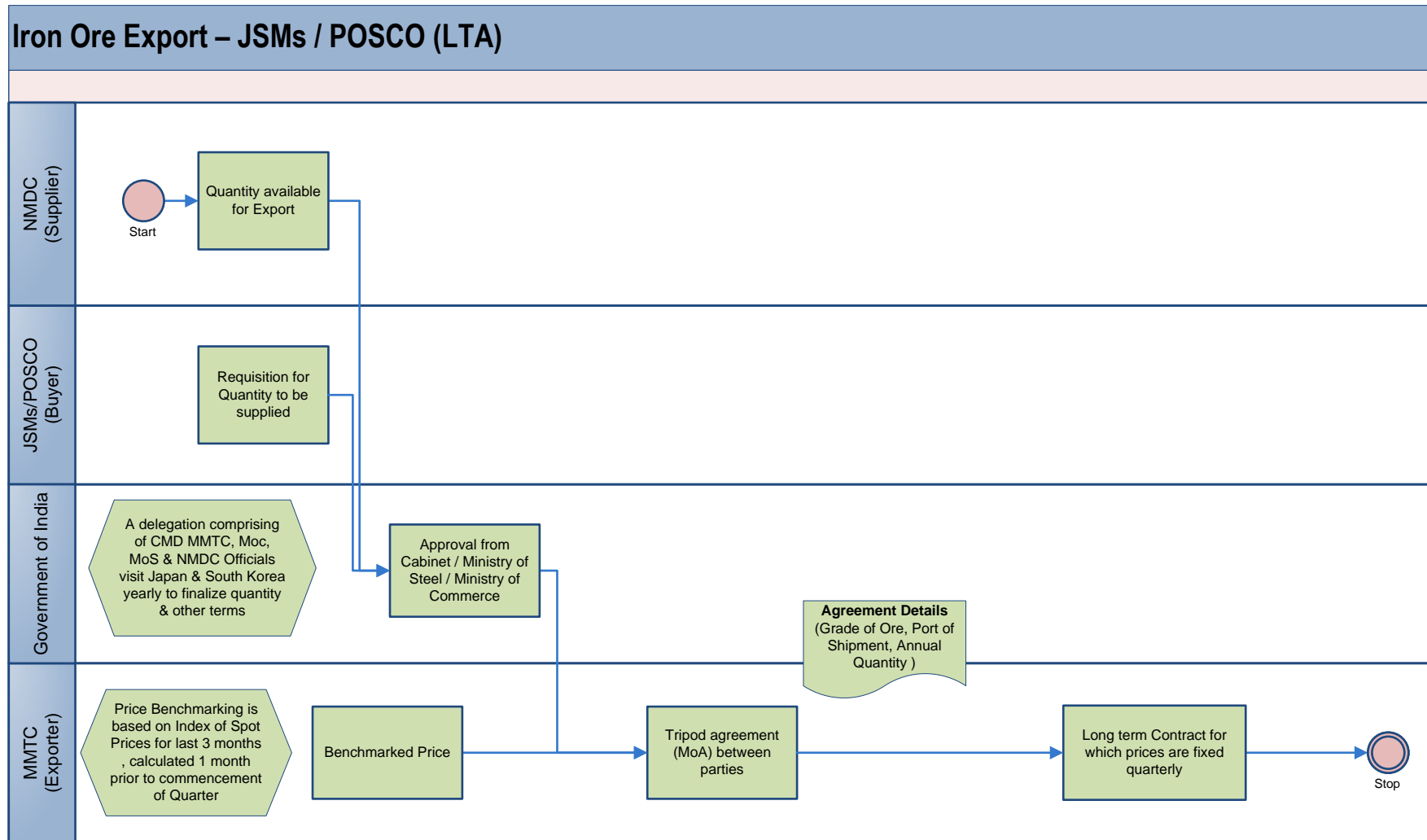
The purpose of this process is to finalize contracting terms for export of Iron Ore by the Iron Ore Sales Division to Japanese Steel Mills (JSMs), POSCO (South Korea) and Chinese buyers under Long Term Agreement and SPOT Contracts respectively

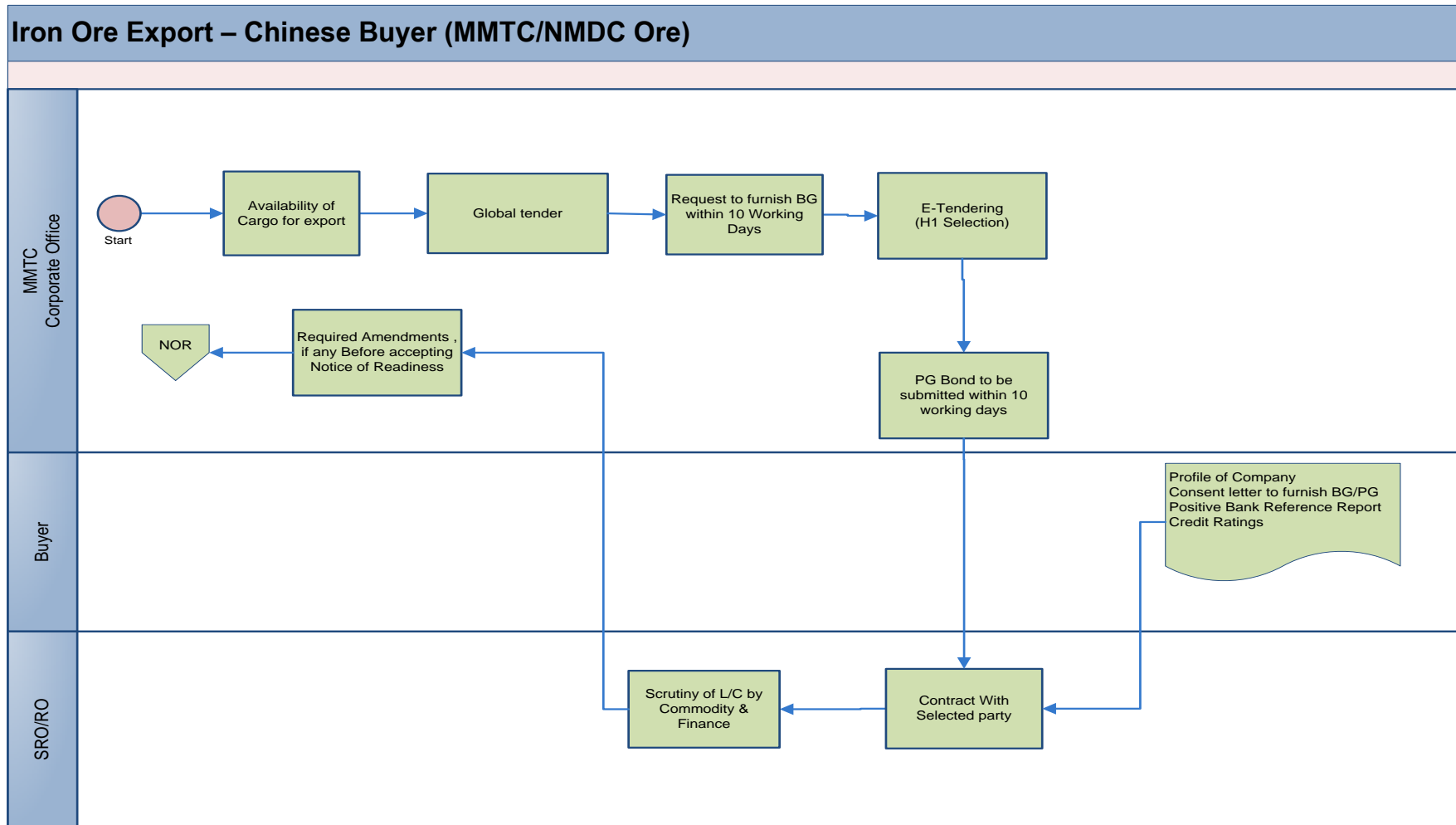
##### 1.4.1.1.2 Process Summary

<b>Name of process</b>	<b>Contracting</b>	
<b>Process Goal</b>		
To finalize the contracting terms, pricing & Quantity details for JSMs & POSCO on long terms basis.		
<b>Process Owner</b>		
Iron Ore Sales Division		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Iron Ore Sales division		<input checked="" type="checkbox"/> Japanese Steel Mills

Name of process	Contracting
	<input checked="" type="checkbox"/> POSCO (South Korea) <input checked="" type="checkbox"/> NMDC
Process Input	Process Output
<input checked="" type="checkbox"/> Receipt of the approval from the Government <input checked="" type="checkbox"/> Approval of Quantity from NMDC <input checked="" type="checkbox"/> Benchmarked Price (as per International Pricing finalized by MMTC)	<input checked="" type="checkbox"/> Long Term Contract <input checked="" type="checkbox"/> Spot Contracts with Chinese Buyers <input checked="" type="checkbox"/> Quarterly export prices to JSMs & POSCO
Transactional Volume	
<input checked="" type="checkbox"/> Long Term Memoranda of Agreements are entered into between MMTC and the Steel Mills where annual MOAs are entered with the buyers for annual quantities.	
Documentation	Formats
<input checked="" type="checkbox"/> Requisition from Buyer <input checked="" type="checkbox"/> Approval from National Mineral Development Corporation (NMDC) & Government <input checked="" type="checkbox"/> Price Benchmarking by MMTC	<input checked="" type="checkbox"/> Contract <input checked="" type="checkbox"/> Price Benchmarking

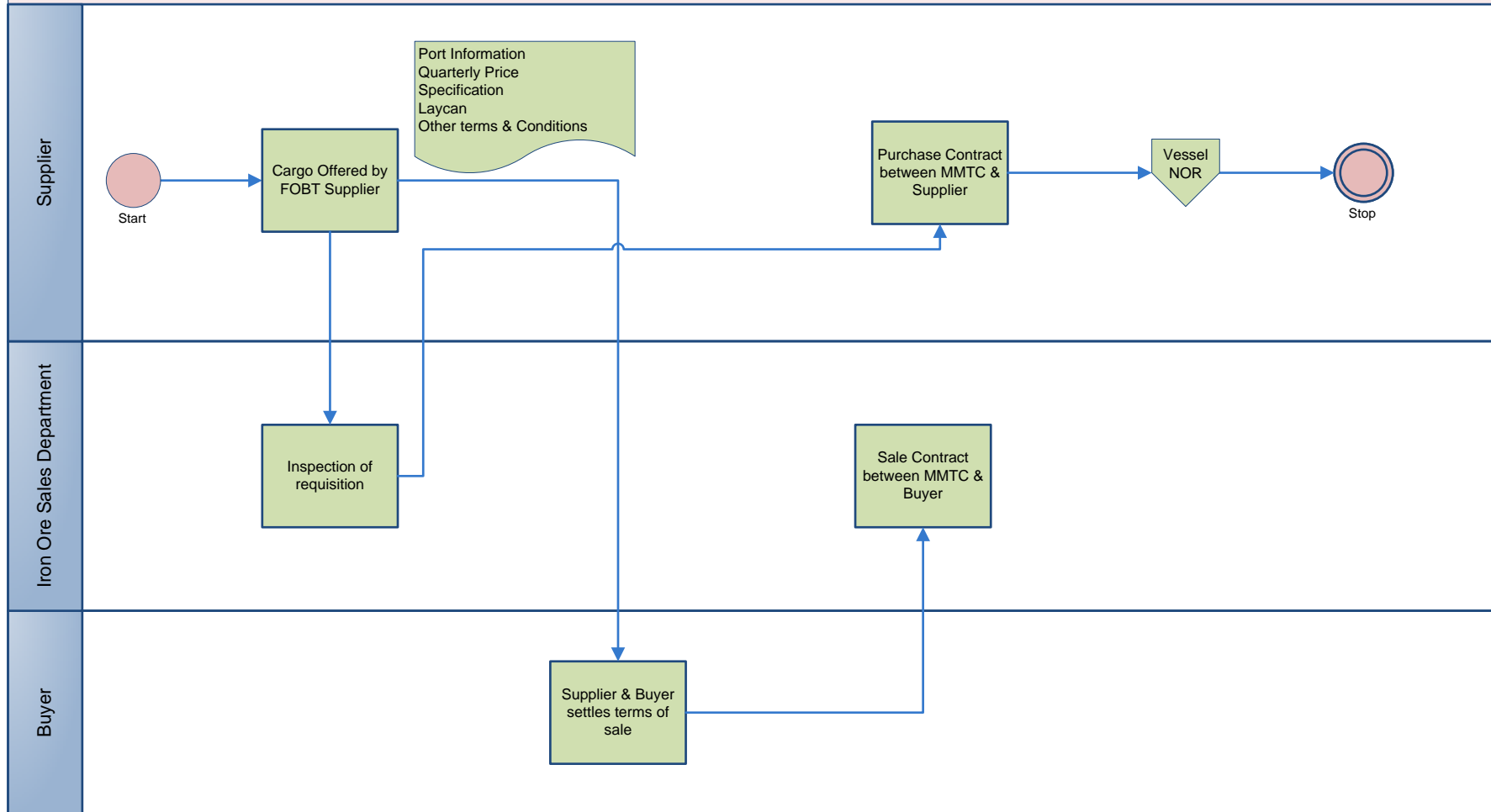
1.4.1.1.3 Process Map

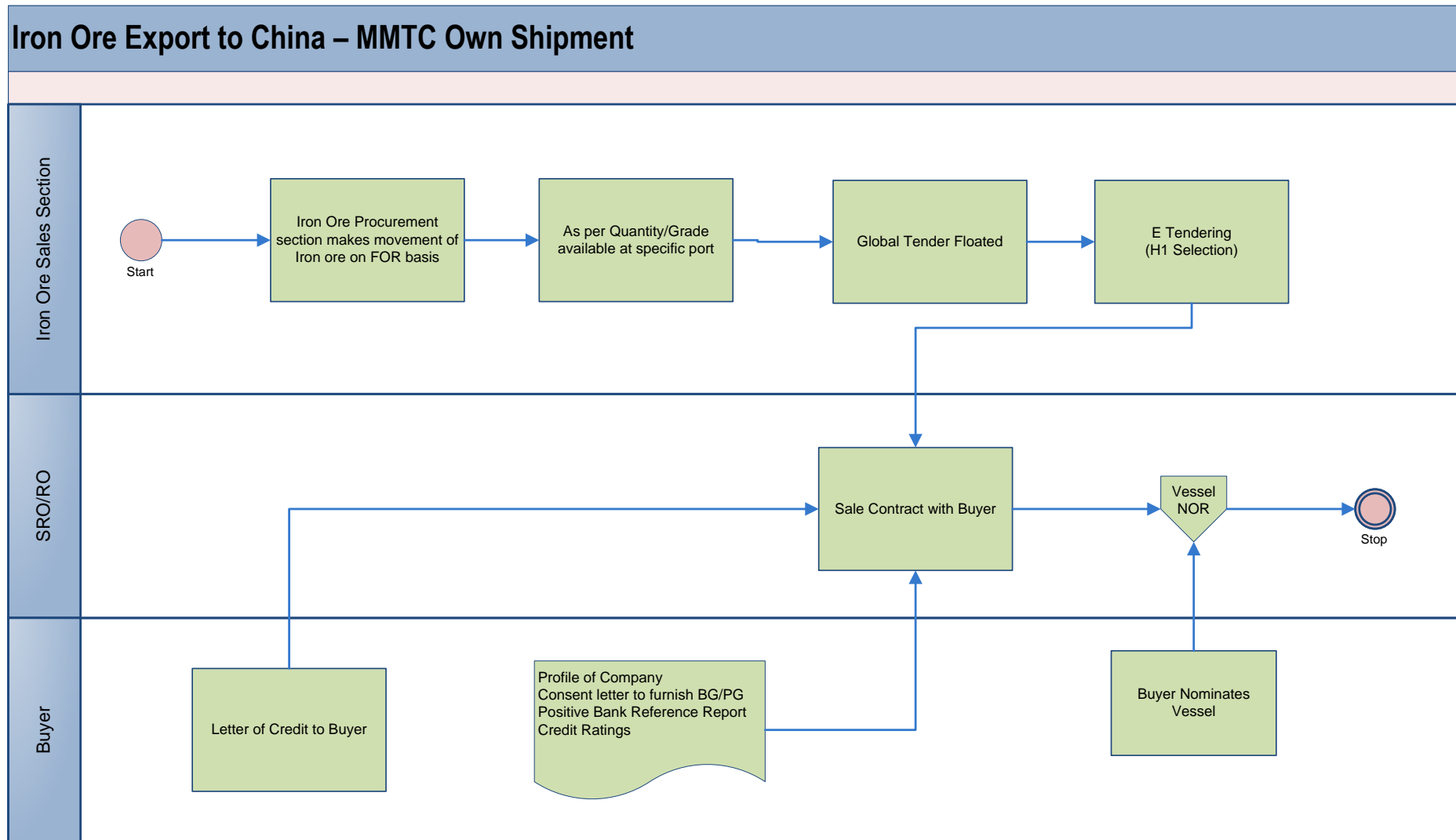


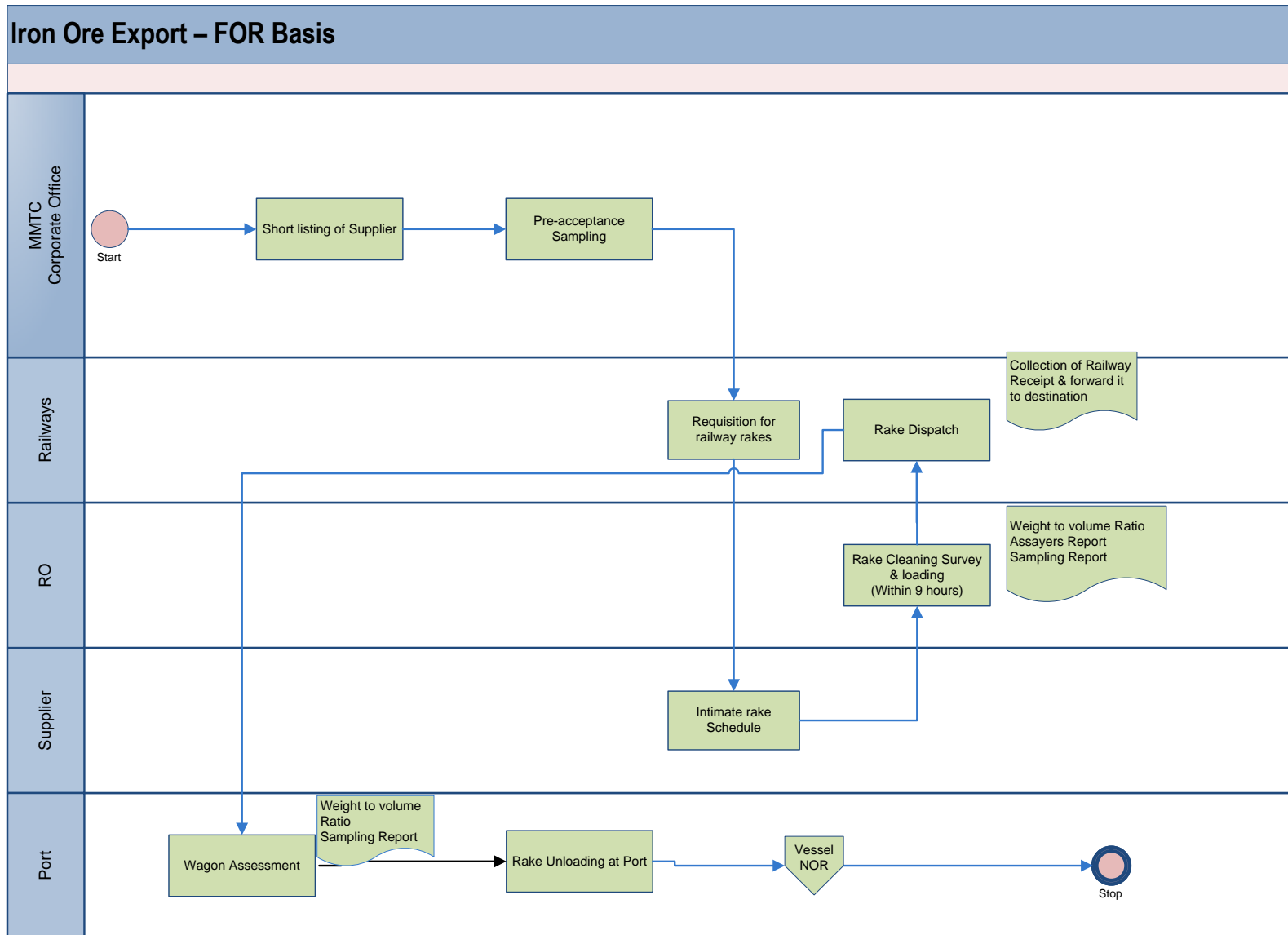




### Iron Ore to Chinese Buyers - FOBT







#### **1.4.1.1.4 Process Description**

##### **1) Iron Ore Export – JSMs/POSCO (LTA)**

Based on the approvals from Government of India & discussion with NMDC, Long term agreements (LTAs) are signed with JSMs / POSCO for approved range of quantity of various grades proposed to be lifted along with port of shipment. Accordingly annual MOAs are entered with the buyers in which annual quantities are finalized

##### **2) Iron Ore Export – Chinese Buyer (MMTC/NMDC Ore)**

As per the availability of Cargo, a global tender is floated via e-tendering process for selection of buyer. In e-tendering process MMTC's portal is used for electronic submission of bids against the tender enquiries. The prices from the buyers are received through MMTC's e-portal for which registered users are provided with passwords. After the scrutiny of profile of company, Credit ratings, Bank References, etc. Contract is finalized with the selected party.

##### **3) Iron Ore to Chinese Buyers – Free On Board Trimmed(FOBT) Basis**

FOBT Supplier offers cargo for exports with quantity & quality details. The supplier also provides details of overseas buyers, port, export price, Laycan, other terms & specifications along with requisition and directly settles the term with the buyer. Once approved, MMTC signs the purchase contract with the supplier & Sale Contract with the overseas buyer respectively.

##### **4) Iron ore Export to China – MMTC's own shipment**

Based on the procurement prices declared by CO Iron Ore Procurement Section, concerned RO/SRO circulates the price amongst mine-owners/traders/ prominent suppliers and orders are placed on interested suppliers. For new mine owners who want to register themselves with MMTC, MMTC conducts sampling at mine heads by a nominated assayer. Once quality report submitted by assayer is acceptable to MMTC, suppliers are allowed to commence movement of material and MMTC applies for requisition of railway rakes.

The Regional office appoints assayers to ensure quality as per purchase order. Assayer is responsible also for wagon assessment at the time of loading at loading station. Wagons cleaning, sampling/analysis, wagon assessment to determine weight of the material, is carried out in the presence of representatives of both supplier and buyer (MMTC). Subsequently, rake loading commences and after loading, rake is dispatched to the destination port. RR is obtained by MMTC and original RR is forwarded to unloading station.

At unloading station, on arrival of the rake, unloading of rake is arranged by MMTC through handling agent / port tippler plant. Concerned RO/SRO of MMTC appoints assayer for quality determination and also for wagon assessment.

As per the availability of quality and grade of Iron Ore at specific port, a global tender is floated by Iron Ore Sales Section at CO. Based on tender evaluation and buyer's financial health, H1 bidder is selected and MMTC signs a sale contract with the same. The Buyer then nominates the vessel and opens performance bank guarantee (as per sale contract) and LC which is scrutinized at RO level. Concerned RO/SRO complete pre/post-shipment formalities neither before accepting NOR of the vessel.

#### 1.4.1.1.5 Process Description

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Iron Ore Export – JSMs/POSCO (LTA)	
<b>1.1.</b>	Based on the guide lines received from the inter-ministerial meeting comprising of officials from Department of Commerce, Ministry of Steel, MMTC and NMDC, a delegation comprising of CMD MMTC, MoC, MoS & NMDC Officials visit Japan & South Korea yearly to finalize quantity & other terms	External to MMTC
<b>1.2.</b>	The buyer , in this case JSMs & POSCO sends a requisition for iron ore via MMTC Limited	JSMs / POSCO

Sr.No.	Process Detail	Responsibility Centre
1.3.	NMDC provides approval for the requisite quantity	NMDC
1.4.	Price Benchmarking is done every quarter which is based on Index of Spot Prices for previous 3 months and is calculated one month prior to commencement of next Quarter and these prices are also confirmed by NMDC	Iron Ore Sales Division & NMDC
1.5.	Tripartite Agreement is signed between the parties with all the terms & conditions Parties are : <ul style="list-style-type: none"> <li>• MMTC as Exporter</li> <li>• NMDC as Supplier</li> <li>• JSMs/POSCO as Buyer</li> </ul>	Iron Ore Sales Division
2.	Iron Ore Export – Chinese Buyer (MMTC/NMDC Ore)	
2.1.	Iron Ore Sales Section ascertains availability of cargo for exports from concerned ROs / NMDC.	
2.2.	A global tender is floated using e tendering facility at MMTC portal	Iron Ore Sales Division , System Division
2.3.	Based on tender evaluation , and the financial health of selected buyer sale contract is signed with selected buyer	Iron Ore Sales Division , System Division
3.	Iron Ore to Chinese Buyers – FOBT Basis	

Sr.No.	Process Detail	Responsibility Centre
<b>3.1.</b>	FOBT Supplier offers material to MMTC for exports with quality / quantity / overseas buyers details	FOBT Supplier
<b>3.2.</b>	MMTC scrutinizes the offer and accords approval	Iron Ore Sales Division
<b>3.3.</b>	Supplier settles the terms of sale directly with the overseas buyer	FOBT Supplier
<b>3.4.</b>	MMTC finalizes purchase contract with the Supplier & Sale contract with the Buyer	Concerned RO / Iron Ore sales Division
<b>4.</b>	Iron ore Export to China – MMTC's own shipment	
<b>4.1.</b>	Based on prices declared by Iron Ore Procurement section, concerned RO/SRO arrange movement of iron ore on FOR basis and quality determination and wagon assessment through assayers	Iron ore Procurement cell
<b>4.2.</b>	At unloading station, unloading of rakes is arranged through handling agents/ port tippler plant. Quality determination and wagon assessment is arranged through assayers.	RO/SRO of MMTC at unloading station
<b>4.3.</b>	Based on the availability of Grade & Quantity of Iron Ore at specific port, MMTC floats a global tender.	Iron Ore Sales Division
<b>4.4.</b>	Based on tender evaluation and the financial health of selected buyer sale contract is signed with the selected buyer	Iron Ore Sales Division
<b>4.5.</b>	Buyer nominates the vessel, opens LC and performance bank guarantee as per contract. LC is scrutinized by respective Regional Office and BG by Corporate office	Buyer / Iron Ore Sales Division

### 1.4.1.2 Process for Shipping Schedule & Nomination of Vessel

#### 1.4.1.2.1 Description

The purpose of this process is to ensure pre-shipment formalities and necessary statutory compliances are followed at the time of vessel loading as per the contract.

#### 1.4.1.2.2 Process Summary

Name of process	Shipping Schedule & Vessel Nomination
<b>Process Goal</b>	
Pre-shipment formalities are completed and necessary statutory compliances are followed at the time of vessel loading as per the contract.	
<b>Process Owner</b>	
Regional Office	
<b>Primary Actors</b>	<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Regional Office	<input checked="" type="checkbox"/> Sub-Regional Office <input checked="" type="checkbox"/> Customs / Port Authorities <input checked="" type="checkbox"/> Vessel Agent /Master



	<input checked="" type="checkbox"/> Handling agents <input checked="" type="checkbox"/> Surveyors (Samplers, Weight, Assayers )
--	--

Name of process	Pre shipment documentation
<b>Process Goal</b>	
To process & complete all pre-shipment documentation before arrival of vessel	
<b>Process Owner</b>	
Regional / Sub regional office	
Input	Output
<input checked="" type="checkbox"/> Receipt of export duty & Port Charges from supplier <input checked="" type="checkbox"/> Forward cover, if booked	<ol style="list-style-type: none"> <li>1. Generation of GR form</li> <li>2. Shipping Bill</li> <li>3. Proforma Invoice</li> <li>4. Drawl of sample at the time of loading into Vessel/Stuffing into Containers</li> <li>5. TML Certificate from supplier</li> <li>6. Date of booking of forward cover, exch rate, period for which FC is booked, amount</li> </ol>

<b>Process Details</b>	
<input checked="" type="checkbox"/> On receipt of export duty and Port charges form supplier, regional/ sub regional office processes Performa invoice, shipping bill, GR Form	
<input checked="" type="checkbox"/> Draft Shipping bill and GR Form is prepared by supplier and submitted to MMTC who verifies and signs it for onward submission with Customs authority	
<b>Reporting Requirements</b>	
<ul style="list-style-type: none"><li>• Name of the Buyer</li><li>• Name of vessel</li><li>• Shipping bill No.</li><li>• GR Form No.</li><li>• Date of "Let export order"</li><li>• TML Certificate No.</li><li>• Details of forward cover, date of booking, period for which FC is booked, amount, exch rate.</li></ul>	

Name of process	Serving of NOR
<b>Process Goal</b>	
To accept notice of readiness (NOR)	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> NOR from master of vessel/agent	1. Acceptance of NOR by MMTC
<b>Process Details</b>	
<input checked="" type="checkbox"/> Master/agent of vessel serves notice of readiness to sub regional office as per contract <input checked="" type="checkbox"/> Following documents/conditions are checked before accepting the NOR: <ol style="list-style-type: none"> <li>1. Receipt of Workable LC</li> <li>2. Registration Certificate</li> <li>3. Fitness Certificate &amp; P&amp;I Club Membership</li> <li>4. "Let Export Order" from Customs authority</li> <li>5. Vessel is within laycan</li> </ol>	

Cargo readiness is ensured

Reporting Requirements

Reports having following details:

- Buyer's name
- Vessel's Name
- NOR date
- Acceptance date
- Any comments or remarks

Name of process	Pre-loading operations
<b>Process Goal</b>	
To complete all loading formalities at port & custom level	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Daily traffic rotation meetings	<b>1.</b> Finalization of berthing schedule
<b>Process Details</b>	
<input checked="" type="checkbox"/> Port authorities conducts daily traffic meetings with exporters, shipping agents and supplier agents <input checked="" type="checkbox"/> On finalization of berthing schedule, stowage plan is provided to port authorities <input checked="" type="checkbox"/> Loading plan and transit moisture limit are verified for acceptance <input checked="" type="checkbox"/> Hatch inspection by Assayers <input checked="" type="checkbox"/> Initial draft survey by Surveyor	
<b>Reporting Requirements</b>	
<ul style="list-style-type: none"> <li>• Daily progress report</li> <li>• Hatch Inspection Report</li> </ul>	

- Initial Draft Survey Report

Name of process	Loading of vessel
<b>Process Goal</b>	
To complete all loading operations as per compliance & contract terms	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Stowage plan	<input checked="" type="checkbox"/> Daily Progress Report <input checked="" type="checkbox"/> Report of sampling agency for quality & quantity <input checked="" type="checkbox"/> Initial draft survey
<b>Process Details</b>	
<input checked="" type="checkbox"/> As per stowage plan and after receipt of Hatch inspection certificate from Assayer, supplier does the loading of vessel ,duly monitored by surveying agency or owner <input checked="" type="checkbox"/> MMTC monitors loading operations through port office. <input checked="" type="checkbox"/> Mate receipt is obtained from master of the vessel after completion of loading <input checked="" type="checkbox"/> Statement of fact (SOF) is prepared and signed by master of vessel, shipping agent, supplier and MMTC	

Original Mate Receipt is surrendered and Bill of lading is obtained from agent of vessel

### Reporting Requirements

Report having details of following:

- Name of the Buyer.
- Vessel's name
- Engaged Quantity
- On board quantity
- Mate receipt No, date & time
- Bill of Lading No.
- Any short loaded quantity for calculation of dead freight



Name of process	Preparation of post shipment documents
<b>Process Goal</b>	
To process & complete all post-shipment formalities before vessel sails	
<b>Process Owner</b>	
Regional / Sub regional office	
Input	Output
<input checked="" type="checkbox"/> Generation of Bill of lading <input checked="" type="checkbox"/> Daily loading report <input checked="" type="checkbox"/> Loading completion <input checked="" type="checkbox"/> Proforma invoice <input checked="" type="checkbox"/> Application to the Chamber of Commerce	<ol style="list-style-type: none"> <li>1. Mate Receipt</li> <li>2. Weight Certificate</li> <li>3. Final draft Survey Report</li> <li>4. Statement of Facts</li> <li>5. Final Shipping bill &amp; GR Form</li> <li>6. Bill of lading (on surrender of original Mate Receipt)</li> <li>7. Quality Certificate</li> <li>8. Certificate of Origin</li> <li>9. Commercial Invoice</li> </ol>

	<p><b>10. Shipping/Sailing Advice</b></p> <p><b>11. Sight Draft for drawing payment through LC</b></p> <p><b>12. Short Shipment Notice, if required</b></p> <ul style="list-style-type: none"><li>• No dead freight, no damages certificate</li><li>• Refund claim from Customs/Port authorities for short shipped quantity</li><li>• Lay Days Statement (to calculate dispatch / demurrage), if required as per contract</li><li>• Shut out advice</li></ul>
<b>Reporting Requirements</b>	
<p>Report having details of following:</p> <ul style="list-style-type: none"><li>• Name of the Buyer</li><li>• Vessel's name</li><li>• Engaged Quantity</li><li>• On board quantity</li><li>• Mate receipt No, date &amp; time</li><li>• Bill of Lading No.</li><li>• Sailing Advice</li><li>• Any short loaded quantity for calculation of dead freight</li></ul>	

Name of process	Negotiations of documents for payment through LC	
<b>Process Goal</b>		
To get payment from overseas buyer against LC		
<b>Process Owner</b>		
Regional Office		
<b>Input</b>	<b>Output</b>	
<input checked="" type="checkbox"/> Letter to bank for negotiation along with original document as per LC.	<ol style="list-style-type: none"> <li>1. Receipt of Credit advice or acknowledgement of documents from bank</li> <li>2. Credit advice on receipt of payment from opening bank on due date.</li> </ol>	
<b>Process Details</b>		
<input checked="" type="checkbox"/> LC negotiations are carried out with banking channels with banking channels by submitting documents <input checked="" type="checkbox"/> Verification at MMTC office level <input checked="" type="checkbox"/> Submission of documents to negotiating bank & opening bank.		
<b>Reporting Requirements</b>		
Report having details of following: <ul style="list-style-type: none"> <li>• LC Number</li> <li>• Date of submission of documents</li> <li>• Amount of LC</li> </ul>		

- LC validity

Name of process	Post Shipments
<b>Process Goal</b>	
To get remittance from bank	
<b>Process Owner</b>	
Regional Office	
Input	Output
<input checked="" type="checkbox"/> Submission of Invoice, Draft, LC and other shipping documents as per LC to Negotiating bank <input checked="" type="checkbox"/> Appointment of discharge port surveyor by CO	<input checked="" type="checkbox"/> Payment advice from negotiating bank <input checked="" type="checkbox"/> Bank Realization Certificate <input checked="" type="checkbox"/> Refund claim of export duty or payment of additional export duty
<b>Process Details</b>	
<input checked="" type="checkbox"/> After preparation of invoice, RO shall calculate final export duty on the basis of "ACTUAL TRANSACTION VALUE" and make final settlement of export duty with customs authority. <input checked="" type="checkbox"/> Additional export duty, if payable is to be intimated to NMDC for arranging payment. In case export duty paid initially is found to be in excess, refund claim shall be filed by RO	

- Opening bank of foreign buyer make remittance to the Negotiating bank
- Amount is credited in MMTC account at RO indicating exchange rate
- Bank Charges are deducted by Bank
- After MMTC has prepared its invoice for overseas supplier, final export duty is recalculated based on actual transaction value. If additional export duty is to be paid, it is released to Customs authorities and if it is found that excess is paid, refund claim is filed.

#### Reporting Requirements

- Buyer's Name
- MMTC's Invoice Value (USD)
- Sale Value (INR)
- Payment received in USD
- Date of realization of payment
- Exchange rate
- Payment received in INR
- Date of Forward Cover, if any
- Amount of forward cover
- Exch rate of forward cover
- Bank Charges
- Difference between Invoice Value and BRC Value, if any

Name of process	Payment to supplier
<b>Process Goal</b>	
To release payment to supplier against their invoice	
<b>Process Owner</b>	
Regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Supplier's Invoice <input checked="" type="checkbox"/> Bank Credit advice	<input checked="" type="checkbox"/> Release of payment.
<b>Process Details</b>	
<input checked="" type="checkbox"/> Supplier raises purchase invoice to MMTC <input checked="" type="checkbox"/> On the basis of supplier's invoice and MMTC's sale realization, payment is released in INR to supplier after deducting bank charges and other expenses, if any incurred by MMTC on behalf of supplier. Exch gain / loss on forward cover, if any, is to be shared equally between MMTC & NMDC. <input checked="" type="checkbox"/> Form H is issued to supplier for sales tax	
<b>Reporting Requirements</b>	
Reports should have following details:	

- Name of supplier/foreign buyer
- Supplier's Invoice
- Purchase Value (INR)
- Deductions from purchase value
- Amount paid in INR
- Payment advice
- Trading margin (Sale Value – Purchase Value)
- Whether gain / loss on forward cover is settled with supplier (Yes / No)

Name of process	Final settlement with Buyer & supplier
<b>Process Goal</b>	
To get final payment from Buyer & release final payment to supplier based on discharge port results	
<b>Process Owner</b>	
Regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Discharge port results  <input checked="" type="checkbox"/> Final invoice from buyer	<input checked="" type="checkbox"/> Final invoice of MMTC  <input checked="" type="checkbox"/> Debit / credit note  <input checked="" type="checkbox"/> Receipt of final payment from buyer or remittance of overdrawn value to buyer  <input checked="" type="checkbox"/> Final settlement with NMDC
<b>Process Details</b>	
<input checked="" type="checkbox"/> Based on discharge port results, buyer forwards to MMTC their invoice <input checked="" type="checkbox"/> In case of overdrawn value, MMTC remits the overdrawn value to the buyer and claim the amount from NMDC. <input checked="" type="checkbox"/> In case, value is due to MMTC, MMTC forwards it's invoice to the buyer and on receipt of payment from buyer, NMDC's a/c is settled. <input checked="" type="checkbox"/> On the basis of supplier's invoice and MMTC's sale realization, payment is released in INR to supplier after deducting bank charges and other expenses, if any incurred by MMTC on behalf of supplier.	

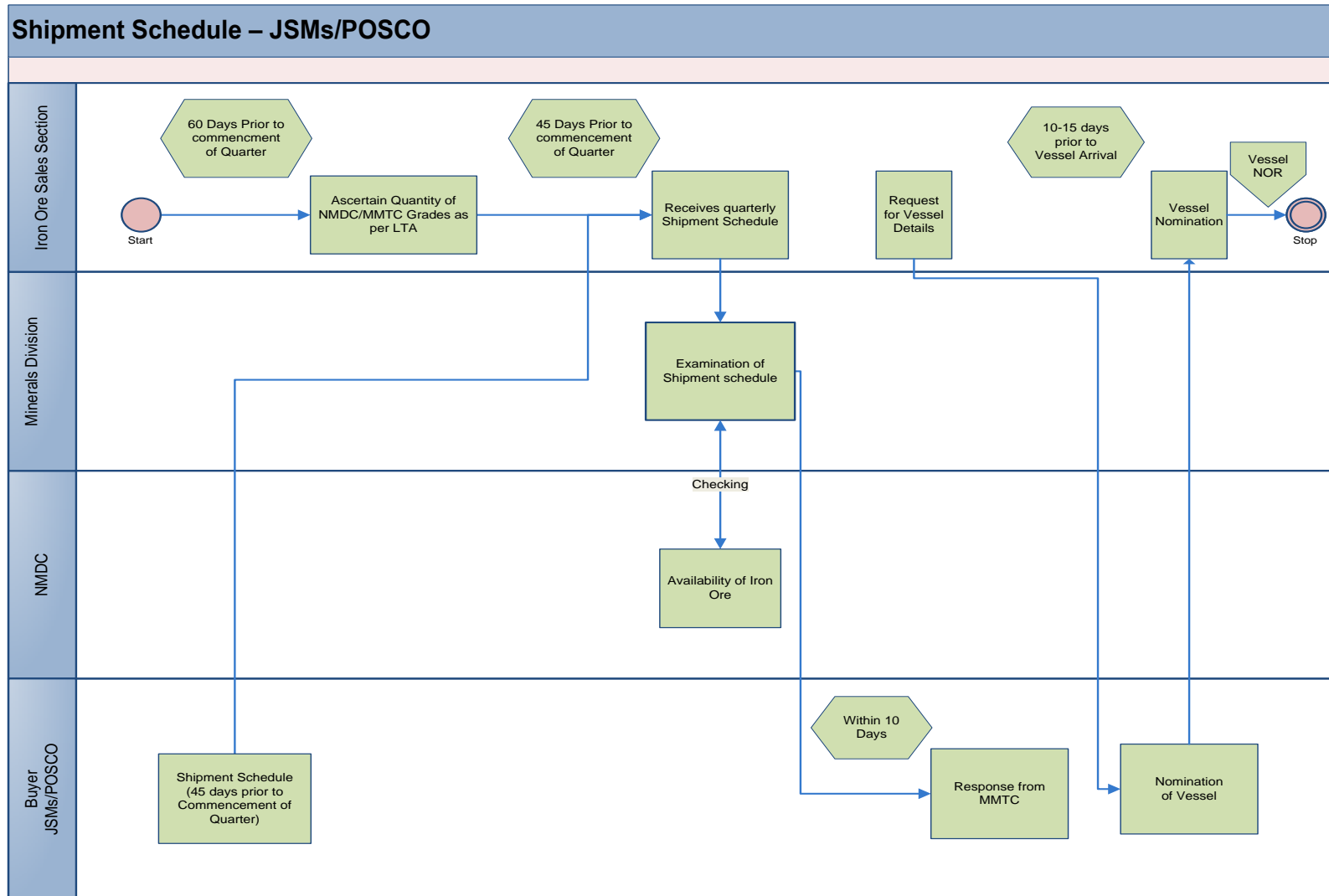


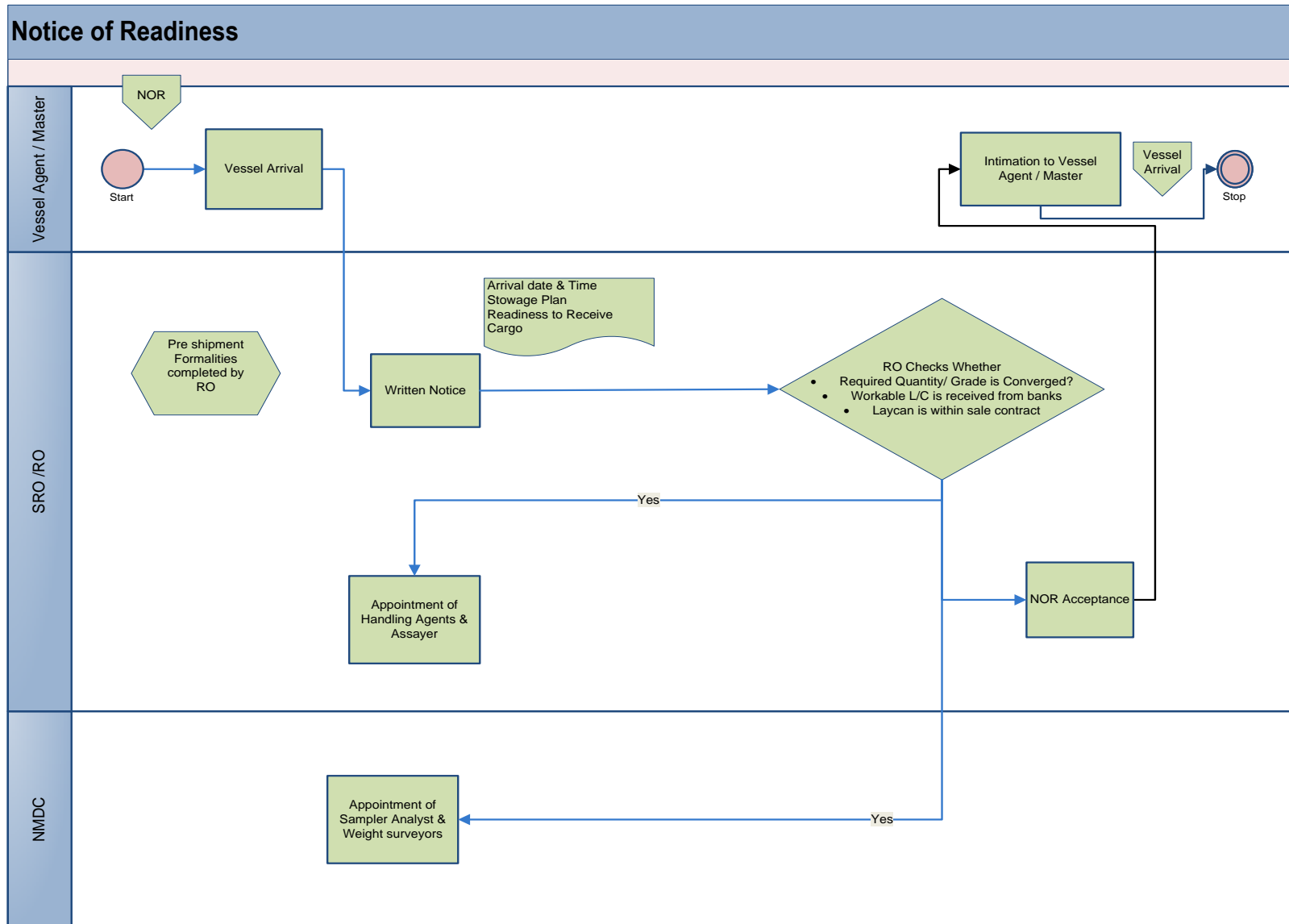
### Reporting Requirements

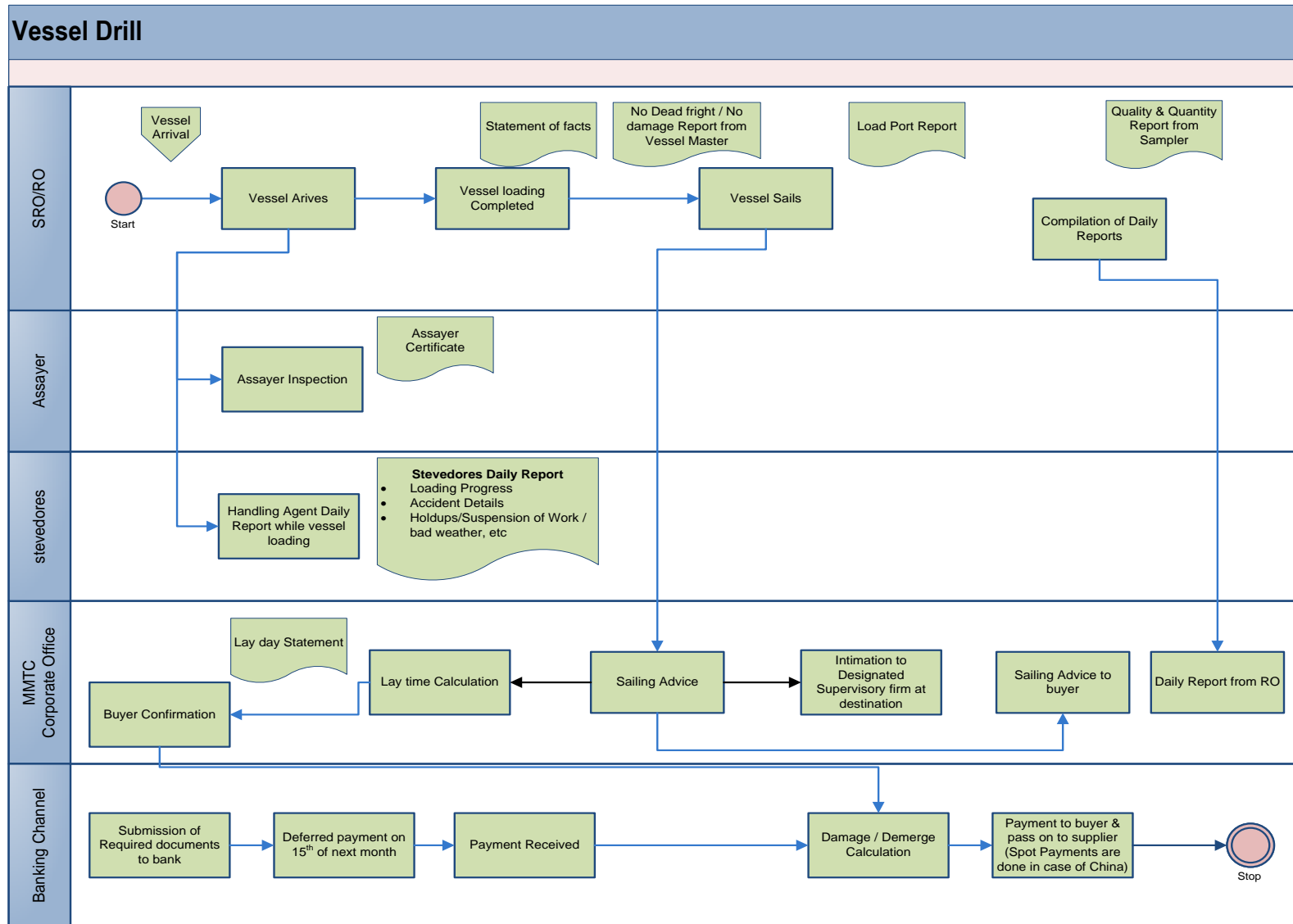
Reports should have following details:

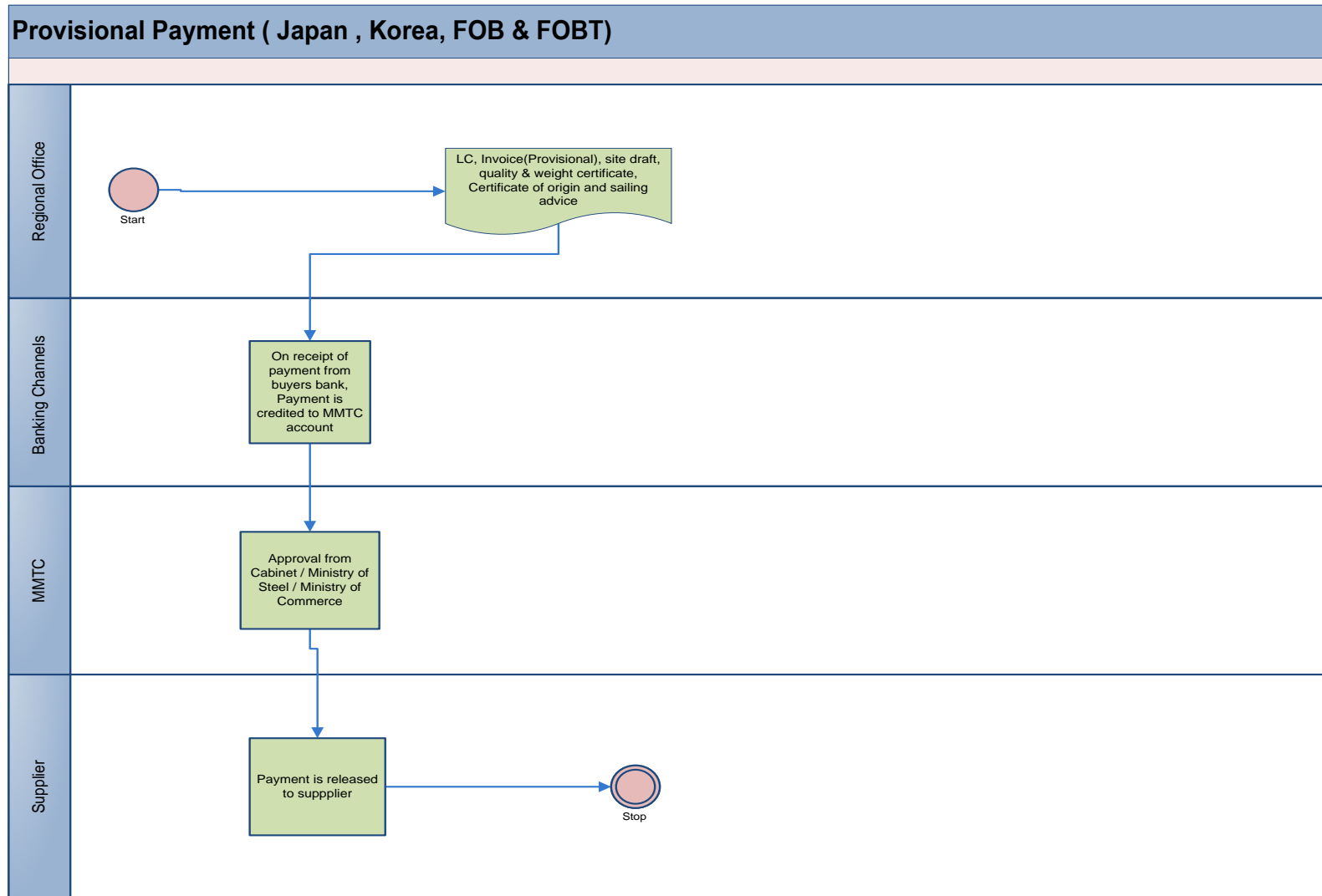
- Name of supplier/foreign buyer
- Supplier's Invoice
- Comparison of discharge port analysis with loadport analysis
- Final 100% invoice value vis a vis provisional value drawn against Lc
- Payment / remittance advice
- Trading margin (Sale Value – Purchase Value) for the vessel

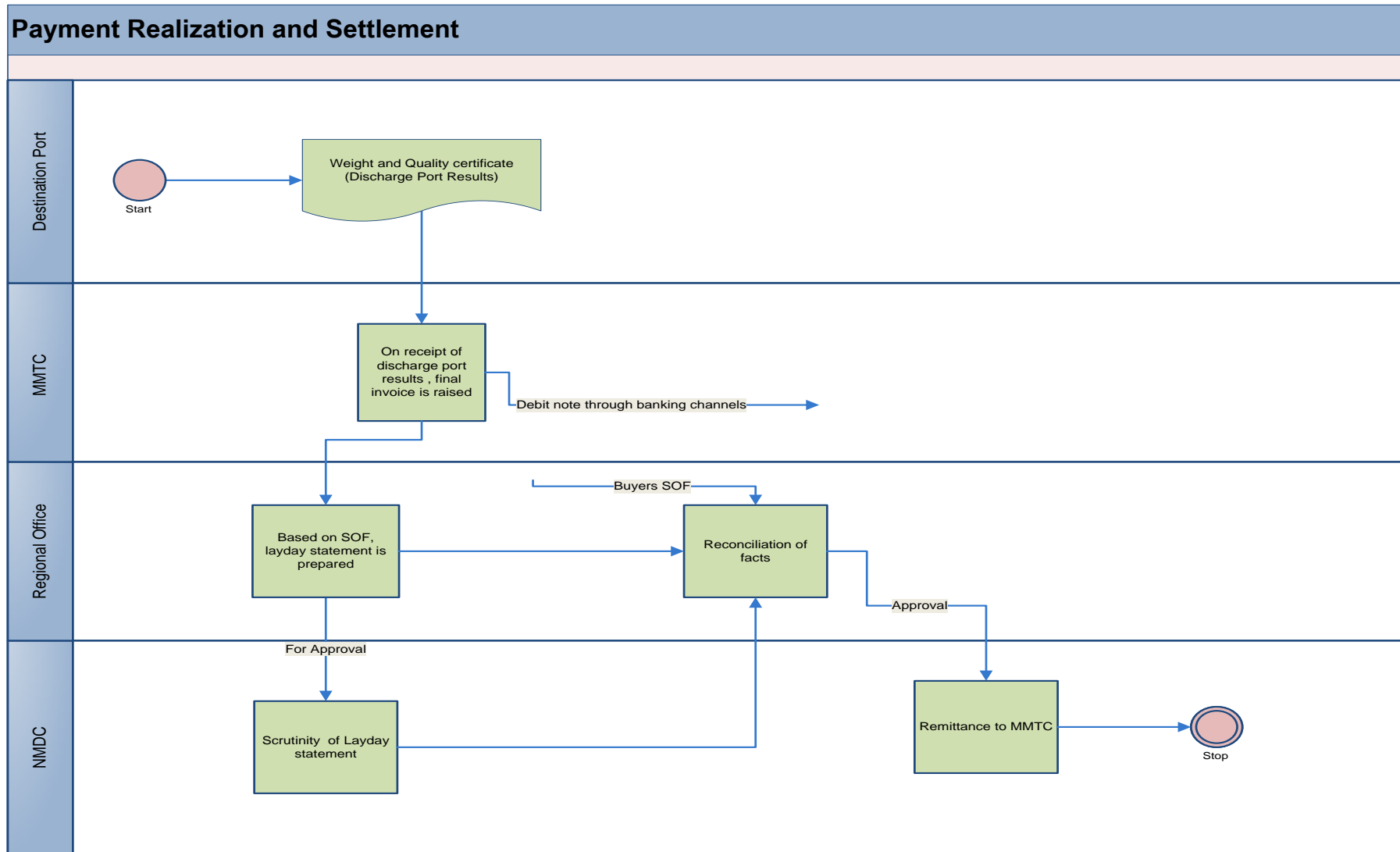
1.4.1.2.3 Process Map











#### **1.4.1.2.4 Process Description**

##### **1) Shipment Schedule**

Iron Ore Sales Section ascertains if the quantity, grade and other parameters of ore as per contract and is available, 60 days prior to commencement of quarter. 45 days ahead of commencement of quarter shipment schedule is examined and shared with all stakeholders i.e. NMDC & the Buyer. MMTC then requests the buyer to respond with the vessel details 10-15 days prior to the vessel arrival.

##### **2) Notice of Readiness**

As soon as the vessel arrives in the vicinity of the port, the vessel agent or master gives a written notice to the SRO/ RO which has the details of arrival date & stowage plan attached with it. The SRO/RO is responsible for completing the pre-shipment formalities beforehand. The RO then ensures the required quantity and grade of ore is converged and a workable Letter of Credit is received from bank. Upon acceptance of the NOR, the same is intimated to the vessel agent/master followed by appointment handling agent & assayer. Simultaneously NMDC appoints sampler analyst & weight surveyors.

##### **3) Vessel Drill / Operations**

Once the vessel arrives on port, an independent assayer performs vessel survey & provides fitness certificate. Handling agents provides daily report of loading operations. Once vessel loading is completed shipping documents like Mate receipt, Bills of Lading etc are obtained and the vessel sails, a sailing advice is generated and forwarded to the corporate office (CO). At the CO, the sailing advice is sent to supervisory firm at destination.

##### **4) Realization of Payment**

To obtain payment from overseas buyer through letter of credit, concerned RO prepares invoice and bill of exchange as per LC and submit all necessary documents with negotiating bank. Negotiating bank checks the documents with reference to LC and claims reimbursement from the

LC opening bank. On receipt of payment from LC opening bank, MMTC's account is credited. Payments to all suppliers (except FOR supplier who are paid based on rake loading result) are released within 3 days of receipt of payment by MMTC from overseas buyers. In case of Japanese export, payment is released on 15<sup>th</sup> of next month of shipment.

When discharge results (Quality and weight certificate) are received from destination port in 60-90 days, final invoice is raised by MMTC and debit note is submitted to banking channels. For dispatch and demurrage settlement, regional office prepares lay day statement based on statement of facts. As per NMDC approvals in consultation with MMTC and buyer final reconciliation is done. If amount is payable, amount is taken from supplier and passed it on to buyer while if it is receivable, buyer credits it to MMTC and it is passed on to the supplier.

#### 1.4.1.2.5 Process Description

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Shipment Schedule	
<b>1.1.</b>	Ascertain the quality / grade of Ore as per LTA contract , 60 days prior to commencement of quarter	Iron Ore Sales Division / NMDC
<b>1.2.</b>	Creation of quarterly Shipment Schedule examination & seeking acceptance from all stakeholders including Regional office, buyer and NMDC, 45 days prior to commencement of quarter	Minerals Division / Iron Ore sales Division
<b>1.3.</b>	MMTC sends request for Vessel Nomination to buyers	Iron Ore Sales Division
<b>1.4.</b>	Buyer nominates Vessel and conveys details to MMTC	Buyer
<b>1.5.</b>	After verifying the details and receipt of FOB supplier's confirmation, nomination is accepted by MMTC.	Supplier/MMTC
<b>1.6.</b>	Buyer opens a LC in favor of MMTC, which is duly checked by concerned RO of MMTC	MMTC



Sr.No.	Process Detail	Responsibility Centre
<b>1.7.</b>	Assayer/Surveyor/Handling agent is appointed by Supplier/MMTC	Supplier/MMTC
<b>2.</b>	Notice for readiness (NOR)	
<b>2.1.</b>	Vessel agent / master gives a written notice to SRO/RO with arrival date & time along with stowage plan	Vessel Master/agent
<b>2.2.</b>	Pre shipment formalities (liaisoning with Customs & Port Authorities )are completed before vessel arrives	SRO/RO
<b>2.3.</b>	Scrutiny of Letter of Credit along with the sale contract & ascertaining convergence of required Quantity/grade of ore	SRO/RO
<b>2.4.</b>	The vessel agent /master is sent an acceptance of Notice of Readiness	SRO/RO
<b>3.</b>	Vessel Drill	
<b>3.1.</b>	On Vessel arrival , assayer conducts vessel inspection & provides assayer certificate for fitness of vessel	Assayer
<b>3.2.</b>	During vessel loading , daily operational incidents & progress is reported which includes loading progress ,daily accidents along with details for holdup, suspension of work, bad weather, etc.	Stevedores
<b>3.3.</b>	Once vessel is loaded , detailed statements of facts is compiled & signed by Master/Vessel's Agent and Shipper/shipper's agent	SRO/RO
<b>3.4.</b>	Before vessel sails , documents like Mate Receipt, Weight Certificate, No dead freight / damage report is obtained by concerned SRO/ RO of MMTC from Master of the vessel	Vessel master/agent
<b>3.5.</b>	Final Sailing advice is prepared & sent to Corporate Office/Buyer	SRO/RO

Sr.No.	Process Detail	Responsibility Centre
3.6.	Concerned SRO/RO obtains all shipping documents like quality certificate, draft survey report, Certificate of Origin and any other document required as per LC. RO prepares invoice and bill of exchange and submit all documents along with LC with negotiating bank for obtaining payment through banking channels	RO
3.7.	After realization of payment by MMTC, MMTC releases payment to its suppliers (NMDC, FOB suppliers as the case may be)	RO
3.8.	Based of Statement of Facts and Sale Contract, Lay Time Calculation is done by RO and forwarded to supplier for their consent. After approval of the supplier, the same is forwarded to the Buyer for confirmation.	RO
3.9.	Sale / Purchase are booked by RO	RO
4.	Final Payment realization	
4.1.	Weight and quality surveys are received from discharge port within 60-90 days	Discharge port surveyor
4.2.	Final invoice is raised after receiving discharge port results and debit note is forwarded to banking channels and payment is obtained	MMTC
4.3.	Final adjustment in Supplier's and Buyer's a/c are made for residual value of shipment	RO
4.4.	Reconciliation of statements is performed and approved	NMDC, buyer and Regional office

#### 1.4.2 Export of Chrome Ore, Chrome Concentrate and Manganese Ore on FOB Basis

The Mineral division of MMTC exports Manganese and chrome ore on FOB (free on board) Basis. The Export comprises of series of activities performed by various stakeholders in consultation with each other.

- Chrome Producers meet
- Tendering
- Contracting
- Furnishing of Bank Guarantee(BG)
- Letter of credit(LC) opening
- Vessel Nomination
- Pre-shipment documents Completion
- Serving of Notice of readiness(NOR)
- Pre loading operations
- Loading of vessel
- Preparation of Post shipment documents
- Negotiation of documents for payments
- Realization of payment
- Payment to supplier
- Release of performance guarantee (PG)

<b>Name of process</b>	<b>Chrome producers meet</b>	
<b>Process Goal</b>		
To arrange chrome producers meet & decide on reserve prices and other terms & conditions		
<b>Process Owner</b>		
Mineral division, Corporate Office		
<b>Input</b>	<b>Output</b>	
<input checked="" type="checkbox"/> Invitation to supplier <input checked="" type="checkbox"/> Finalization of agenda for meet <input checked="" type="checkbox"/> Preparation of write up having brief details for meet	<input checked="" type="checkbox"/> Reserve prices and other terms & conditions <input checked="" type="checkbox"/> Minutes of meeting of the meet <input checked="" type="checkbox"/> Circulation to all concerned suppliers	
<b>Process Details</b>		

<input checked="" type="checkbox"/> Chrome producers meet is organized by Minerals division for which invitation is sent to all suppliers with an agenda & brief write up <input checked="" type="checkbox"/> During the meet, suppliers provide input on market conditions and with due consultation reserve prices and other terms & conditions are finalized <input checked="" type="checkbox"/> The output of meeting is duly recorded and circulated amongst all concerned stakeholders
<b>Reporting Requirements</b>
<input checked="" type="checkbox"/> Minutes of Chrome producers meet i.e. the output of meet such as details of reserve prices & grade of ore

Name of process	Tendering
<b>Process Goal</b>	
To float a tender for export of ore	
<b>Process Owner</b>	
Mineral division, Corporate Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Offer from supplier	<input checked="" type="checkbox"/> Award of tender to H1 bidder
<b>Process Details</b>	

- MMTC receives offer from interested supplier with specifications of ore quantity & grade
- Approval of competent authority is taken for floating a tender for said quantity & grade of ore
- Tender is published on MMTC and CPP website and is simultaneously published in India trade Journal along with two(2) national daily newspapers (One each in English & Hindi)
- Minimum 21 day's time is allowed for bidding against the tender.
- Technical bids are received in physical format while price bids are received via electronic mode
- As per the tender closing date, bids are scrutinized and validated and tender is awarded to H1 bidder after approval from competent authority. The same is notified on the website as well.
- For Manganese ore, if only one bid is received, the retendering process is initiated and again if only one bid is received as per approval from competent authority tender is awarded.
- In case of Chrome, single bid is acceptable if the same is above the reserve price declared in the producer's meeting.

#### **Reporting Requirements**

- Reports having details of tendering process with details of following:
  1. Tender Number
  2. Bids received
  3. Successful bid
  4. Grade
  5. Successful bidder
  6. Quantity awarded

<p><b>7. Total Value</b></p> <p><b>8. EMD Amount</b></p>
--

Name of process	Contracting
<b>Process Goal</b>	
To draw a sale contract between buyer & MMTC and a purchase contract between the supplier & concerned regional office	
<b>Process Owner</b>	
Mineral division, Corporate Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Award of contract	<input checked="" type="checkbox"/> Signing of sale and purchase contract  <input checked="" type="checkbox"/> Copies of contract forwarded to all stakeholders <ol style="list-style-type: none"> <li>1. Sale Contract to buyer</li> <li>2. Sale and purchase contract to supplier</li> <li>3. Sale and purchase contract to concerned regional office</li> </ol>
<b>Process Details</b>	
<input checked="" type="checkbox"/> Sale contract is drawn between MMTC and H1 Bidder while purchase contract is drawn between MMTC and supplier and forwarded to Buyer and supplier for signature.	
<input checked="" type="checkbox"/> After contracts are duly signed and verified by MMTC, copies of contracts are forwarded to all concerned.	



1. Sale Contract to buyer
2. Sale and purchase contract to supplier
3. Sale and purchase contract to concerned regional office

As per the contract, performance guarantee is submitted by the buyer and concerned regional office starts ground level work

**Reporting Requirements**

Reports having details of contracting process with details of following:

1. Contract Number
2. Name of the Buyer
3. Name of the Supplier
4. Contracted Quantity
5. Grade
6. Unit price
7. Total value
8. Shipment period

Name of process		Furnishing of Bank Guarantee	
<b>Process Goal</b>			
To establish performance guarantee by the buyer through Indian bank			
<b>Process Owner</b>			
Mineral division, Corporate Office			
<b>Input</b>		<b>Output</b>	
<input checked="" type="checkbox"/> Intimation to buyer <input checked="" type="checkbox"/> Sale Contract		<ol style="list-style-type: none"> <li>1. Receipt of BG</li> <li>2. Confirmation of BG with issuing bank</li> <li>3. Copy of BG is forwarded to concerned regional office</li> </ol>	
<b>Process Details</b>			
<input checked="" type="checkbox"/> MMTC intimates the buyer regarding the amount of BG needs to be furnished within 10 working days in terms of sale contract <input checked="" type="checkbox"/> Buyer establishes BG through Indian bank <input checked="" type="checkbox"/> Once confirmation is received with the issuing bank , A copy of BG is sent to concerned regional office <input checked="" type="checkbox"/> In case the contract obligations are not fulfilled, BG is invoked			
<b>Reporting Requirements (BG Register Reports having following details)</b>			
<ol style="list-style-type: none"> <li>1. BG No</li> <li>2. BG issuing date</li> </ol>			

- 3.** BG amount USD
- 4.** Issuing Bank
- 5.** Purpose(EMD or PBG)
- 6.** Valid till date
- 7.** Claim period
- 8.** Last date of shipment

Name of process		LC opening
<b>Process Goal</b>		
To open letter of credit by the buyer as per contracting terms		
<b>Process Owner</b>		
Regional office		
<b>Input</b>		<b>Output</b>
<input checked="" type="checkbox"/> Buyer's application for LC		1. Letter of credit
<b>Process Details</b>		
<input checked="" type="checkbox"/> Buyer establishes letter of credit as per contract terms in favor of MMTC Limited at regional office <input checked="" type="checkbox"/> The buyer shall establish workable LC at least two days before vessel's arrival <input checked="" type="checkbox"/> Verification of Letter of credit, In case of LC is not workable and amendments are required, buyer is contacted and necessary amendments are made by the buyer		
<b>Reporting Requirements</b>		

<p>Report having details of following:</p> <ol style="list-style-type: none"> <li>1. Contract No</li> <li>2. LC Number</li> <li>3. Value</li> <li>4. Validity</li> <li>5. Name of the party</li> <li>6. Any discrepancy</li> </ol>
--

Name of process	Vessel Nomination
<b>Process Goal</b>	
To receive nomination of vessel by the buyer	
<b>Process Owner</b>	
Mineral division, Corporate Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Nomination of vessel from buyer	<b>1.</b> Acceptance of vessel
<b>Process Details</b>	
<input checked="" type="checkbox"/> Buyer nominates a vessel and sends the information to corporate office	
<input checked="" type="checkbox"/> Corporate office forwards the vessel details to supplier for confirmation & acceptance	

- After receipt from supplier for acceptance of same, CO intimates buyer about acceptance of nominated vessel
- Copy of vessel acceptance is sent to concerned Regional office and port office against the sale contract

**Reporting Requirements**

Report having details of following:

1. Vessel Name
2. ETA
3. Engagement qty  $\pm 10\%$
4. Grade for loading
5. Laycan period
6. Contract number
7. LC No.
8. Stowage Plan

Name of process	Pre shipment documentation
<b>Process Goal</b>	
To process & complete all pre-shipment documentation before arrival of vessel	
<b>Process Owner</b>	
Regional / Sub regional office	
Input	Output
<input checked="" type="checkbox"/> Receipt of export duty from supplier/buyer	<ol style="list-style-type: none"> <li>1. Generation of GR form</li> <li>2. Shipping Bill</li> <li>3. Proforma Invoice</li> <li>4. Drawl of sample at the time of loading into Vessel/Stuffing into Containers</li> <li>5. TML Certificate from supplier</li> </ol>
<b>Process Details</b>	
<input checked="" type="checkbox"/> On receipt of export duty form supplier or buyer, regional/ sub regional office processes Performa invoice, shipping bill, GR Form  <input checked="" type="checkbox"/> Draft Shipping bill and GR Form is prepared by supplier and submitted to MMTC (SRO) who verifies and signs it for onward submission with Customs authority	
<b>Reporting Requirements</b>	

- Contract No.
- Name of vessel
- Shipping bill No.
- GR Form No.
- Date of "Let export order"
- TML Certificate No.



Name of process	Serving of NOR
<b>Process Goal</b>	
To accept notice of readiness (NOR)	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> NOR from master of vessel/agent	1. Acceptance of NOR by MMTC
<b>Process Details</b>	
<input checked="" type="checkbox"/> Master/agent of vessel serves notice of readiness to sub regional office <ol style="list-style-type: none"> <li>1. 10 days before arrival</li> <li>2. 48 hrs. before arrival</li> <li>3. 24 hrs. before arrival to lighthouse</li> </ol> <input checked="" type="checkbox"/> Following documents/conditions are checked before accepting the NOR: <ol style="list-style-type: none"> <li>1. Receipt of Workable LC</li> <li>2. Registration Certificate</li> </ol>	

3. Fitness Certificate & P&I Club Membership

4. "Let Export Order" from Customs authority

5. Vessel is within laycan

Based on all the above mentioned conditions, NOR Acceptance is obtained from associate supplier and thereafter NOR acceptance is provided to vessel master

Cargo readiness is ensured

If documentation is not completed, conditional acceptance is provided which will be taken into consideration while calculation of detention charges

#### Reporting Requirements

Reports having following details:

- Contract No
- Vessel's Name
- NOR date
- Acceptance date
- Any comments or remarks

Name of process	Pre-loading operations
<b>Process Goal</b>	
To complete all loading formalities at port & custom level	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Daily traffic rotation meetings	<b>1.</b> Finalization of berthing schedule
<b>Process Details</b>	
<input checked="" type="checkbox"/> Port authorities conducts daily traffic meetings with exporters, shipping agents and supplier agents <input checked="" type="checkbox"/> On finalization of berthing schedule, stowage plan is provided to port authorities <input checked="" type="checkbox"/> Loading plan and transit moisture limit are verified for acceptance <input checked="" type="checkbox"/> Hatch inspection by Assayers appointed by Seller <input checked="" type="checkbox"/> Initial draft survey by Surveyor appointed by Seller	
<b>Reporting Requirements</b>	
<ul style="list-style-type: none"> <li>• Daily progress report</li> <li>• Hatch Inspection Report</li> </ul>	

- Initial Draft Survey Report

Name of process	Loading of vessel
<b>Process Goal</b>	
To complete all loading operations as per compliance & contract terms	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Stowage plan	<input checked="" type="checkbox"/> Daily Progress Report  <input checked="" type="checkbox"/> Initial draft survey
<b>Process Details</b>	
<input checked="" type="checkbox"/> As per stowage plan and after receipt of Hatch inspection certificate from Assayer, supplier does the loading of vessel ,duly monitored by surveying agency or owner  <input checked="" type="checkbox"/> MMTC monitors loading operations through port office.	

- Mate receipt is obtained from master of the vessel after completion of loading
- Statement of fact (SOF) is prepared and signed by master of vessel, shipping agent, supplier and MMTC
- Original Mate Receipt is surrendered and Bill of lading is obtained from agent of vessel

**Reporting Requirements**

Report having details of following:

- Contract No.
- Vessel's name
- Engaged Quantity
- On board quantity
- Mate receipt No, date & time
- Bill of Lading No.
- Any short loaded quantity for calculation of dead freight

<b>Name of process</b>	<b>Preparation of post shipment documents</b>
<b>Process Goal</b>	
To process & complete all post-shipment formalities before vessel sails	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Generation of Bill of lading <input checked="" type="checkbox"/> Daily loading report <input checked="" type="checkbox"/> Loading completion	<ol style="list-style-type: none"> <li>1. Mate Receipt</li> <li>2. Weight Certificate</li> <li>3. Final draft Survey Report</li> <li>4. Statement of Facts</li> <li>5. Final Shipping bill</li> <li>6. Bill of lading (on surrender of original Mate Receipt)</li> <li>7. Quality Certificate</li> <li>8. Certificate of Origin</li> <li>9. Commercial Invoice</li> </ol>

	<p><b>10. Shipping Advice</b></p> <p><b>11. Sight Draft for drawing payment through LC</b></p> <p><b>12. Short Shipment Notice, if required</b></p> <ul style="list-style-type: none"> <li>• No dead freight, no damages certificate</li> <li>• Refund claim from Customs/Port authorities for short shipped quantity</li> <li>• Lay Days Statement (to calculate dispatch / demurrage), if required as per contract</li> </ul>
<b>Process Details</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> All post shipment documents are prepared &amp; complied in terms of LC and contract</li> <li><input checked="" type="checkbox"/> Certificate of Origin issued by Chamber of Commerce &amp; Industries, Quality Certificate, Weight certificate or Draft survey report issued by assayers, SOF signed by master of vessel, shipping agent, MMTC port office.</li> <li><input checked="" type="checkbox"/> Copy outputs as shown above.</li> <li><input checked="" type="checkbox"/> Commercial invoice against LC</li> <li><input checked="" type="checkbox"/> Bill of lading signed by mater of vessel or their behalf of vessel's Agent.</li> </ul>	
<b>Reporting Requirements</b>	

1. Contract No.
2. Name of Vessel
3. Bill of lading No.
4. Commercial invoice No., date & time
5. Weight Certificate No., date & time
6. Quality Certificate No., date & time
7. Certificate of Origin No., date & time
8. Shipping Advice date, value



Name of process	Negotiations of documents for payment through LC
<b>Process Goal</b>	
To get payment from overseas buyer against LC	
<b>Process Owner</b>	
Regional Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Completion of post shipment documents	<b>1.</b> Submission of Invoice, Draft and other shipping documents, as per LC with negotiating bank
<b>Process Details</b>	
<input checked="" type="checkbox"/> LC negotiations are carried out with banking channels with banking channels by submitting documents  <input checked="" type="checkbox"/> Verification is done by negotiating bank & opening bank.	
<b>Reporting Requirements</b>	
Report having details of following: <ul style="list-style-type: none"> <li>• LC Number</li> <li>• Date of submission of documents</li> <li>• Amount of LC</li> <li>• LC validity</li> </ul>	

Name of process	Realization of payments
<b>Process Goal</b>	
To get remittance from bank	
<b>Process Owner</b>	
Regional Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> After submission of Invoice, Draft, LC and other shipping documents as per LC to Negotiating bank	<input checked="" type="checkbox"/> Payment advice from negotiating bank <input checked="" type="checkbox"/> Bank Realization Certificate <input checked="" type="checkbox"/> Refund claim of export duty or payment of additional export duty
<b>Process Details</b>	
<input checked="" type="checkbox"/> After preparation of invoice, RO shall calculate final export duty on the basis of "ACTUAL TRANSACTION VALUE" and make final settlement of export duty with customs authority. <input checked="" type="checkbox"/> Additional export duty, if paid shall be recovered from suppliers. In case export duty paid initially is found to be in excess, refund claim shall	

be filed by RO

- Opening bank of foreign buyer make remittance to the Negotiating bank
- Amount is credited in MMTC account at RO indicating exchange rate
- Bank Charges are deducted by Bank
- After MMTC has prepared its invoice for overseas supplier, final export duty is e recalculated based on actual transaction value. If additional export duty is to be paid, it is released to Customs authorities and if it is found that excess is paid, refund claim is filed.

#### Reporting Requirements

- Contract Number
- Buyer's Name
- MMTC's Invoice Value (USD)
- Sale Value (INR)
- Payment received in USD
- Date of realization of payment
- Exchange rate
- Payment received in INR
- Bank Charges
- Difference between Invoice Value and BRC Value, if any

Name of process	Payment to supplier
<b>Process Goal</b>	
To release payment to supplier against raised invoice	
<b>Process Owner</b>	
Regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Supplier's Invoice	<input checked="" type="checkbox"/> Acknowledgement of payment by Supplier / Bank's Report
<b>Process Details</b>	
<input checked="" type="checkbox"/> Supplier raises purchase invoice to MMTC <input checked="" type="checkbox"/> On the basis of supplier's invoice and MMTC's sale realization, payment is released in INR to supplier after deducting bank charges and other expenses, if any incurred by MMTC on behalf of supplier <input checked="" type="checkbox"/> Form H is issued to supplier for sales tax	
<b>Reporting Requirements</b>	
Reports should have following details: <ul style="list-style-type: none"> <li>• Contract Number</li> <li>• Name of supplier/foreign buyer</li> <li>• Supplier's Invoice</li> </ul>	

- Purchase Value (INR)
- Deductions from purchase value
- Amount paid in INR
- Payment advice
- Trading margin (Sale Value – Purchase Value)
- PG Number

Name of process	Release of PG
<b>Process Goal</b>	
To release PG submitted against payment realized	
<b>Process Owner</b>	
Mineral Division, Corporate Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Bank Realization Certificate <input checked="" type="checkbox"/> Bills of Lading <input checked="" type="checkbox"/> No Dues Certificate from RO	<input checked="" type="checkbox"/> Letter to Bank for cancellation of BG
<b>Process Details</b>	
<input checked="" type="checkbox"/> After satisfactory performance of sale contract by buyer, approval of competent authority is obtained for cancellation of BG. Letter is issued to bank for cancellation of BG. <input checked="" type="checkbox"/> In case the buyer fails to fulfill contractual obligation, PBG is invoked	
<b>Reporting Requirements</b>	
Reports should have following details: <ul style="list-style-type: none"> <li>• Purchase contract Number</li> </ul>	

- Sale Value
- Amount Realized
- Date of realization of payment
- Purchase Contract
- Purchase value
- Deductions made from supplier
- Amount paid to supplier
- Balance {Sale Value in USD - Amount Realized in USD}, if any

## 1.5 Coal and hydrocarbons

### 1.5.1 Process of Procurement/Purchase

#### 1.5.1.1 Description

The purpose of this process is to shortlist suppliers from amongst the empanelled suppliers based on the requirement received.

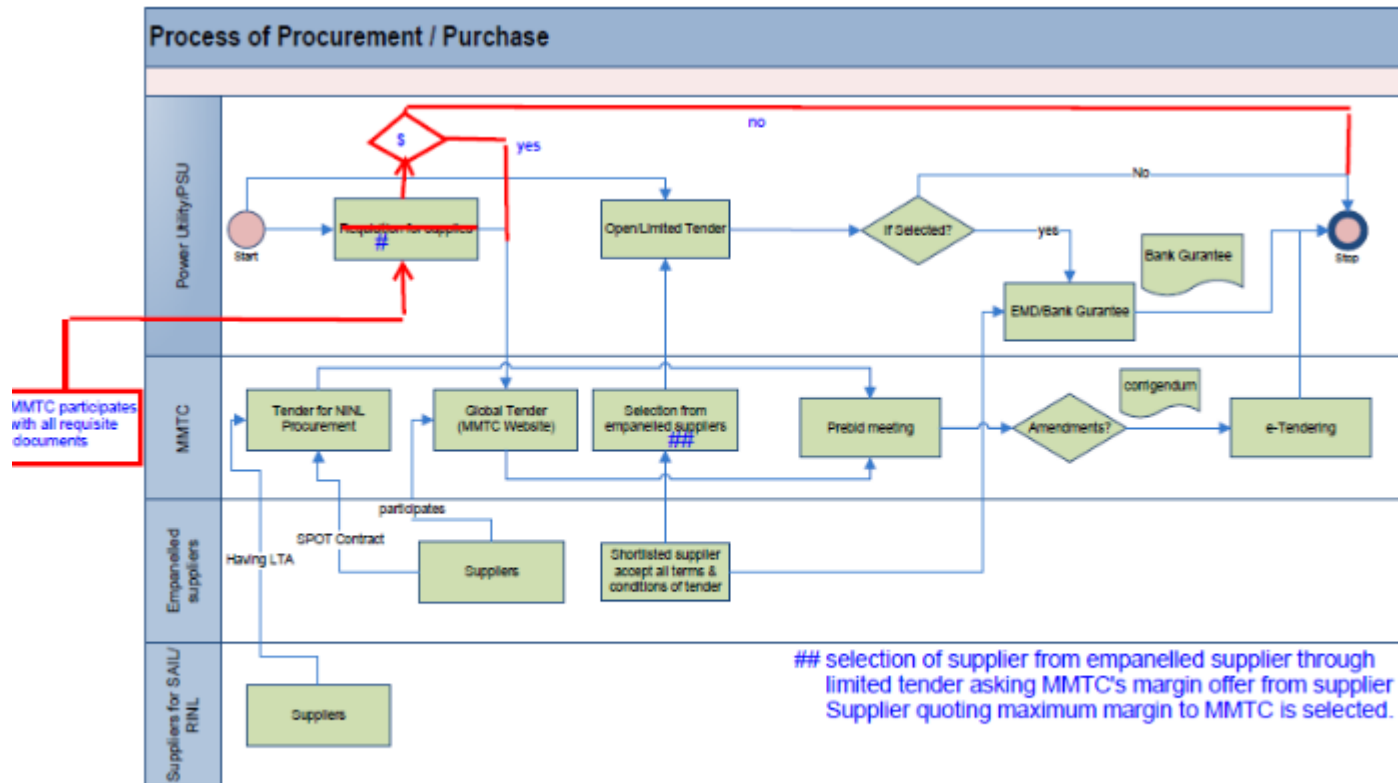
#### 1.5.1.2 Process Summary

<b>Name of process</b>	<b>Contracting</b>	
<b>Process Goal</b>	To shortlist suppliers from amongst the empanelled suppliers based on the requirement received.	
<b>Process Owner</b>	Coal & Hydrocarbon Project	
<b>Primary Actors</b>	<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Coal & Hydrocarbon Division	<input checked="" type="checkbox"/> Buyer <input checked="" type="checkbox"/> Empanelled Suppliers <input checked="" type="checkbox"/> Approval authority <input checked="" type="checkbox"/> Power Utility / PSU's <input checked="" type="checkbox"/> Suppliers for SAIL/RINL	
<b>Process Input</b>	<b>Process Output</b>	
<input checked="" type="checkbox"/> Open/Limited global tenders <input checked="" type="checkbox"/> Requisition from Suppliers	<input checked="" type="checkbox"/> Approval for Tendering <input checked="" type="checkbox"/> Selection of bidder	
<b>Transactional Volume</b>	<input checked="" type="checkbox"/> No data available	
<b>Documentation</b>	<b>Formats</b>	



Name of process	Contracting
<ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Requisition from Supplier</li><li><input checked="" type="checkbox"/> Contracts</li></ul>	<ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Contract</li><li><input checked="" type="checkbox"/> Requisition from Supplier</li><li><input checked="" type="checkbox"/> Bank Guarantee(BG) as Earnest Money deposit (EMD)</li></ul>

**1.5.1.3 Process Map**



# Selection of Agency basis margin quoted for undertaking procurement on behalf of Buyer/power utility

\$ If selected ?

### 1.5.1.4 Process Description

- a. Non-coking ( Steam / Thermal) Coal

Whenever a power utility / PSU float an open/limited tender, MMTC participates with the support of backup supplier, selected from the empanelled suppliers. The short listed supplier will accept all the terms and conditions of the tender floated by power utility / PSU. The Supplier then furnishes the EMD/ Bank Guarantees as required by MMTC.

**b. Global Tender**

In case of high-value coal tenders, a global tender is prepared and floated on MMTC website. It is then followed by a pre-bid conference with all prospective bidders for clarifying any doubts that may be raised by them before submission of final bids. Based on the clarifications sought by various bidders, necessary amendments are made to the tender document and the same are hosted on MMTC website. The price bids for import of high value coal tenders are invited by the process of e-tendering.

**c. Coking Coal**

In case of procurement of coking coal for NINL, the tendering is done through the suppliers having long term contracts with SAIL / RINL as per the price, major terms and conditions approved by empowered Joint Committee of SAIL / RINL. Other than long term agreement, procurement for NINL and other steel units is done on spot basis by inviting global tenders.

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Process of Procurement / Purchase	
	Non-coking ( Steam / Thermal) Coal	
1.1.	Power Utility / PSU floats an open/limited tender , MMTC participates in it with required documentation	MMTC
1.2.	MMTC selects supplier from a pool of already empanelled suppliers	MMTC

Sr.No.	Process Detail	Responsibility Centre
1.3.	The shortlisted supplier accepts the terms and conditions of tender floated	Supplier
1.4.	The Supplier furnishes the BG as EMD to power utility / PSU	Supplier
	Global Tender	
1.5.	MMTC floats high value global tender on its website	MMTC
1.6.	Pre bid meeting is organized on clarification of doubts of prospective bidders	MMTC
1.7.	Based on the clarifications sought by various bidders, necessary amendments are made to the tender document and the same are hosted on MMTC website.	MMTC
1.8.	The price bids for import of high value coal tenders are invited by the process of e-tendering.	MMTC
	Coking Coal	
1.9.	In case of procurement of coking coal for NINL, the tendering is done through the suppliers having long term contracts with SAIL / RINL	MMTC
1.10.	The price, major terms and conditions approved by empowered Joint Committee of SAIL / RINL	SAIL / RINL
1.11.	Other than long term agreement, procurement for NINL and other steel units is done on spot basis by inviting global tenders	MMTC



## 1.5.2 Tendering Procedure

### 1.5.2.1 Description

The purpose of this process is to finalize contracting terms for import of coking/non-coking/LAM Coke.

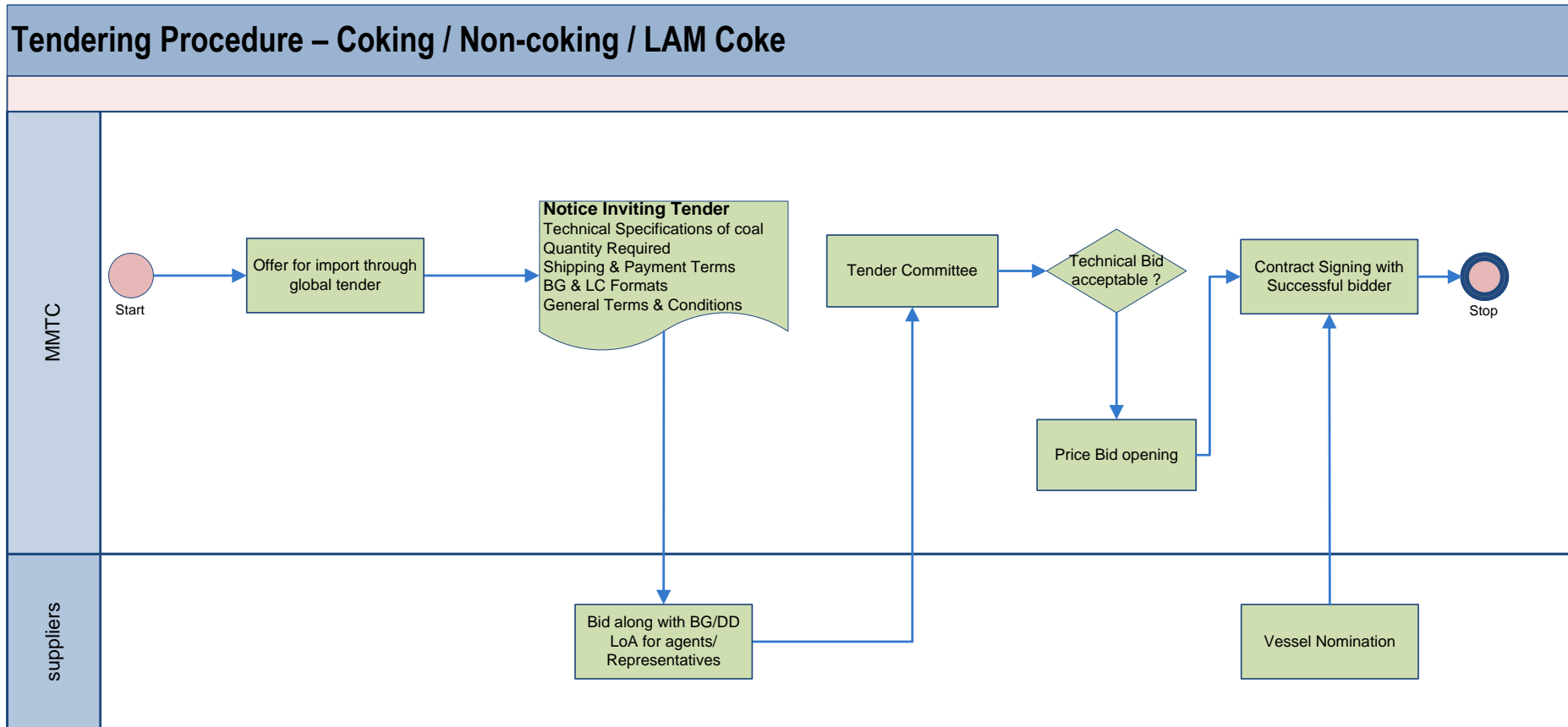
### 1.5.2.2 Process Summary

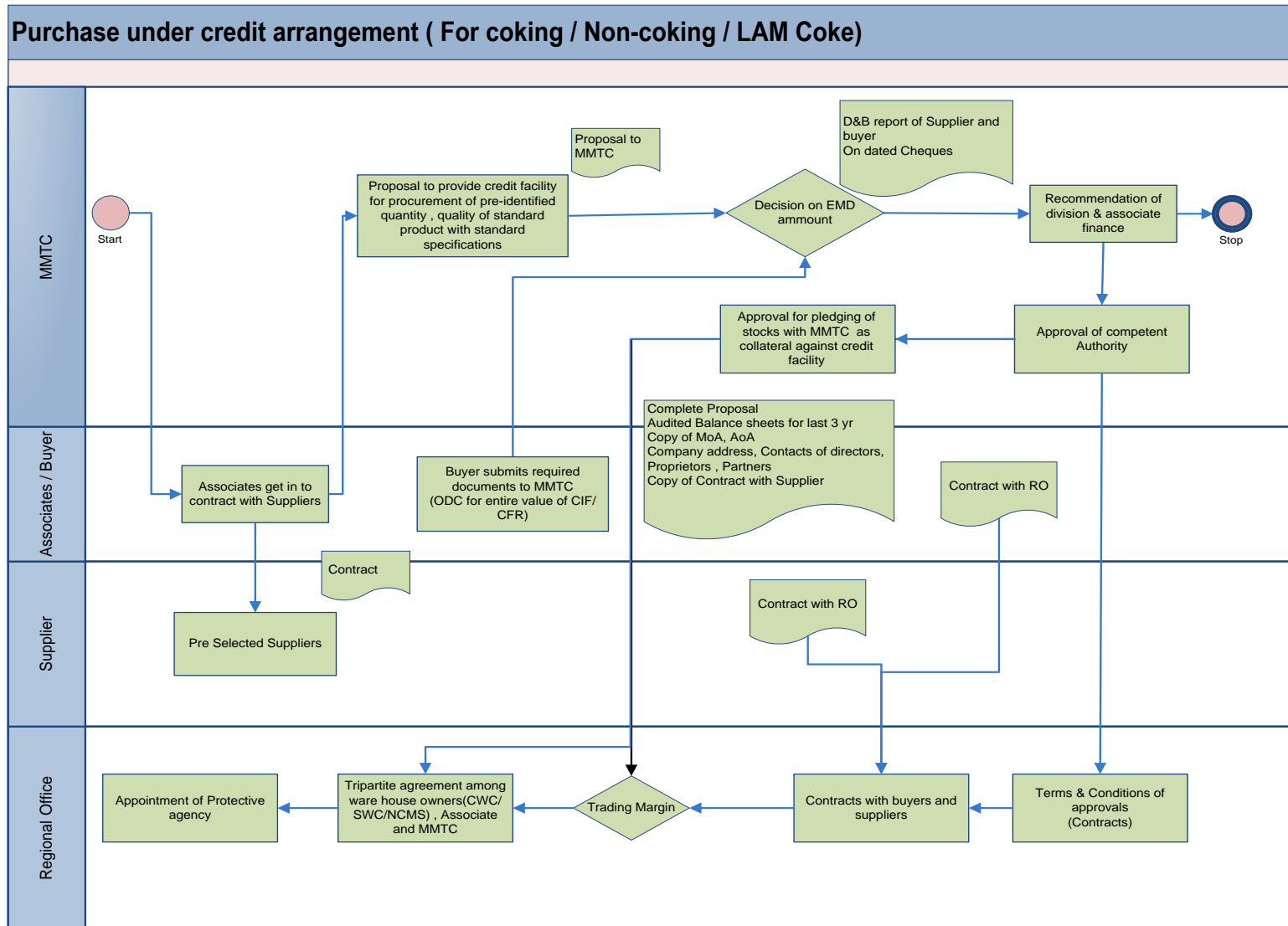
<b>Name of process</b>	<b>Contracting</b>	
<b>Process Goal</b>		
To finalize contracting terms for import of coking/non-coking/LAM Coke.		
<b>Process Owner</b>		
Coal & Hydrocarbon Division		
<b>Primary Actors</b>	<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Coal & Hydrocarbon Division	<input checked="" type="checkbox"/> Buyer <input checked="" type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Tender Committee <input checked="" type="checkbox"/> Regional office	
<b>Process Input</b>	<b>Process Output</b>	
<input checked="" type="checkbox"/> Global tender <input checked="" type="checkbox"/> Proposal to provide credit facility for procurement.	<input checked="" type="checkbox"/> Contract <input checked="" type="checkbox"/> Tripartite agreement with warehouse owners and associate <input checked="" type="checkbox"/> Vessel Nomination from Supplier <input checked="" type="checkbox"/> Appointment of Protective agency	
<b>Transactional Volume</b>		
<input checked="" type="checkbox"/> No data available		
<b>Documentation</b>	<b>Formats</b>	

Name of process	Contracting
<input checked="" type="checkbox"/> Notice inviting Tender <input checked="" type="checkbox"/> Letter of authorization <input checked="" type="checkbox"/> Approval from competent authority <input checked="" type="checkbox"/> Tripartite agreement with warehouse owners and associate <input checked="" type="checkbox"/> D&B Report	<input checked="" type="checkbox"/> Contract <input checked="" type="checkbox"/> Notice inviting Tender <input checked="" type="checkbox"/> Letter of authorization <input checked="" type="checkbox"/> Tripartite agreement with warehouse owners and associate



**1.5.2.3 Process Map**





#### 1.5.2.4 Process Description

##### 1.1. Procurement of tender – for Coking / Non-coking /LAM Coke

MMTC floats notice for global tender in two national daily's and is also hosted at MMTC website. The NIT (Notice inviting tender) has information regarding Technical specification of coal, Quantity required, Shipping terms, Payment terms, BG/ LC formats with general terms and conditions. The EMD as per NIT is to be submitted by way of DD or BG through a scheduled commercial bank along with the tender. The price bids to be quoted are required to be per metric ton basis on FOB basis or C&F for designated port basis and should be in US Dollars. For participating in tender meetings, a letter of authorization is to be submitted from agents/representatives behalf to MMTC. The Tender bids are opened by a committee consisting of Coal, Finance and Internal Audit Officials. The price bids of the bidders are only opened after acceptance of techno-commercial bids along with the bids.

##### 1.2. Purchase Under Credit arrangements – for coking / Non-coking / LAM Coke

Associates interested in purchase of coke enter into contracts with their pre-selected suppliers and approach MMTC with the proposal to provide credit facility for procurement of pre-identified quantity, quality of standard products with standard specifications. MMTC examines the proposal, contract between supplier and associate, company profile, D&B credit rating, etc. Buyer is required to submit on date cheques for the entire value. Based on the scrutiny and on case to case basis, EMD amount is decided as per the guidelines of sale purchase committee of directors (SPC). After approval from competent authority, contracts with supplier and buyer are signed and forwarded to concerned regional office. Regional office appoints protective agents and a tripartite agreement is signed between MMTC, associate and warehouse owners.

Sr.No.	Process Detail	Responsibility Centre
1.	Tendering procedure	
	Procurement of tender – for Coking / Non-coking /LAM Coke	
1.1.	MMTC floats notice for global tender in two national daily's and is also hosted at MMTC website	MMTC
1.2.	The EMD as per NIT is to be submitted by way of DD or BG through a scheduled commercial bank along with the tender	Supplier
1.3.	For participating in tender meetings, a letter of authorization is to be submitted from agents/representatives behalf to MMTC	Supplier
1.4.	The Tender bids are opened by a committee consisting of Coal, Finance and Internal Audit Officials	MMTC
1.5.	Based on evaluation, Contract is awarded to successful bidder	MMTC
1.6.	Supplier sends vessel nomination to MMTC	Supplier
	Purchase Under Credit arrangements – for coking / Non-coking / LAM Coke	
1.7.	Associates interested in purchase of coke enter into contracts with their pre-selected suppliers	Associates / Suppliers
1.8.	Associates approach MMTC with the proposal to provide credit facility for procurement of pre-identified quantity, quality of standard products with standard specifications	Associates
1.9.	MMTC examines the proposal, contract between supplier and associate, company profile, D&B credit rating, etc.	MMTC
1.10.	The Buyer is required to submit on date cheques for the entire value	Buyer

Sr.No.	Process Detail	Responsibility Centre
1.11.	Based on the scrutiny and on case to case basis, EMD amount is decided as per the guidelines of sale purchase committee of directors (SPC)	MMTC
1.12.	After approval from competent authority contracts with supplier and buyer are signed and forwarded to concerned regional office.	MMTC
1.13.	Regional office appoints protective agents and a tripartite agreement is signed between MMTC, associate and warehouse owners	Regional Office/MMTC/ warehouse owners

### 1.5.3 Checklist at Regional Office procurement / purchase

#### 1.5.3.1 Description

The purpose of this process is to ensure pre-shipment formalities and necessary statutory compliances are followed till the shipment is received at destination.

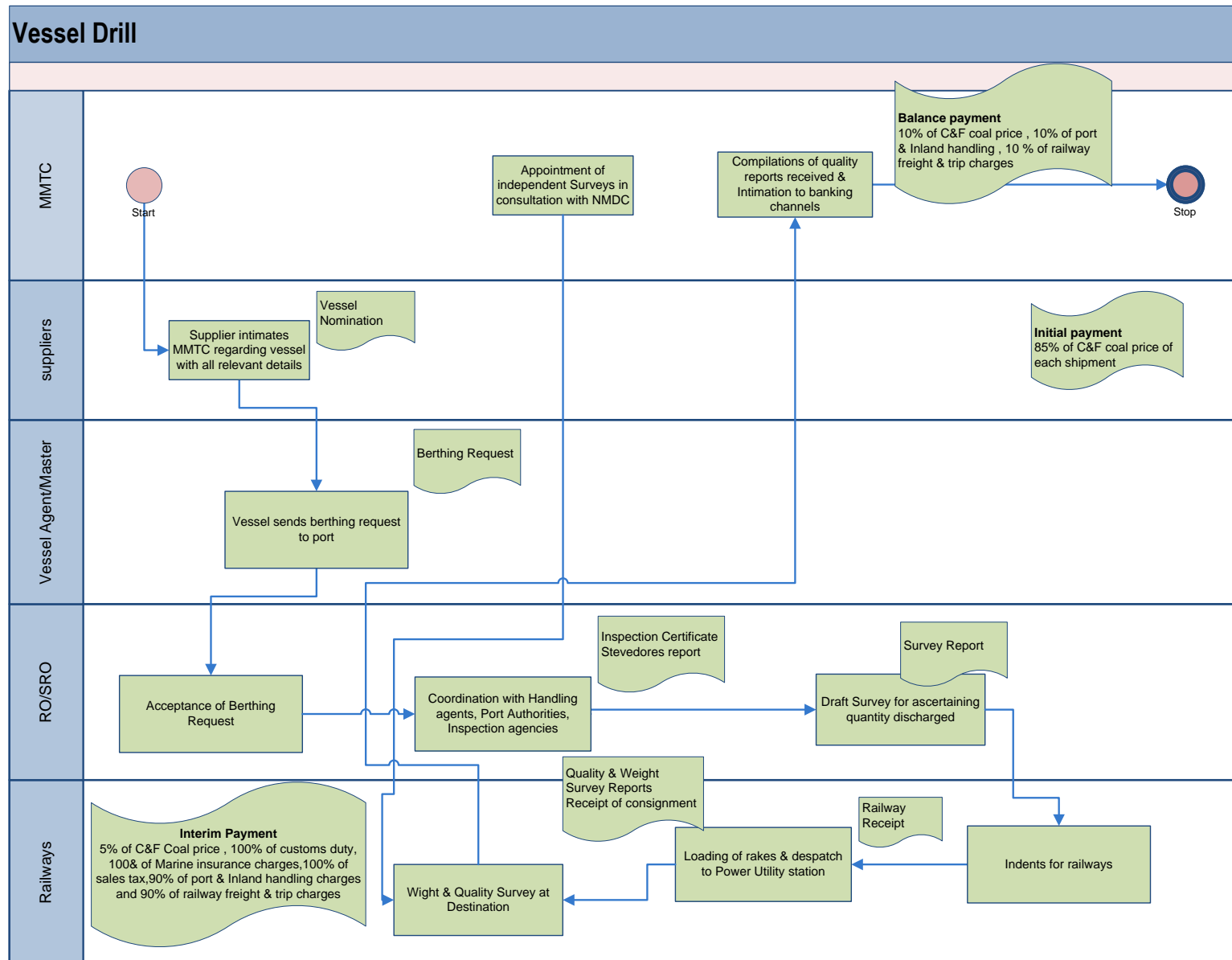
#### 1.5.3.2 Process Summary

Name of process		Shipping Schedule & Vessel Nomination	
<b>Process Goal</b>			
To ensure pre-shipment formalities are completed and necessary statutory compliances are followed till the shipment is received at destination.			
<b>Process Owner</b>			
Regional Office			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Regional Office <input checked="" type="checkbox"/> MMTC Corporate Office		<input checked="" type="checkbox"/> Suppliers <input checked="" type="checkbox"/> Railways <input checked="" type="checkbox"/> Vessel Agent /Master <input checked="" type="checkbox"/> Handling agents <input checked="" type="checkbox"/> Surveyors (Samplers, Weight, Assayers )	
<b>Process Input</b>		<b>Process Output</b>	
<input checked="" type="checkbox"/> Supplier Intimation <input checked="" type="checkbox"/> Berthing Request		<input checked="" type="checkbox"/> Quality & Quantity reports <input checked="" type="checkbox"/> Balance Payment	
<b>Transactional Volume</b>			
<input checked="" type="checkbox"/> No data available			

Documentation	Formats
<input checked="" type="checkbox"/> Vessel Nomination	<input checked="" type="checkbox"/> Vessel Nomination
<input checked="" type="checkbox"/> Berthing Request	<input checked="" type="checkbox"/> Berthing Request
<input checked="" type="checkbox"/> Inspection Report	<input checked="" type="checkbox"/> Inspection Report
<input checked="" type="checkbox"/> Stevedores Report	<input checked="" type="checkbox"/> Stevedores Report
<input checked="" type="checkbox"/> Survey Report	<input checked="" type="checkbox"/> Survey Report
<input checked="" type="checkbox"/> Railway Receipt	<input checked="" type="checkbox"/> Railway Receipt
<input checked="" type="checkbox"/> Quality Report	<input checked="" type="checkbox"/> Quality Report
<input checked="" type="checkbox"/> Weight Survey Report	<input checked="" type="checkbox"/> Weight Survey Report

### 1.5.3.3 Process Map







### 1.5.3.4 Process Description

Once the vessel arrives in the vicinity of port, Supplier intimates MMTC regarding vessel with all relevant documents. Regional office has to accept berthing request from vessel master/agent and coordinate with handling agents, Port authorities and inspection agencies for clearing of imported material. Regional office is required to arrange draft survey for ascertaining the quantity discharged from vessel and obtain relevant certificate. The initial payment is done based on the draft survey report. As per intimation from railways regarding availability of rakes, material is loaded in rakes and dispatched for destination. Quality and weight inspection are again carried out at destination and receipt of confirmation is sent to regional office for release of interim payment. After final quality and quantity reports are received from concerned buyer (Power Unit/ PSU), balance payment is released.

Sr.No.	Process Detail	Responsibility Centre
1.	Regional Office procurement / purchase	
1.1.	Supplier nominated vessel	Supplier
1.2.	MMTC accepts nomination of vessel and releases initial payment based on documents	MMTC
1.3.	Vessel arrives in vicinity of port , supplier intimates MMTC and forwards necessary documents	supplier
1.4.	Vessel Master/agent sends berthing request to SRO/RO	Vessel master /agent
1.5.	Regional office accepts berthing request from vessel master/agent and coordinate with handling agents, Port authorities and inspection agencies for clearing of imported material	Regional Office
1.6.	Regional office arranges draft survey for ascertaining the quantity discharged from vessel and obtain relevant certificate.	Regional Office
1.7.	As per intimation from railways regarding availability of rakes, material is loaded in rakes and dispatched for destination	Regional office

Sr.No.	Process Detail	Responsibility Centre
1.8.	Quality and weight inspection are again carried out at destination and receipt of confirmation is sent to regional office for release of interim payment	Regional office
1.9.	After final quality and quantity reports are received from concerned buyer (Power Unit/ PSU), balance payment is released	Regional office

## 1.6 Steel

### 1.6.1 Process for import of steel

#### 1.6.1.1 Description

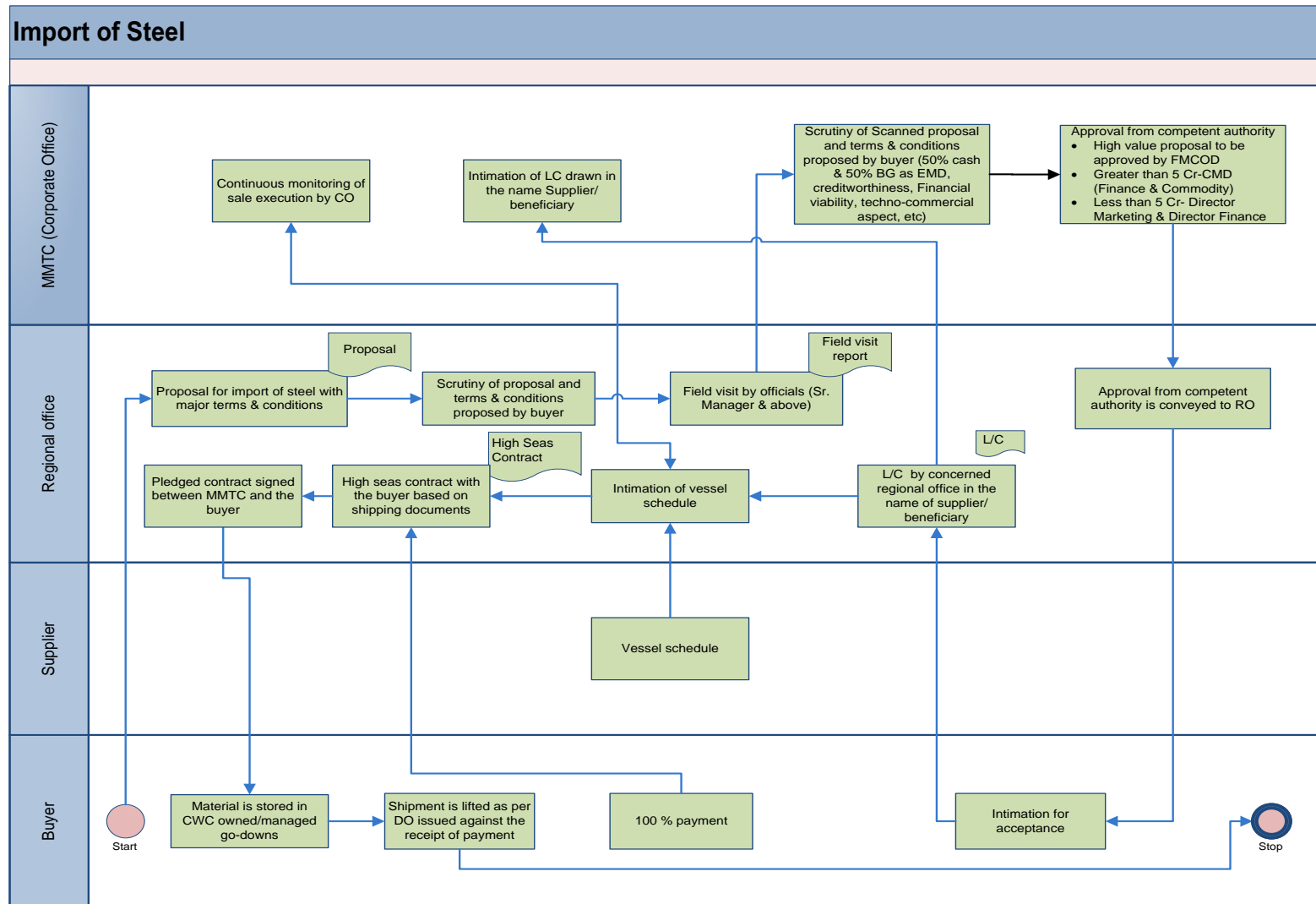
The purpose of this process is to import steel from a foreign supplier and sale of imported steel to the buyer through high seas sale.

#### 1.6.1.2 Process Summary

<b>Name of process</b>		<b>Contracting</b>	
<b>Process Goal</b>			
To import steel from a foreign supplier and sale of imported steel to the buyer through high seas sale.			
<b>Process Owner</b>			
Steel Division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Steel division		<input checked="" type="checkbox"/> Regional office <input checked="" type="checkbox"/> Supplier <input checked="" type="checkbox"/> Buyer	
<b>Process Input</b>		<b>Process Output</b>	
<input checked="" type="checkbox"/> Proposal for import of steel from buyer		<input checked="" type="checkbox"/> High seas contract with Buyer	

Name of process		Contracting	
<b>Transactional Volume</b>			
<input checked="" type="checkbox"/> Depending upon the requirement of buyer conveyed via RO			
<b>Documentation</b>		<b>Formats</b>	
<input checked="" type="checkbox"/> Proposal from buyer	<input checked="" type="checkbox"/> Proposal to be analyzed at RO with field visit report	<input checked="" type="checkbox"/> Forwarding the duly vetted proposal through by finance head at RO to CO for securing formal approval	<input checked="" type="checkbox"/> Approval from competent authority
<input checked="" type="checkbox"/> Communication of approval to RO from CO	<input checked="" type="checkbox"/> Establishment of Letter of credit by concerned Regional Office in the name of supplier/ beneficiary.	<input checked="" type="checkbox"/> High seas contract	<input checked="" type="checkbox"/> Sale contract
<input checked="" type="checkbox"/> High seas contract	<input checked="" type="checkbox"/> Sale contract between buyer and seller	<input checked="" type="checkbox"/> Contract between Buyer(MMTC RO) and seller	<input checked="" type="checkbox"/> Vessel schedule
<input checked="" type="checkbox"/> Vessel schedule			

1.6.1.3 Process Map



#### 1.6.1.4 Process Description

The buyer submits a proposal to MMTC regional office along with major terms and conditions for import of steel. Regional office scrutinizes the proposal and checks for adherence to MMTC's standard terms and conditions. Two officers of senior manager & above level visits supplier's site and submit their recommendation as field visit report. The scanned copy of proposal is then sent to MMTC corporate office where the proposal is scrutinized on creditworthiness, financial viability, and techno-commercial aspects. 50 % payment is done in cash and rest 50% in the form of bank guarantee (BG) as earnest money deposit (EMD) .The Major terms and conditions are finalized for the said contract by corporate office.

For proposals with more than five (5) crores, approval of Chief Managing Director (CMD), finance and commodity division is taken while for proposals of less than five (5) crores Director marketing and Director finance provides approval for proposal. All the high value proposals are approved by F MCOD. The approval of proposal is then conveyed to concerned regional office and the buyer. The concerned regional office opens letter of credit in the name of supplier or beneficiary and the supplier intimates concerned regional office on vessel schedule.

MMTC corporate office continuously monitors the regional office level operations. Once the vessel is in vicinity of port, MMTC regional office draws high sea contracts with the buyer. Material is sold to buyer on high seas basis as per the due diligence of shipping documents. Pledge agreement is signed between MMTC and the buyer. Material is stored in the custody of CWC owner or managed go-downs from where it is lifted as per the delivery order issued against receipt of payments.

In case, if the material is lifted beyond the lifting schedule i.e. 90 days an additional trade margin at the rate of 0.5% on the balance quantity is charged to the buyer. Full time penal interest at the rate of 1% p.a will be also levied on the buyer on the value of quantity remaining un lifted after 90 days.

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Process of import of steel	
1.1.	Proposal is submitted with major terms and conditions for import of steel	Buyer
1.2.	Proposal is scrutinized against MMTC's standard set of terms and conditions	Regional office
1.3.	Two(2) officers of senior manager & above level performs site inspection and submits field visit report	Regional Office officials
1.4.	Proposal is scrutinized for credit worthiness, financial viability and techno-commercial aspects	Corporate office
1.5.	The % amount of bank guarantee as earnest money deposit and cash deposit along with the other terms & conditions are finalized for the contract	Corporate Office
1.6.	Approval from competent authority is taken for the proposal	Corporate office
1.7.	The acceptance of proposal is conveyed to concerned regional office and to the buyer	Corporate office
1.8.	Letter of credit is drawn in the name of Supplier/beneficiary	Regional office
1.9.	Regional office is intimated regarding vessel schedule	Supplier
1.10.	The regional office level functions are monitored closely with support daily reports	Corporate office



Sr.No.	Process Detail	Responsibility Centre
1.11.	Once vessel is in vicinity of port, high seas contract is signed with buyer	Regional office
1.12.	Pledge agreement is signed between buyer and MMTC	Regional office
1.13.	Material is stored in CWC owned/managed go-downs and is lifted as per the DO issued against receipt of payment	CWC

## 1.6.2 Process for sale of Steel Billets (NINL)

### 1.6.2.1 Description

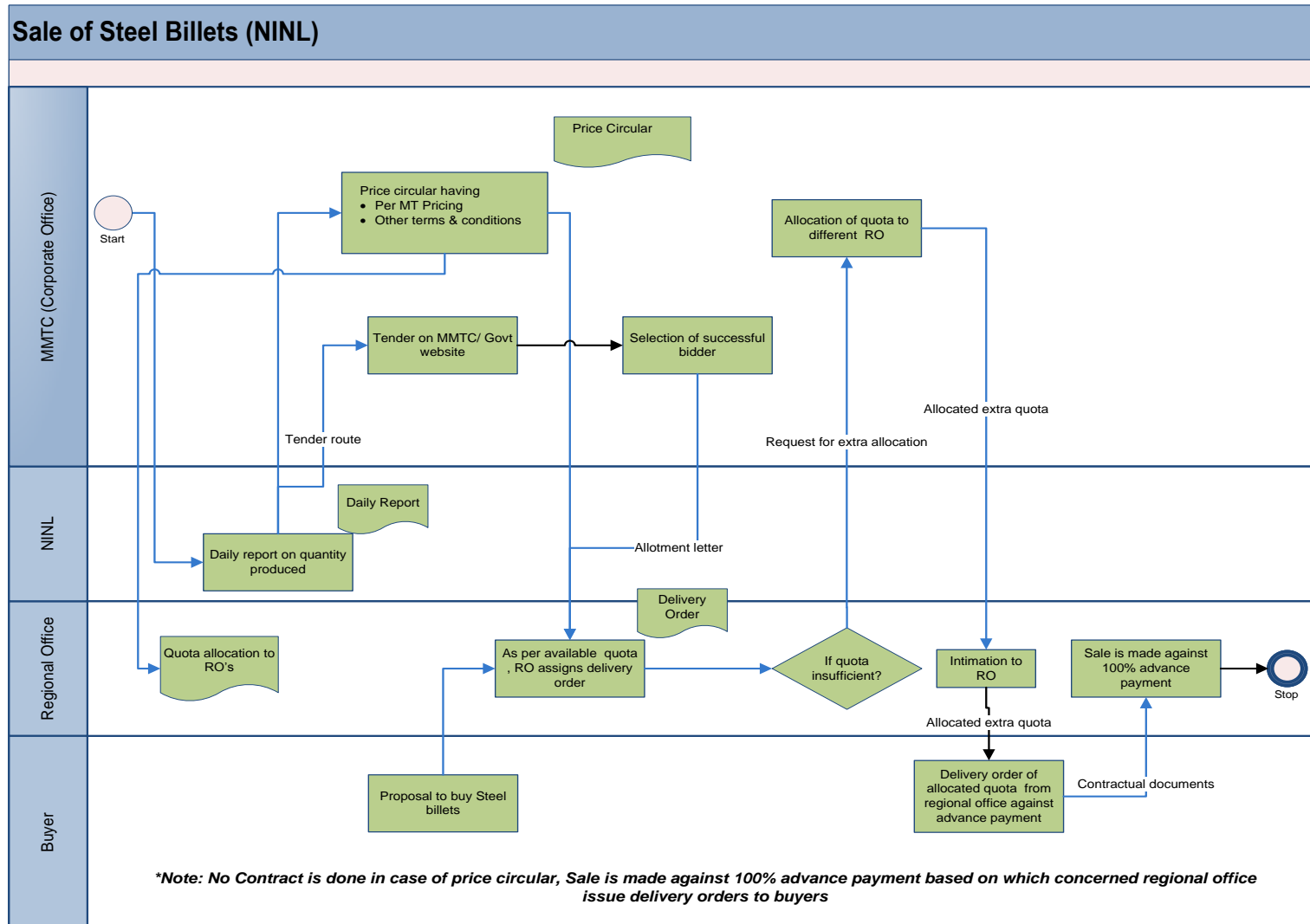
The purpose of this process is to sell steel billets to the buyer through price circular or global tender.

### 1.6.2.2 Process Summary

<b>Name of process</b>	<b>Contracting</b>	
<b>Process Goal</b>	To sell steel billets to the buyer through price circular or global tender	
<b>Process Owner</b>	Steel Division	
<b>Primary Actors</b>	<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Steel division	<input checked="" type="checkbox"/> Neelachal Ispat Nigam Limited(NINL) <input checked="" type="checkbox"/> Regional Office <input checked="" type="checkbox"/> Buyer	

Name of process		Contracting	
<b>Process Input</b>		<b>Process Output</b>	
<input checked="" type="checkbox"/> Daily report on quantity produced from NINL <input checked="" type="checkbox"/> Buyer approaches concerned regional office with a proposal after seeing price circular on MMTC website		<input checked="" type="checkbox"/> Buyer deposits advance money & lifts the material	
<b>Transactional Volume</b>			
<input checked="" type="checkbox"/> Once in a month			
<b>Documentation</b>		<b>Formats</b>	
<input checked="" type="checkbox"/> Daily report from NINL <input checked="" type="checkbox"/> Proposal from buyer to concerned regional office <input checked="" type="checkbox"/> Tender <input checked="" type="checkbox"/> Price Circular <input checked="" type="checkbox"/> Delivery order		<input checked="" type="checkbox"/> Daily report from NINL <input checked="" type="checkbox"/> Tender <input checked="" type="checkbox"/> Price Circular <input checked="" type="checkbox"/> Delivery order	

1.6.2.3 Process Map



#### 1.6.2.4 Process Description

Neelachal Ispat Nigam Limited (NINL) sends a daily report on quantity produced to MMTC corporate office. Based on the production and available quantity for sale, MMTC corporate office decides to either float a global tender or price circular having details for price per metric tons, major terms and conditions.

In case of global tender, MMTC corporate office provides allotment letter to successful bidder for allocated quota and details of concerned regional office. In case of price circular, the buyer approaches concerned regional office with its proposal or sometimes regional offices contacts known buyers intimating them about price circulars. If concerned regional office is short of quota, it can request corporate office for allocation of extra quota. Regional office then issues delivery order to the buyer against 100% advance payment for purchase of steel billets.

Sr.No.	Process Detail	Responsibility Centre
1.	Process for sale of steel billets	
1.1.	NINL sends daily report on quantity produced and available for sale to MMTC corporate office	NINL
1.2.	Price circular or tender is floated for the sale of steel billets	MMTC Corporate office
1.3.	Successful bidder is selected based on terms of global tender and allotment letter is provided	MMTC Corporate office
1.4.	Based on the terms and conditions mentioned in price circular, the buyer approaches concerned regional office for purchase of steel billets	Buyer
1.5.	If concerned regional office is short on quota , it requests corporate office for allocation of extra quota	MMTC corporate office

Sr.No.	Process Detail	Responsibility Centre
1.6.	Based on the approvals of allocated quota, delivery order is provided to the buyer	Regional office
1.7.	Delivery order is issued to the buyer against 100% advance payment for purchase of steel billets	Buyer & regional office

### 1.6.3 Sale of NINL products (Domestic Sale and Export)

#### 1.6.3.1 Description

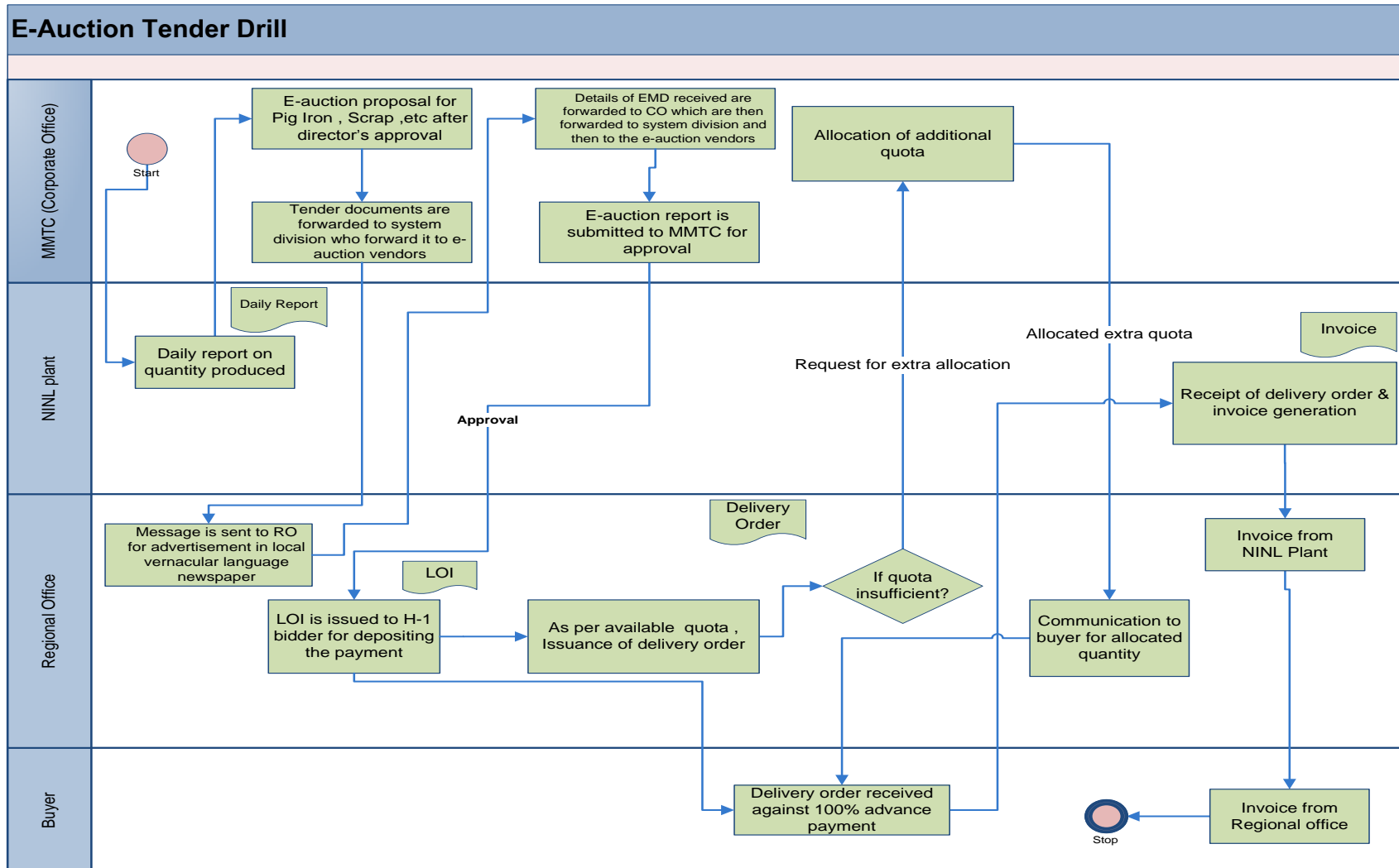
The purpose of this process is to perform sale of NINL products by floating global tender, e-auction or price circular.

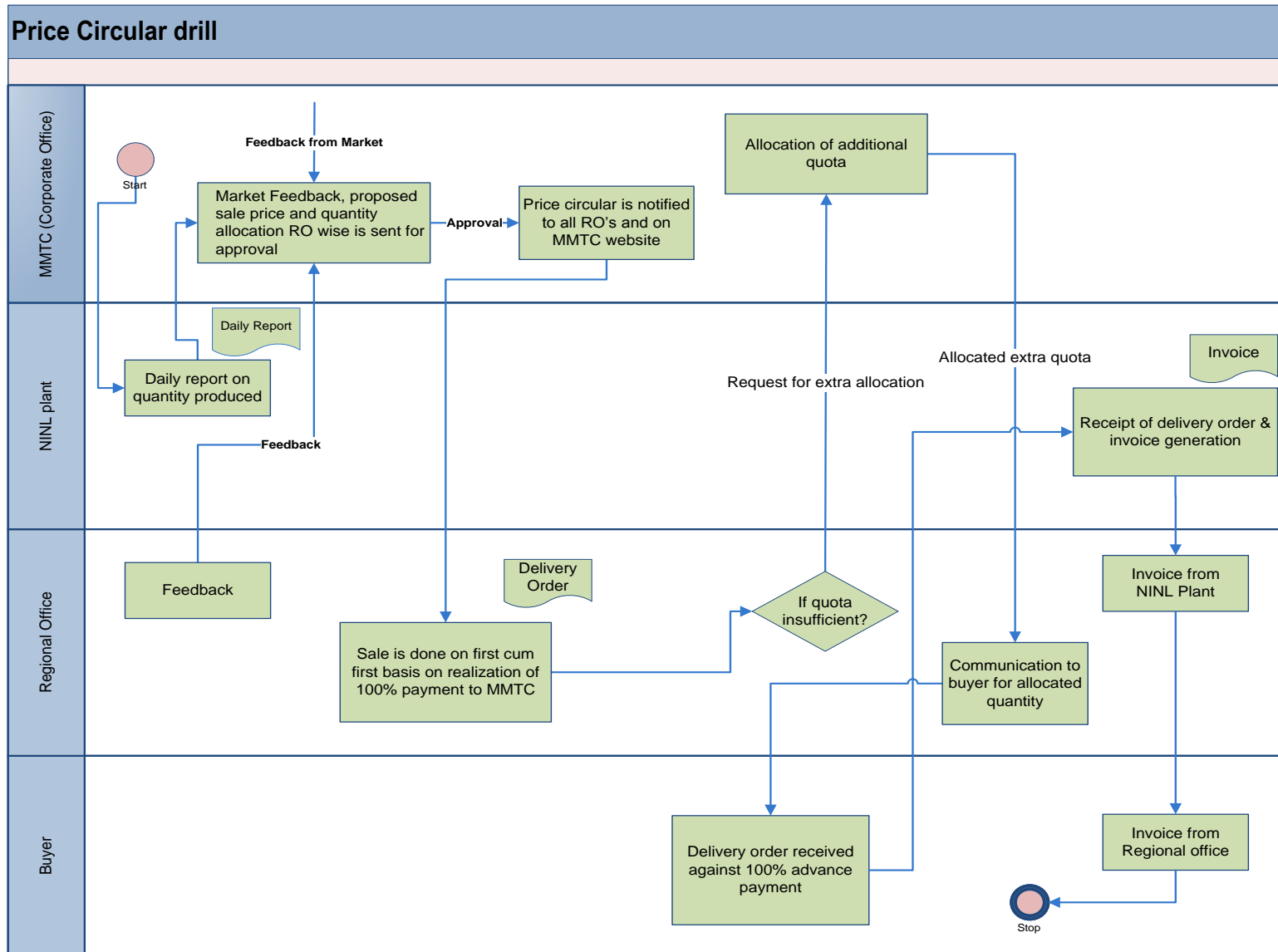
#### 1.6.3.2 Process Summary

<b>Name of process</b>		<b>Contracting</b>	
<b>Process Goal</b>			
To perform sale of NINL Products by floating global tender, e-auction or price circular.			
<b>Process Owner</b>			
Steel Division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Steel division		<input checked="" type="checkbox"/> Regional offices <input checked="" type="checkbox"/> Neelachal Ispat Nigam Limited(NINL) <input checked="" type="checkbox"/> Buyer	
<b>Process Input</b>		<b>Process Output</b>	

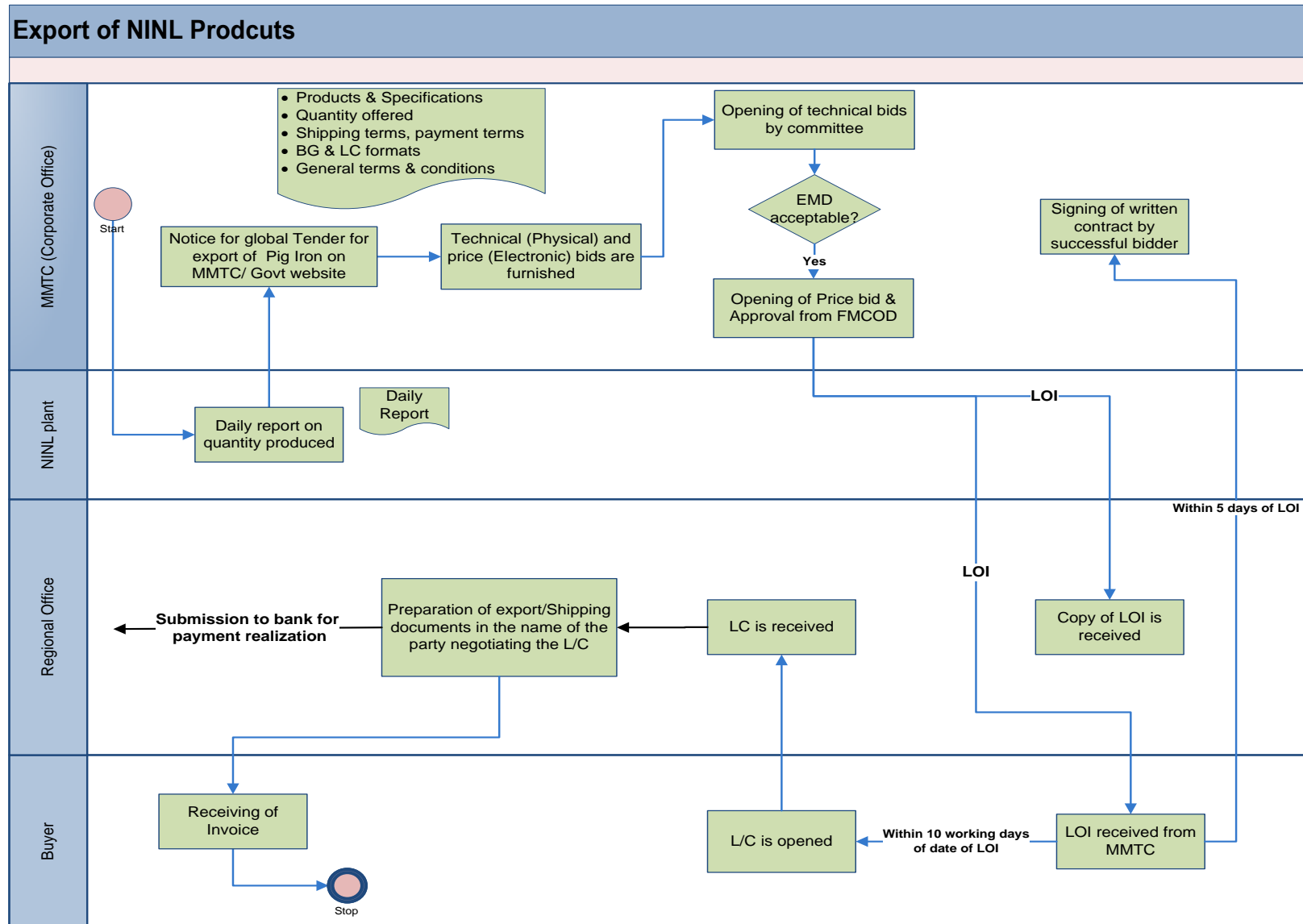
Name of process		Contracting	
<input checked="" type="checkbox"/> Daily report on quantity produced from NINL		<input checked="" type="checkbox"/> Sale to the buyer	
<input checked="" type="checkbox"/> Proposal from buyer			
Transactional Volume			
<input checked="" type="checkbox"/> No data available			
Documentation		Formats	
<input checked="" type="checkbox"/> Daily report on quantity produced from NINL		<input checked="" type="checkbox"/> Daily report on quantity produced from NINL	
<input checked="" type="checkbox"/> Price Circular		<input checked="" type="checkbox"/> E-auction notification	
<input checked="" type="checkbox"/> E-auction notification		<input checked="" type="checkbox"/> Global tender	
<input checked="" type="checkbox"/> Global tender		<input checked="" type="checkbox"/> Delivery order	
<input checked="" type="checkbox"/> Delivery order		<input checked="" type="checkbox"/> Invoice	
<input checked="" type="checkbox"/> Invoice			

1.6.3.3 Process Map









### 1.6.3.4 Process Description

#### Domestic sale of NINL Products

NINL sends a daily report of quantity produced and available for sale to MMTC corporate office. MMTC invites prospective bidder in two ways, namely:

- Price Circular for Pig Iron, lam Coke, etc.
- E-auction for Pig Iron, Scarp, etc.

#### Drill for e Auction

Proposal to e-auction having the tender quantity, auction date & EMD along with other terms and conditions are approved by Director in charge. Based on approval, the tender documents are sent to system division which in turn forwards the same to e-auction vendors nominated by MMTC. Notice of tender is issued in two (2) national dailies by concerned regional office and simultaneously on MMTC website. Details of EMD received by due date are the forwarded Corporate office which forwards it to system division and further to e-auction vendor for issuance of password & training to bidders. Auction is done on designated date & time and auction report having the name of bidder, quantity along with the price quoted details are sent to MMTC. After approval of competent authority, LOI is issued to H-1 bidder by RO concerned for depositing the payment as per terms and conditions of the tender.

#### Price Circular

MMTC takes feedback from markets and various regional offices through different sources. The market feedback is put along with proposed sale price by MMTC and the quantity allocated for RO's for approval. As per approval price circular is notified to all RO's and on MMTC website. Sale is done on first cum fist basis on realization of 100% payment in MMTC account.

#### Sale Execution

As per available quota, MMTC regional office issues delivery order to the selected buyer against 100% advance payment. If concerned RO has shortage of commodity stock, it requests corporate office for extra allocation. The buyer then approaches NINL plant with the delivery order, NINL plant generates invoice for RO and a copy of the same is sent to the buyer. Concerned RO is responsible for quantity, quality and statutory compliances as per the contract.

#### Sale to PSUs

For sale to PSUs (SAIL, RINL, IDICOL, etc.) MMTC negotiates the price with PSU concerned and sale is executed.

#### Export of NINL Products

MMTC invites offers for export of NINL basic grade (N-1) Pig Iron through a global tender. The notice inviting tender contains specific details like product and its specifications, quantity offered, shipping terms, payment terms, BG and LC formats along with other general terms and conditions. The notice inviting global tender is published in two national dailies and is also hosted at MMTC website and Govt. tender website. Bids are sent to GM (Steel) at MMTC CO in a sealed envelope.

Technical bids are received in physical formats while price bids are received electronically by MMTC corporate office. Tender bids are opened by a committee constituting officers from commodity, Finance and internal audit division. Price bids for a bidder are only opened if technical bid and EMD are acceptable. After evaluation of bids, approval from competent authority is taken and LOI is sent to the selected party. A written contract is signed by the successful bidder within five (5) days of LOI. A copy of LOI is sent to concerned regional office. Buyer will open LC within ten (10) working days from the date of LOI. The concerned regional office receives the LC prepares export/shipping documents in the name of party negotiating the LC. These documents are then submitted to banking channels for payment realization and invoice is released to the party.

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	<b>Domestic sale of Pig Iron</b>	
	<b>e-auction Tender</b>	
1.1.	Daily report of quantity produced and available for sale is sent to MMTC corporate office	NINL
1.2.	Proposal for e-auction having the tender quantity, auction date & EMD along with other terms and conditions are sent for approval	MMTC Corporate office
1.3.	Detailed tender documents are sent to system division e-auction vendor	MMTC Corporate office
1.4.	Tender documents are further forwarded to e-auction vendors	System Division
1.5.	Notice inviting tender is published in two national daily's and on MMTC website	Concerned RO and MMTC Corporate office
1.6.	Details of EMD received are forwarded Corporate office	Concerned RO
1.7.	Details of EMD received are then forwarded to System division and further to e-auction vendor	MMTC Corporate office
1.8.	Auction is conducted at designated date & time	e-auction vendor
1.9.	e-auction reports are sent for approvals with details of name of the bidder, quantity and price quoted	MMTC Corporate office
1.10.	Based on approval LOI is issued to H1 bidder	Concerned RO

Sr.No.	Process Detail	Responsibility Centre
	<b>Price Circular</b>	
1.11.	Feedback is gathered from market and all regional office and put up for approval along with proposed sale price and RO wise quota allocated	MMTC Corporate office
1.12.	Price circular is notified to all RO and hosted at MMTC website	MMTC Corporate office
	<b>Sale Execution</b>	
1.13.	If concerned RO is short of commodity stock , extra stock is allocated from different RO	MMTC Corporate office
1.14.	Delivery orders are issued to buyers against 100% advance payment	Concerned RO
1.15.	Delivery order is submitted to NINL plant	Buyer
1.16.	Invoice is generated and transferred to RO	NINL
1.17.	Invoice is generated for buyer	Regional office
<b>2.</b>	<b>Export of NINL Products</b>	
2.1.	Notice for global tender is published having details of product specifications, quantity offered, shipping & payment terms, BG & LC formats and other general terms & conditions	MMTC Corporate office

Sr.No.	Process Detail	Responsibility Centre
2.2.	Simultaneously a global tender for export of pig iron is floated on MMTC and Government of India website	MMTC Corporate office
2.3.	Technical bids are received in physical formats while price bids are received in electronic form	MMTC Corporate office
2.4.	Bids are evaluated and approval from competent authority is taken	MMTC Corporate office
2.5.	Letter of Intent (LOI) is sent to party and a copy of the same is sent to concerned regional office	MMTC Corporate office
2.6.	LC is opened	Buyer
2.7.	LC is received	Concerned RO
2.8.	Export documents are prepared and sent to banking channels for payment realization	Regional office
2.9.	Invoice is given to the party	Regional office

## 1.7 Agro products

### 1.7.1 Process for domestic sale of sugar (loading from godown to railway station)

#### 1.7.1.1 Description

The purpose of this process is to ensure the delivery of stock from godown to railway station with all compliance as per contract for domestic sale of sugar.

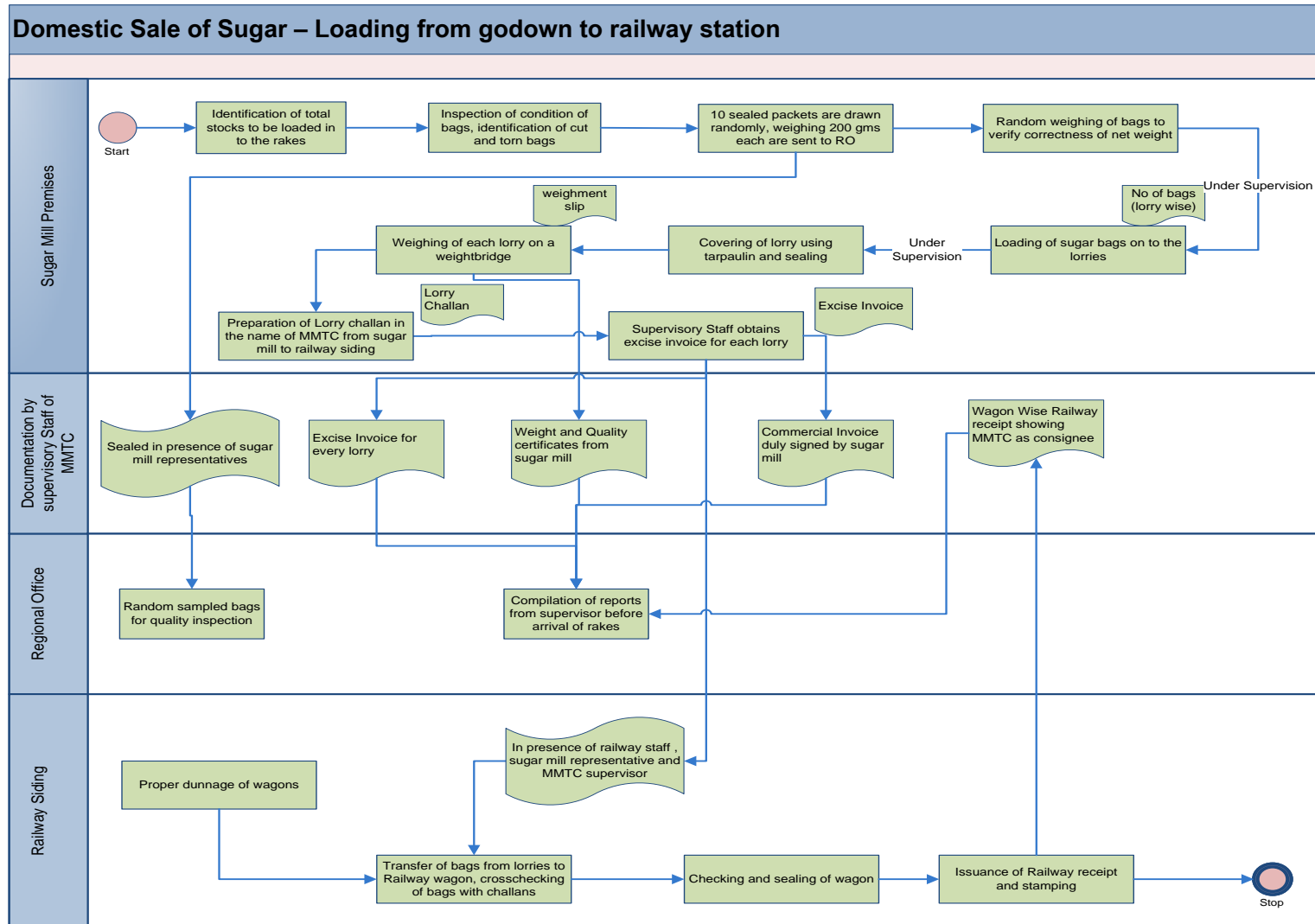
#### 1.7.1.2 Process Summary

<b>Name of process</b>	<b>Contracting</b>	
<b>Process Goal</b>	To ensure the delivery of stock from godown to railway station with all compliance as per contract for domestic sale of sugar.	
<b>Process Owner</b>	Agro Division	
<b>Primary Actors</b>	<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Supervisory staff nominated by MMTC	<input checked="" type="checkbox"/> Railway authorities <input checked="" type="checkbox"/> Sugar Mill representative <input checked="" type="checkbox"/> Regional office	
<b>Process Input</b>	<b>Process Output</b>	
<input checked="" type="checkbox"/> Intimation from MMTC to supervisors for identification of stocks	<input checked="" type="checkbox"/> Issuance of stamped railway receipt	
<b>Transactional Volume</b>	<input checked="" type="checkbox"/> No data available	

Name of process		Contracting	
Documentation		Formats	
<input checked="" type="checkbox"/> Lorry wise number of bags report		<input checked="" type="checkbox"/> Lorry wise number of bags report	
<input checked="" type="checkbox"/> Weighment slip		<input checked="" type="checkbox"/> Weighment slip	
<input checked="" type="checkbox"/> Lorry challan		<input checked="" type="checkbox"/> Lorry challan	
<input checked="" type="checkbox"/> Excise invoice		<input checked="" type="checkbox"/> Excise invoice	
<input checked="" type="checkbox"/> Weight and quality certificates from sugar mill representatives		<input checked="" type="checkbox"/> Weight and quality certificates from sugar mill representatives	
<input checked="" type="checkbox"/> Commercial invoice from sugar mill representative		<input checked="" type="checkbox"/> Commercial invoice from sugar mill representative	
<input checked="" type="checkbox"/> Wagon wise railway receipt		<input checked="" type="checkbox"/> Wagon wise railway receipt	



1.7.1.3 Process Map



#### 1.7.1.4 Process Description

Once stocks are identified to be loaded in to the Lorries, supervisor from MMTC is required to inspect the bags. At least 10 packets weighing 200 gms each are drawn randomly and sealed in the presence of the representative of sugar mill and sent to concerned Regional office. Weight of bags is required to be checked randomly on weighing scale to verify the correctness of the net weight of the sugar bags. Supervisor ensures loading of sugar bags from mill godowns on to the lorries and records number of bags for each lorry separately. After completion of loading, the supervisory staff ensures that each lorry is covered with tarpaulin and properly sealed to avoid transit loss on way from the mill godowns to the railway station. Whenever a lorry moves out of the sugar mill, it is again weighed on a weighbridge and weighment slip of each lorry is collected. Lorry challan for each loaded lorry is issued in the name of MMTC from Sugar Mill up to the Railway siding. The supervisor is required to obtain excise invoice for each lorry.

Once cargo is received at railway sidings and stock is uploaded in to railway wagons, supervisor again verifies number of bags using documents obtained at sugar mill premises. The loading exercise is conducted in presence of representatives from loading staff, sugar mills and the supervisor nominated by MMTC.

During the transfer of cargo from lorries to railway wagons, the supervisory staff ensures that number of bags loaded on to the wagon from each lorry is reconciled with the documents obtained from the sugar mills. Such a loading exercise is carried out in the presence of (a) railway staff (b) representative of sugar mills and the supervisory staff of MMTC.

Sr.No.	Process Detail	Responsibility Centre
1.	Process of domestic sale of sugar	
1.1.	Supervisor nominated by MMTC, identifies the stock to be loaded and performs inspection of bags	Supervisor
1.2.	Supervisor randomly picks out 10 bags of 200 gms and seals them in presence of sugar mill representative. These bags are then sent to concerned regional office.	Supervisor

Sr.No.	Process Detail	Responsibility Centre
1.3.	Weight of bags is checked and recorded randomly on weighing scale before loading in to lorries.	Supervisor
1.4.	Number of bags for each lorry are recorded as a separate document	Supervisor
1.5.	Once loading is completed, each lorry is covered using tarpaulin and is properly sealed.	Supervisor
1.6.	Each lorry moving out of the sugar mill is again weighed on a weighbridge and weightment slip of each lorry is collected.	Supervisor
1.7.	Lorry challan for each loaded lorry is issued in the name of MMTC from Sugar Mill up to the Railway siding and excise invoice is obtained.	Supervisor
1.8.	Commercial invoice, weight and quality certificates are collected from sugar mill representatives before stock is dispatched to railway siding	Supervisor
1.9.	At railway siding, proper dunnage of wagons is ensured before the cargo is loaded from the lorries	Supervisor
1.10.	During the transfer of cargo from lorries to railway wagons, the number of bags loaded on to the wagon from each lorry is tallied with the documents obtained from the sugar mills.	Supervisor, representatives from railway and sugar mill
1.11.	After completion of loading of every wagon, the wagon is sealed properly by railway staff and the same has to be properly checked.	Supervisor and railway representative
1.12.	Railway receipt is issued by the loading railway station which needs to be clear and duly attested.	Railway representative
1.13.	Separate wagon wise railway receipts are collected showing MMTC Limited as the consignee	Supervisor

## 1.7.2 Process for export of rice

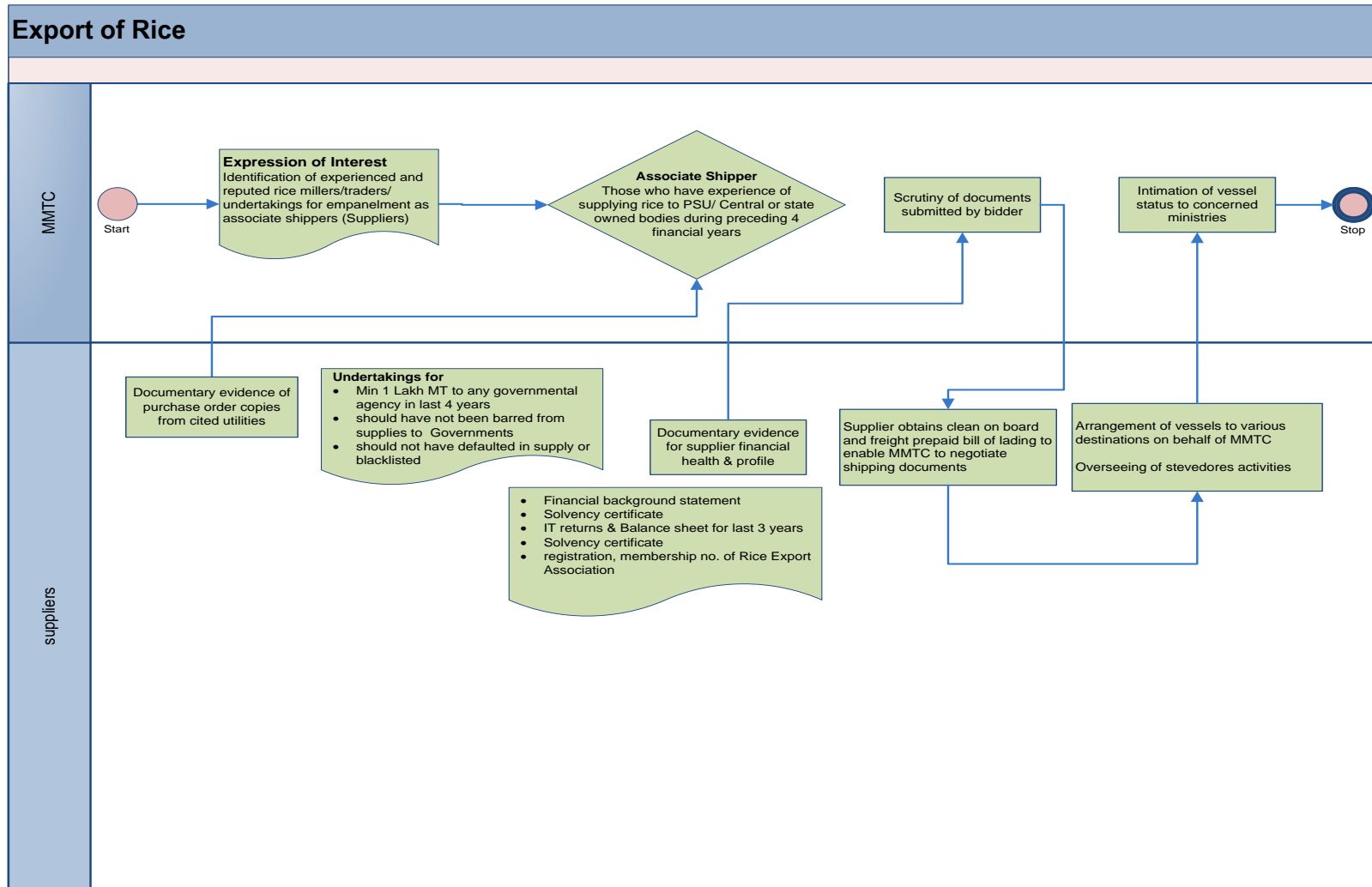
### 1.7.2.1 Description

The purpose of this process is to select empanelled suppliers for export of rice.

### 1.7.2.2 Process Summary

<b>Name of process</b>		<b>Contracting</b>	
<b>Process Goal</b>			
To select empanelled suppliers for export of rice.			
<b>Process Owner</b>			
Agro Division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Agro division		<input checked="" type="checkbox"/> Supplier	
<b>Process Input</b>		<b>Process Output</b>	
<input checked="" type="checkbox"/> Expression of interest in newspaper and on MMTC website		<input checked="" type="checkbox"/> Selection of supplier <input checked="" type="checkbox"/> Vessel arrangement from supplier	
<b>Transactional Volume</b>			
<input checked="" type="checkbox"/> No data available			
<b>Documentation</b>		<b>Formats</b>	
<input checked="" type="checkbox"/> Expression of interest <input checked="" type="checkbox"/> Undertakings from bidder <input checked="" type="checkbox"/> Clean on board and freight prepaid bill <input checked="" type="checkbox"/> Stevedores daily report		<input checked="" type="checkbox"/> Expression of interest <input checked="" type="checkbox"/> Clean on board and freight prepaid bill <input checked="" type="checkbox"/> Stevedores daily report	

1.7.2.3 Process Map



#### 1.7.2.4 Process Description

MMTC identifies experienced and reputed rice millers/traders/undertakings for empanelment as associate shippers (suppliers) by bringing out an expression of interest in newspaper and on the website. The supplier should be experience in supplying rice to Public Sector Undertakings central or state owned for preceding four calendar years / financial year to qualify as an associate shipper. The bidder is required to furnish documentary evidence of purchase order copies from the mentioned utilities.

Bidder should have a sound financial background with minimum annual turnover of Rs100 crores. It is required that the bidder furnishes solvency certificate from the bank for a minimum amount of Rs. 25 crores along with income tax returns and balance sheet for last three years for evidence. The bidder is also required to fulfill other conditions as well such as documentary proof of export order for minimum quantity of 1 lakh MT to any Government Agency in any country during the past four years, should not been barred/blacklisted or defaulted in supplies to any Governments undertaking organizations for supply of rice in India. Bidder is also required to furnish details on their registration and membership no. of Rice Export Association.

Once the bidder is selected, selected supplier obtains clean on board and freight prepaid bill of lading to enable MMTC to negotiate shipping documents. All documents required for negotiation under LC / contract is submitted to MMTC for negotiation by Supplier in time. If required by MMTC, supplier indicates whether it will be possible for them to arrange vessels to various destinations. Supplier also carries out stevedoring / loading of vessels as per shipping schedule in export contract. MMTC keeps the concerned ministries informed at regular intervals on the shipment status.

Sr.No.	Process Detail	Responsibility Centre
1.	Process for export of rice	
1.1.	Expression of interest is floated in two daily newspapers and on website for empanelment of suppliers	MMTC

Sr.No.	Process Detail	Responsibility Centre
1.2.	Interested bidders submit documentary benefits as per contract terms.	Bidders
1.3.	Scrutiny of documentary evidence submitted by bidders and selection of suppliers	MMTC
1.4.	Clean on board and freight prepaid bill of lading to enable MMTC to negotiate shipping documents is obtained	Supplier
1.5.	Arrangement of vessels to various destinations	Supplier
1.6.	Supervision of stevedoring / loading of vessels activities as per shipping schedule in export contract	Supplier
1.7.	Intimation to concerned ministries at regular intervals on the shipment status.	MMTC





### 1.7.3 Import and sale of edible oil

#### 1.7.3.1 Description

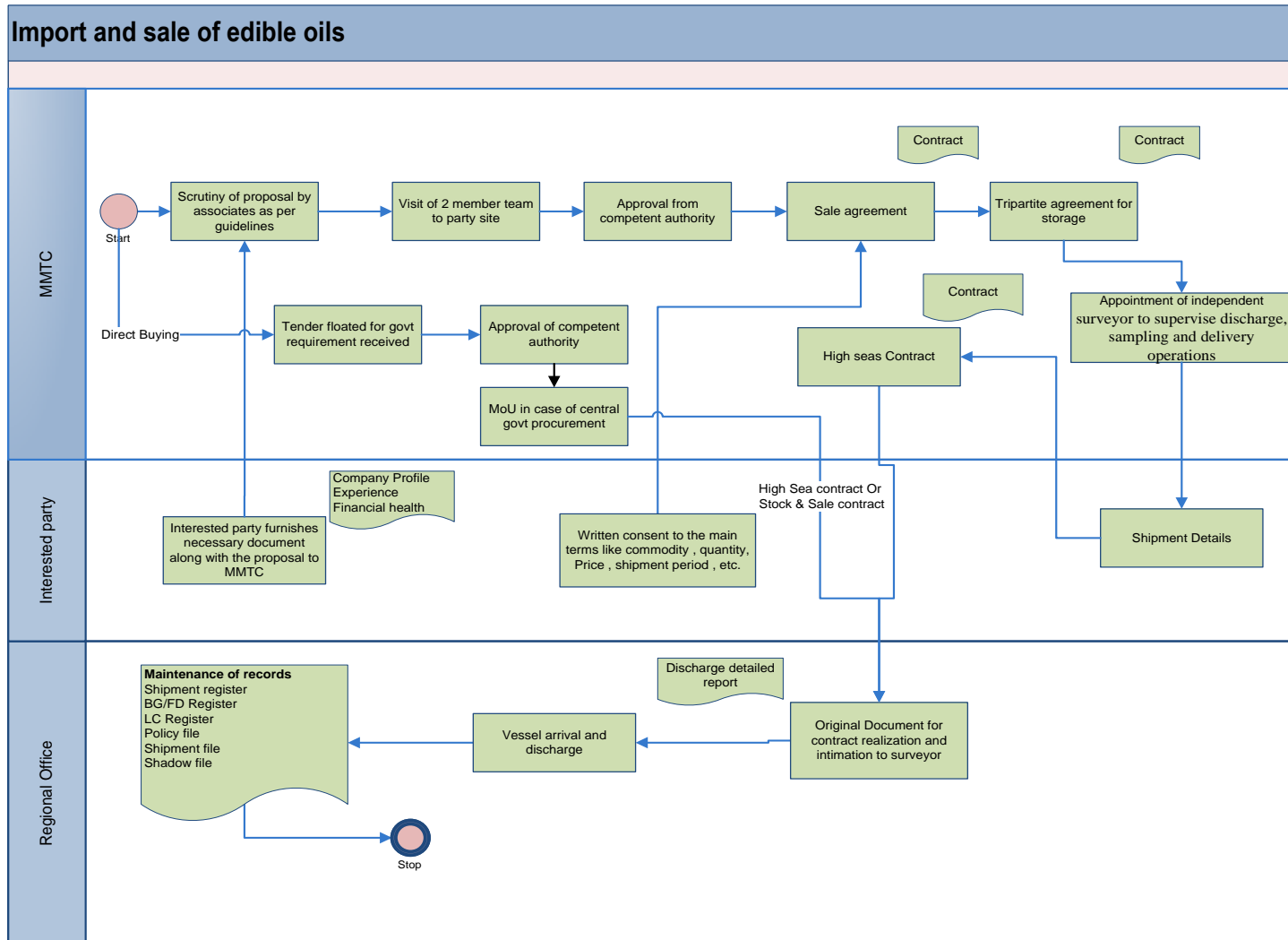
The purpose of this process is to import and sale edible oil using global tender or via contracting with interested parties.

#### 1.7.3.2 Process Summary

<b>Name of process</b>		<b>Contracting</b>	
<b>Process Goal</b>			
To import and sale edible oil using global tender or via contracting with interested parties.			
<b>Process Owner</b>			
Agro Division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Agro division		<input checked="" type="checkbox"/> Regional Office <input checked="" type="checkbox"/> Bidders/ Interested parties	
<b>Process Input</b>		<b>Process Output</b>	
<input checked="" type="checkbox"/> Proposal from prospective interested parties <input checked="" type="checkbox"/> Notification for a global tender <input checked="" type="checkbox"/> Bids from bidders <input checked="" type="checkbox"/> Contract for import		<input checked="" type="checkbox"/> Discharge of vessel <input checked="" type="checkbox"/> Duly updated registers from regional office	
<b>Transactional Volume</b>			
<input checked="" type="checkbox"/> No data available			
<b>Documentation</b>		<b>Formats</b>	
<input checked="" type="checkbox"/> High sea contract <input checked="" type="checkbox"/> Sale contract		<input checked="" type="checkbox"/> High sea contract <input checked="" type="checkbox"/> Sale contract	

Name of process	Contracting
<input checked="" type="checkbox"/> Tripartite contract	<input checked="" type="checkbox"/> Tripartite contract
<input checked="" type="checkbox"/> Bidder proposal	<input checked="" type="checkbox"/> Bidder proposal
<input checked="" type="checkbox"/> Discharge detailed report	<input checked="" type="checkbox"/> Discharge detailed report
<input checked="" type="checkbox"/> Shipment register	<input checked="" type="checkbox"/> Shipment register
<input checked="" type="checkbox"/> BG/FD Register	<input checked="" type="checkbox"/> BG/FD Register
<input checked="" type="checkbox"/> LC Register	<input checked="" type="checkbox"/> LC Register
<input checked="" type="checkbox"/> Policy file	<input checked="" type="checkbox"/> Policy file
<input checked="" type="checkbox"/> Shipment file	<input checked="" type="checkbox"/> Shipment file
<input checked="" type="checkbox"/> Shadow file	<input checked="" type="checkbox"/> Shadow file

1.7.3.3 Process Map



### 1.7.3.4 Process Description

Interested parties submit proposal to MMTC with their necessary documents indicating their financial health. MMTC scrutinizes the proposal submitted and a two member team visits bidder's site. Based on members report and approval from competent authority MMTC signs a sale contract with party and a tripartite contract including storage agency as well. MMTC appoints independent surveyors to oversee discharge, sampling and delivery operations. Once shipment details are exchanged, high sea contract is signed. All necessary documents are then forwarded to concerned regional office for contract realization. Regional office updates all respective registers and sends consolidated report to corporate office.

If MMTC decides to float a global tender then selected bidder signs a high sea and stock & sale contract with government agency after approval of competent authority.

Sr.No.	Process Detail	Responsibility Centre
1.	Import and sale of edible oil	
1.1.	Interested parties submit their proposal with necessary document for import and sale of edible oil	Interested Party
1.2.	The documents submitted as part of bids are scrutinized and a two member committee visit their site	MMTC
1.3.	Based on members report and approval from competent authority sale contract is signed with party and a tripartite contract including storage agency.	MMTC
1.4.	Independent surveyors are appointed to oversee discharge, sampling and delivery operations	MMTC
1.5.	Shipment details are forwarded to MMTC	Selected Party
1.6.	High sea contract is signed	MMTC
1.7.	In case of global tender , MoU is signed between government agency and successful bidder	MMTC

Sr.No.	Process Detail	Responsibility Centre
1.8.	Regional office maintains all statutory compliances and update all relevant registers	Regional office

#### 1.7.4 Export of wheat

##### 1.7.4.1 Description

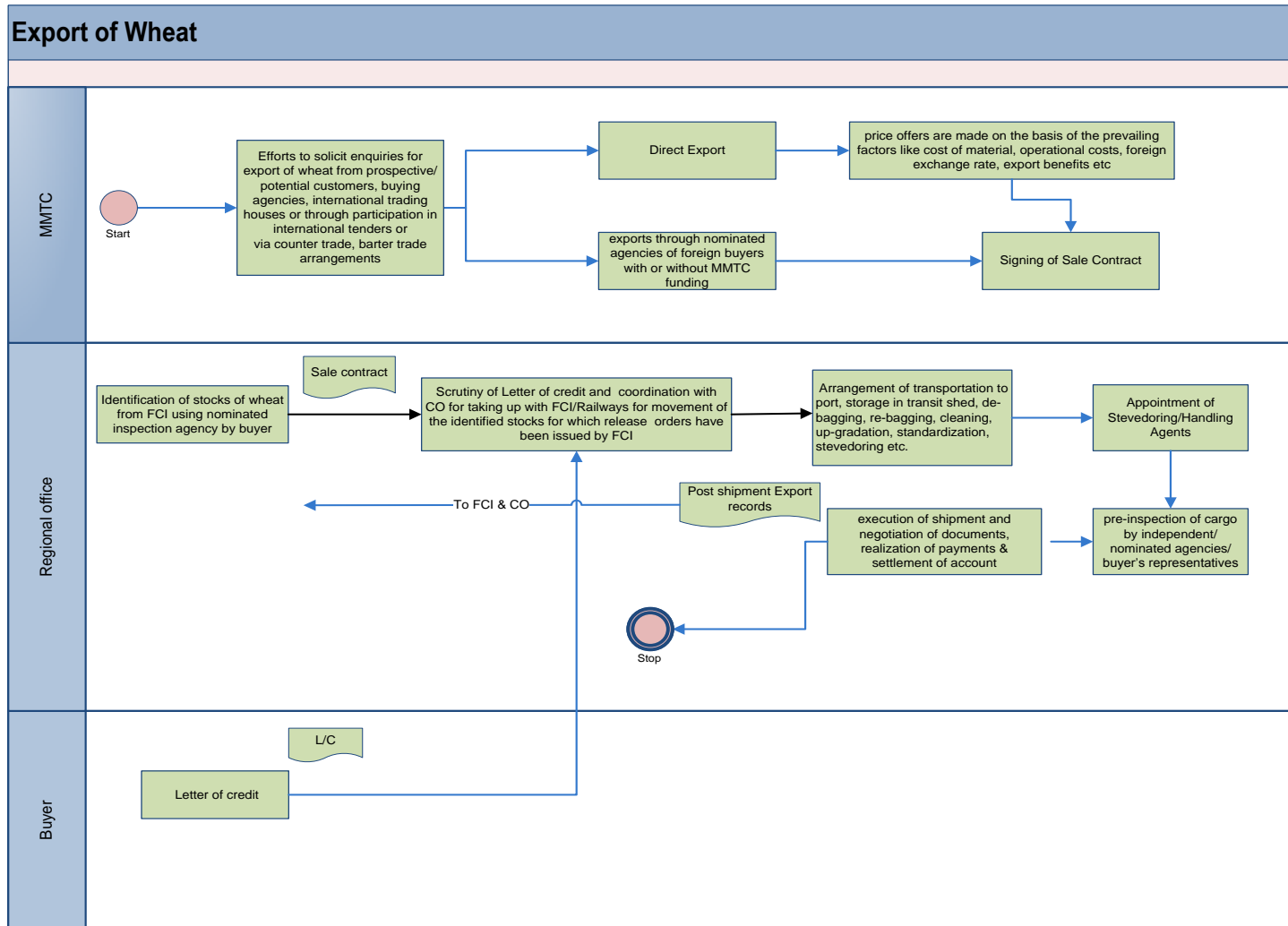
The purpose of this process export wheat either by soliciting inquiries or by participation in global tenders.

##### 1.7.4.2 Process Summary

<b>Name of process</b>	<b>Contracting</b>
<b>Process Goal</b>	
To export wheat either by soliciting enquiries or by participation in global tenders.	
<b>Process Owner</b>	
Agro Division	
<b>Primary Actors</b>	<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Agro division	<input checked="" type="checkbox"/> Regional Office <input checked="" type="checkbox"/> Buyer
<b>Process Input</b>	<b>Process Output</b>
<input checked="" type="checkbox"/> Enquiry from prospective bidders <input checked="" type="checkbox"/> Participation in a global tender	<input checked="" type="checkbox"/> Post shipment export records
<b>Transactional Volume</b>	
<input checked="" type="checkbox"/> No data available	
<b>Documentation</b>	<b>Formats</b>

Name of process	Contracting
<input checked="" type="checkbox"/> Enquiry from bidder	<input checked="" type="checkbox"/> Enquiry from bidder
<input checked="" type="checkbox"/> Sale contract	<input checked="" type="checkbox"/> Sale contract
<input checked="" type="checkbox"/> Post shipment export records	<input checked="" type="checkbox"/> Post shipment export records
<input checked="" type="checkbox"/> Letter of credit	<input checked="" type="checkbox"/> Letter of credit

1.7.4.3 Process Map



#### 1.7.4.4 Process Description

Continuous efforts are made to solicit enquiries for export of wheat from prospective/potential customers, buying agencies, international trading houses dealing with these commodities as also through participation in international tenders. Possibilities are also explored for exporting these commodities under counter trade, barter trade or any other special trading arrangements. The various methods for export of commodities includes direct exports by MMTC, exports through nominated agencies of foreign buyers with or without MMTC funding on fixed margin so as to maximize export turnover, and or any other tool or modus operandi to be envisaged and operationalized to enhance the export opportunities keeping in view the dynamics of global trading.

In the case of direct exports by MMTC, price offers are made ensuring that there is a positive contribution to MMTC on the basis of the prevailing factors like cost of material, operational costs, foreign exchange rate, export benefits etc. All sale contracts are done at C.O. Once sale contract is entered into, the same is handed over to the concerned Regional Office of MMTC for execution of the export order.

On the basis of the sale contract, Regional Office proceeds to obtain allocation of wheat from FCI. For obtaining allocation, it is required to identify the stocks of the requisite quality. For this purpose, to the extent possible, services of the inspection agency nominated by the buyers is availed for identification of stocks and the stations/godowns. After receipt of workable L/C/Security deposit from the buyer as per contract, Regional Office scrutinizes the L/C with reference to contract and only on finding the L/C to be workable, it takes further necessary action to obtain release order from FCI.

Regional offices coordinates with the C.O. for taking up with FCI/Railways for movement of the identified stocks for which release orders have been issued by FCI. They take all necessary actions like transportation to port, storage in transit shed, de-bagging, re-bagging, cleaning, up-gradation, standardization, stevedoring etc. to complete the shipment in terms of the contract. Stevedoring/Handling Agents are appointed by the Regional Office/Port Offices of MMTC as per the laid down procedures of the agency. The cargo for export is then subjected to pre-inspection by independent/nominated agencies/buyer's representatives as the case may be.



Sr.No.	Process Detail	Responsibility Centre
1.	Export of Wheat	
1.1.	Continuous efforts are made to solicit enquiries for export of wheat from prospective/potential customers, buying agencies, international trading houses dealing with these commodities as also through participation in international tenders	MMTC
1.2.	Sale contracts are furnished at corporate office	MMTC
1.3.	On the basis of the sale contract, Regional Office proceeds to obtain allocation of wheat from FCI. For obtaining allocation, is required to identify the stocks of the requisite quality	RO and FCI
1.4.	After receipt of workable L/C/Security deposit from the buyer as per contract, Regional Office scrutinizes L/C with reference to contract	RO
1.5.	Regional offices coordinates with C.O. for taking up with FCI/Railways for movement of the identified stocks for which release orders have been issued by FCI	RO
1.6.	Stevedoring/Handling Agents are appointed by the Regional Office/Port Offices of MMTC as per the laid down procedures of the agency.	RO
1.7.	The cargo for export would be subjected to pre-inspection by independent/nominated agencies/buyer's representatives as the case may be	Independent surveyors

## 1.7.5 Domestic trading in cotton

### 1.7.5.1 Description

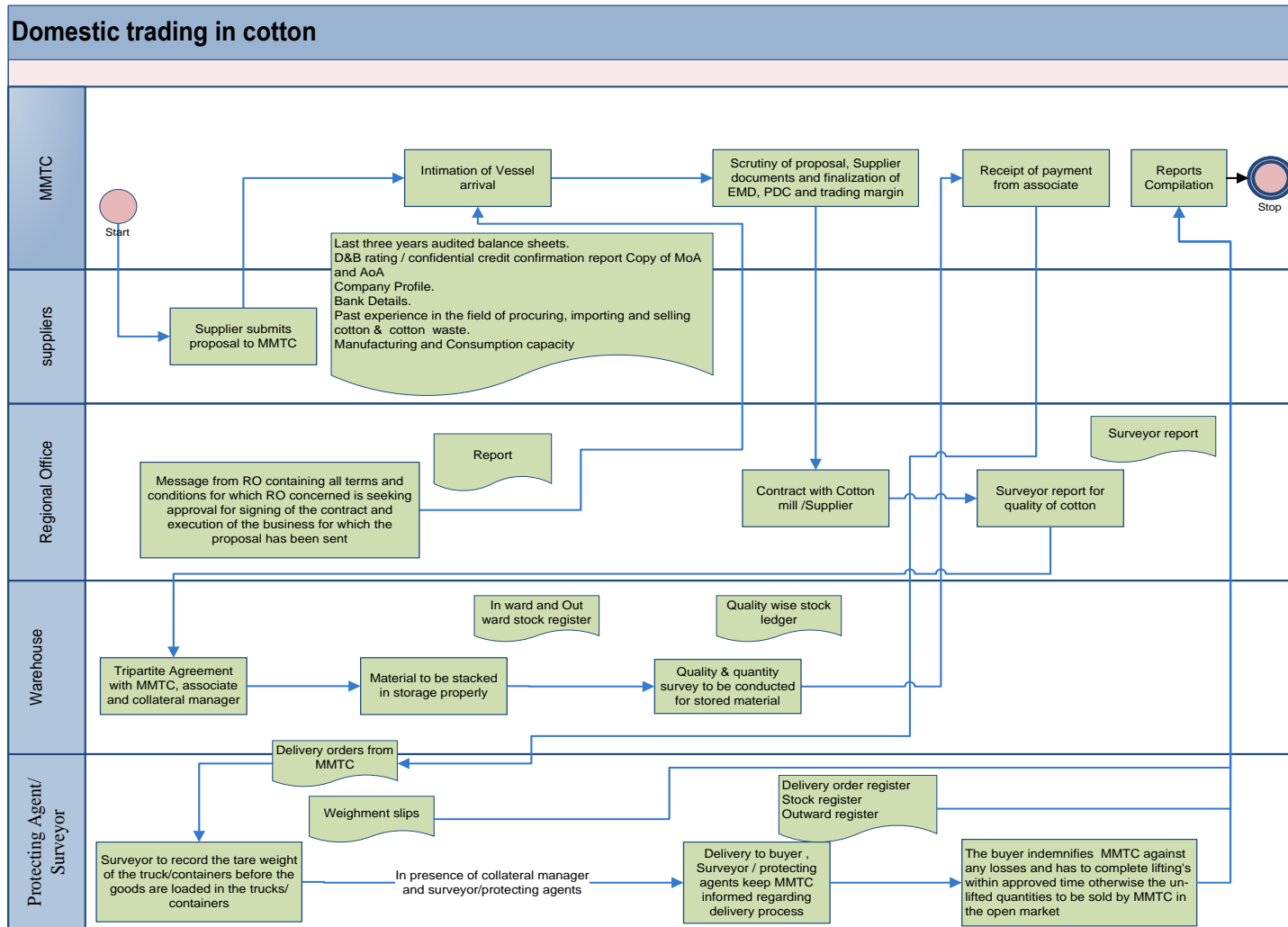
The purpose of this process is to perform trade of cotton in domestic market

### 1.7.5.2 Process Summary

<b>Name of process</b>		<b>Contracting</b>	
<b>Process Goal</b>			
To perform trade of cotton in domestic market			
<b>Process Owner</b>			
Agro Division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Agro division		<input checked="" type="checkbox"/> Regional Office <input checked="" type="checkbox"/> Supplier <input checked="" type="checkbox"/> Warehouse Agency <input checked="" type="checkbox"/> Protecting Agent/Surveyor	
<b>Process Input</b>		<b>Process Output</b>	
<input checked="" type="checkbox"/> Proposal from prospective Supplier		<input checked="" type="checkbox"/> Post shipment export records	
<b>Transactional Volume</b>			
<input checked="" type="checkbox"/> No data available			
<b>Documentation</b>		<b>Formats</b>	

Name of process	Contracting
<input checked="" type="checkbox"/> Enquiry from bidder	<input checked="" type="checkbox"/> Enquiry from bidder
<input checked="" type="checkbox"/> Sale contract	<input checked="" type="checkbox"/> Sale contract
<input checked="" type="checkbox"/> Post shipment export records	<input checked="" type="checkbox"/> Post shipment export records
<input checked="" type="checkbox"/> Letter of credit	<input checked="" type="checkbox"/> Letter of credit

1.7.5.3 Process Map



#### 1.7.5.4 Process Description

Interested supplier submits proposal to MMTC with their relevant documents. After scrutiny of documents and finalization EMD, Trading margin and PDC amount, consent from concerned regional office is taken. Regional office gets into contract with cotton supplier and a tripartite contract is signed including warehouse agency. Quality checks and inward /outward registers are maintained at warehouse. Once delivery order is received from MMTC, independent surveyor issue weighment slips and keeps MMTC informed regarding delivery process.

Sr.No.	Process Detail	Responsibility Centre
1.	Domestic trading in cotton	
1.1.	Interested supplier makes a proposal to MMTC with all relevant documents	Supplier
1.2.	Documents and scrutinized and decision on EMD, PDC and trading margin is taken	MMTC
1.3.	Concerned regional office provides its consent for getting into contract	Regional office
1.4.	Contracts are signed with supplier and warehouse agency	Regional office
1.5.	Quality checks are performed at warehouse and inward/outward movement of stock is registered	Warehouse
1.6.	Weighment of stock while loading and supervision of delivery	Independent surveyor

## 1.7.6 Handling of containerized consignment of pulses

### 1.7.6.1 Description

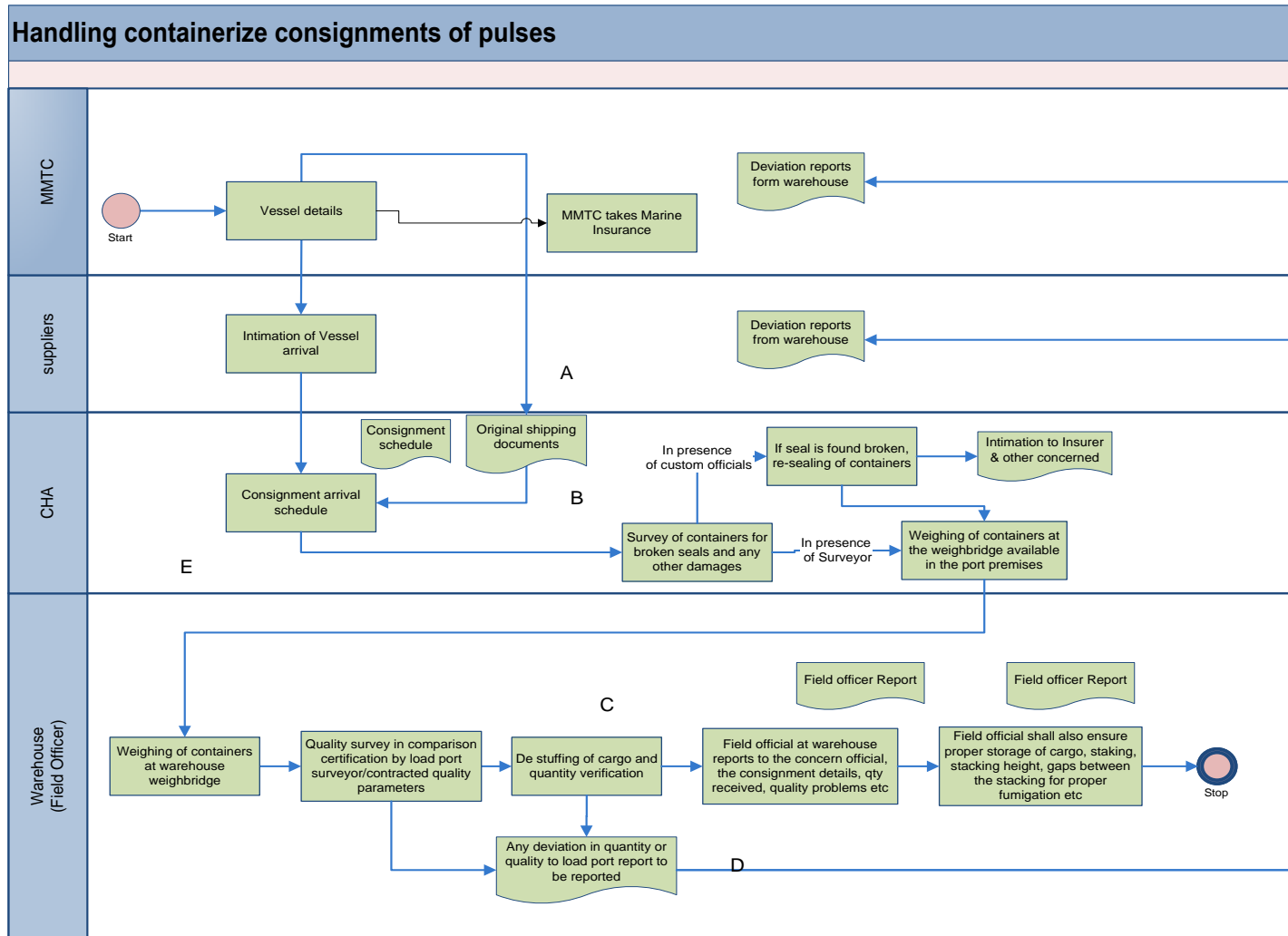
The purpose of this process is to oversee movement of containerized consignment of pulses from supplier to delivery at warehouse.

### 1.7.6.2 Process Summary

<b>Name of process</b>		<b>Contracting</b>	
<b>Process Goal</b>			
To oversee movement of containerized consignment of pulses from supplier to delivery at warehouse			
<b>Process Owner</b>			
Agro Division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Agro division		<input checked="" type="checkbox"/> CHA <input checked="" type="checkbox"/> Supplier <input checked="" type="checkbox"/> Warehouse Agency <input checked="" type="checkbox"/> Field officer	
<b>Process Input</b>		<b>Process Output</b>	
<input checked="" type="checkbox"/> Receipt of shipment details		<input checked="" type="checkbox"/> Field officer report	
<b>Transactional Volume</b>			
<input checked="" type="checkbox"/> No data available			
<b>Documentation</b>		<b>Formats</b>	
<input checked="" type="checkbox"/> Shipment details <input checked="" type="checkbox"/> Deviation reports from warehouse <input checked="" type="checkbox"/> Weighment reports		<input checked="" type="checkbox"/> Deviation reports from warehouse <input checked="" type="checkbox"/> Weighment reports <input checked="" type="checkbox"/> Intimation to insurer	

Name of process	Contracting
<input checked="" type="checkbox"/> Intimation to insurer <input checked="" type="checkbox"/> Field officer/survey reports	<input checked="" type="checkbox"/> Field officer/survey reports

1.7.6.3 Process Map





**A- B : Banking Channel → documents are sent by supplier through banking channel; MMTC accepts documents and make payment**

C-D : in case of containerized bulk cargo – “bagging process” will be included

E-C ; (only in case of bulk cargo – all are CHA responsibility, all other boxes will be removed): Draft survey , fumigation , PPQ/ custom clearance , if short quantity deviation report to MMTC and supplier

Vessel discharge at port

Bagging process

**1.7.6.4 Process Description**

Upon receipt of the shipment details from Corporate Office (C.O.)/Supplier, official looking after the clearing immediately informs the CHA about the intended consignment arrival schedule and other details. The official concerned follows up with the C.O. for original shipping documents, and with the CHA for arrival schedule. Once the consignment is ready for dispatch to intended warehouse, concerned official advises CHA and CHA ensures that all the container(s) are surveyed for damages etc. surveyor checks the seal of the containers, and any seal if broken needs to be re-sealed in the presence of custom official by the surveyor taking note of these containers.

At the time of taking delivery of the container from the port, CHA /Surveyor verify seal and if any seal broken etc. is intimated to the concern official for intimation to Insurer and all other concerned. Official looking after clearance ensures that all the container(s) are weighed at the weighbridge available in the port premises only in the presence of surveyor and any difference between the weight at weighbridge and as per shipping document (Bill of Lading) is informed by CHA/Surveyor to the concern official. / supplier for joint inspection and if needed to insurer.

Once the container is taken to the intended warehouse, the same is once again weighed near the warehouse weighbridge, any variation in weight from the weigh bridge near the port and near the warehouse the same is brought to the notice by surveyor/filed officers to the concern official.

The goods received from the containers/consignment are checked by the surveyor and if difference is found in the quality (as compared to the certification by load port surveyor/contracted quality parameters) than the load port certification, it is brought to the notice of the concerned official so that the supplier and other concern can be put on notice for the same.

Surveyor reports all the activity of weighing the container(s) at all weighbridge and de-stuffing of the cargo at warehouse. Any deviation than the load port certification and contracted quantity/quality, is brought to the notice of concerned official and shall form the part of surveyor report.

Field official ensures proper storage of cargo, staking, stacking height, gaps between the stacking for proper fumigation etc. and shall be solely held responsible for the deviation if any in proper storing the cargo at warehouse.

Sr.No.	Process Detail	Responsibility Centre
1.	Handling of containerized consignment of pulses	
1.1.	Receipt of the shipment details from Corporate Office (C.O.)/Supplier, official looking after the clearing shall immediately inform the CHA about the intended consignment arrival schedule etc	MMTC
1.2.	Once the consignment is ready for dispatch to intended warehouse, CHA ensures that all the container(s) must be surveyed for damages etc. surveyor to check the seal of the containers, and any seal if broken needs to be re-sealed in the presence of custom official by the surveyor taking note of these containers	CHA
1.3.	All the container(s) are weighed at the weighbridge available in the port premises only in the presence of surveyor and any difference between the weight at weighbridge and as per shipping document (Bill of Lading) is informed by CHA/Surveyor to the concerned official	Field officer
1.4.	The goods so received from the containers/consignment are checked by the surveyor and if difference is found in the quality than the load port certification	Surveyor

Sr.No.	Process Detail	Responsibility Centre
1.5.	Surveyor reports all the activity of weighing the container(s) at all weighbridge and de-stuffing of the cargo at warehouse	Surveyor
1.6.	Field official ensures proper storage of cargo, staking, stacking height, gaps between the stacking for proper fumigation etc	Field officer

## 1.8 General Trading

### 1.8.1 Process for Import/Export and Domestic trade in General Trade Division

#### 1.8.1.1 Description

The purpose of this process is to select a buyer / supplier for General Trade Commodities.

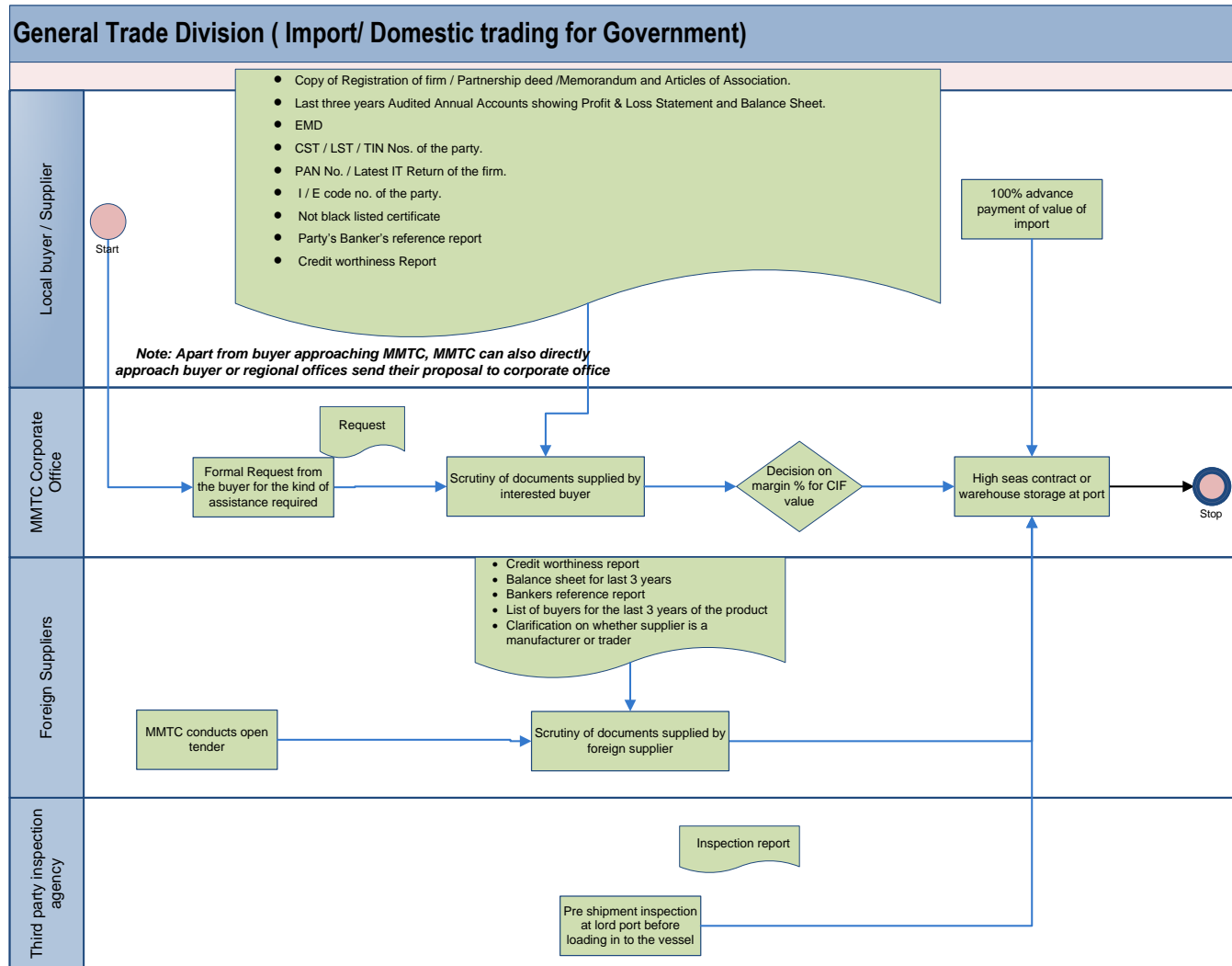
#### 1.8.1.2 Process Summary

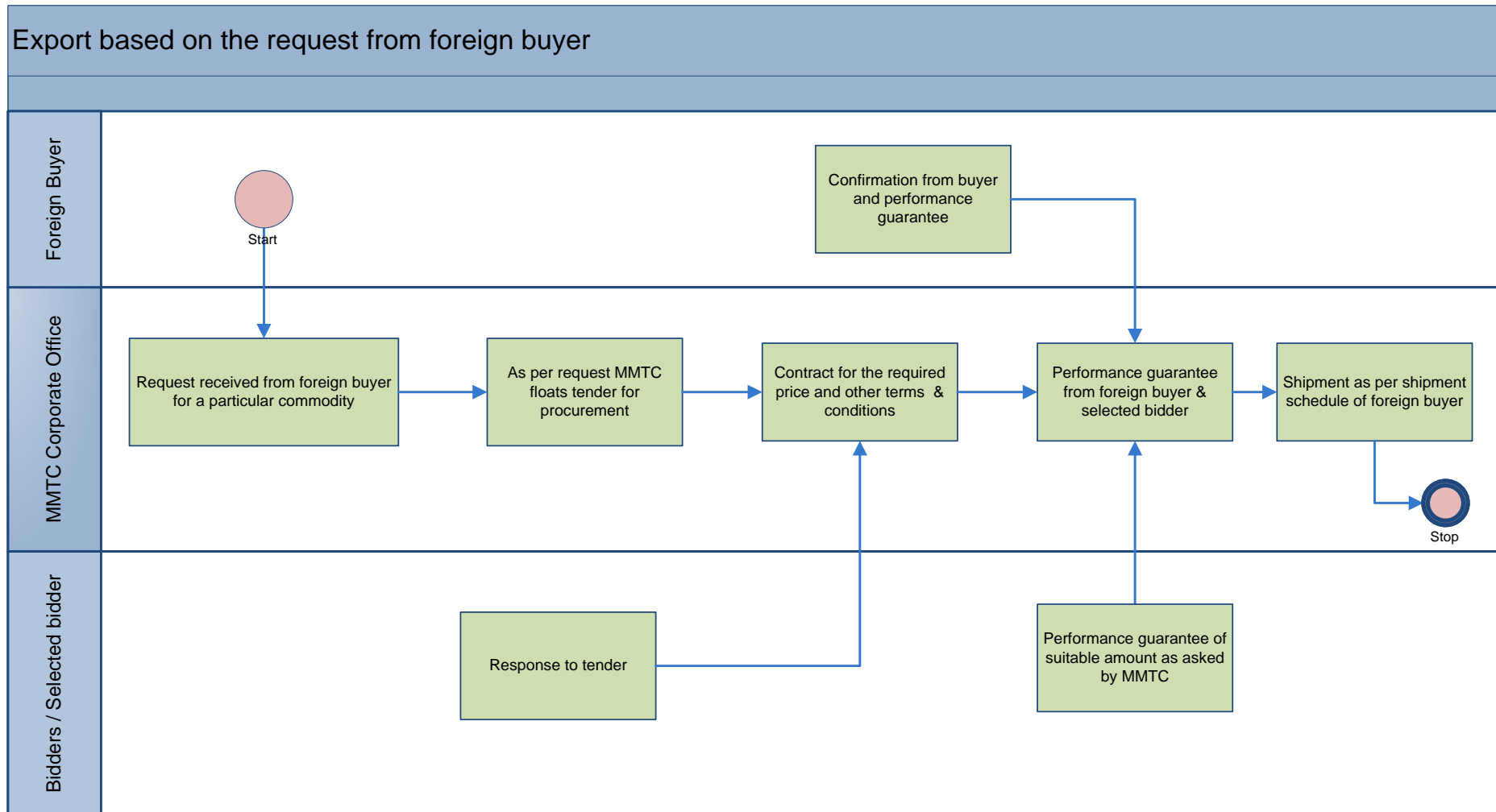
Name of process	Contracting
<b>Process Goal</b>	
To select a Buyer / Supplier for general trade commodities.	
<b>Process Owner</b>	

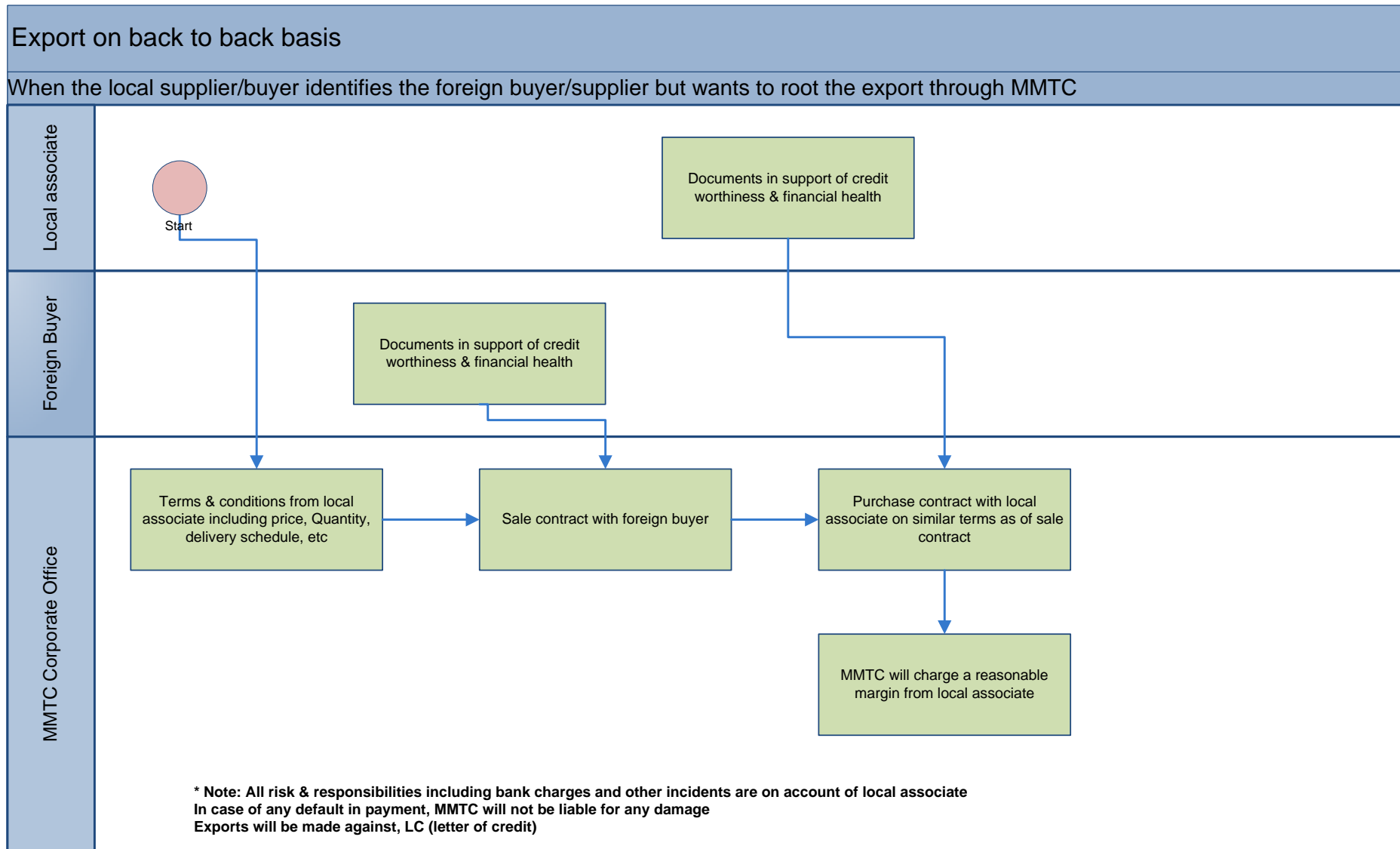
Name of process	Contracting
General Trade Division	
Primary Actors	Secondary Actors
<input checked="" type="checkbox"/> General Trade division	<input checked="" type="checkbox"/> Interested Buyer/ Agency <input checked="" type="checkbox"/> Local & foreign supplier <input checked="" type="checkbox"/> Third party Inspection agency <input checked="" type="checkbox"/> Finance division <input checked="" type="checkbox"/> Insurance agency <input checked="" type="checkbox"/> Warehouse agency <input checked="" type="checkbox"/> Credit rating agency <input checked="" type="checkbox"/> Clearing and handling agents (CHA)
Process Input	Process Output
<input checked="" type="checkbox"/> Formal request from interested Buyer. <input checked="" type="checkbox"/> For domestic trade the requisition from any Government agency or through open tender or from any manufactures / traders/ vendors	<input checked="" type="checkbox"/> Contract between MMTC and Foreign buyer/ supplier <input checked="" type="checkbox"/> Contract between MMTC and the local buyer/supplier. <input checked="" type="checkbox"/> For Domestic trade between MMTC and Government agency/private trader the contract shall be drawn between MMTC

Name of process	Contracting
	<p>and the supplier/trader.</p> <p><input checked="" type="checkbox"/> In case of direct supply to the government department the contract may also be drawn between MMTC and Government agency.</p>
<b>Transactional Volume</b>	
<p><input checked="" type="checkbox"/> No definite frequency</p>	
Documentation	Formats
<p><input checked="" type="checkbox"/> Proposal from interested buyer/supplier</p> <p><input checked="" type="checkbox"/> Company profile of interested buyer/supplier</p> <p><input checked="" type="checkbox"/> Supporting documents for credit worthiness and credit rating.</p> <p><input checked="" type="checkbox"/> Inspection report at load port/discharge for the cargo.</p> <p><input checked="" type="checkbox"/> Inspection through reputed third party agency before supply to government agency/other buyers in case of domestic trading.</p>	

1.8.1.3 Process Map









#### **1.8.1.4 Process Description**

The general trade division performs import/export/domestic trade of commodities which is not covered as part of minerals, agro, coal and hydrocarbons or precious metals groups. Such commodities may be resins, petrochemicals, security items, gypsum, clinker, cement, cotton, wool, yarn, naphtha, bitumen, pharmaceutical, machinery, transformer, timber, engineering products, services, iron & steel items, minerals not being exported / imported by Minerals division, other fertilizers, other agro items, etc.

In case of domestic trading, if any government agency makes a request for a particular commodity MMTC finds a suitable backup supplier and gets into contract with the eligible supplier.

Usually MMTC does a high seas contract with the buyer or it is stored in CWC/SWC or any Government agencies warehouse at the port or nearby place. EMD, MMTC trading margin shall be decided on case to case basis subject to approval of competent authority.

In case of general trade involving foreign supplier, MMTC conducts an open tender and based on scrutiny of their creditworthiness, banker's reference report, past record, etc., It gets into a contract with them.

MMTC's General Trade Division at Corporate office has to examine the proposal duly concurred by finance and approved by Law Division on the basis of documents submitted by the buyer or through ROs.

General trade division ensures that the forex cover in respect of import and export commodities is taken in consultation with the local associates to hedge the risk of exchange fluctuations.

While entering in to the above transactions, General trade division ensures compliance of all the instructions issued by Finance & Accounts Division, Corporate Office from time to time.

In case of exports, MMTC does export on the request of foreign buyer or on the back to back basis where the local supplier/buyer identifies the foreign buyer/supplier but wants to route the export through MMTC.

#### On request from foreign buyer

Based on the request, MMTC floats a tender for procurement. Upon receipt of response and selection of bidder, contract for price and other terms & conditions is signed. On confirmation from the buyer MMTC ask for a PG of suitable amount selected bidder. The same is also taken from foreign buyer. Based on shipment schedule from foreign buyer, shipment is done.

#### Back to back basis

MMTC receive s terms & conditions from local associate including price, quality delivery schedule, etc. MMTC gets into sale contract with foreign buyer accordingly. Purchase contract with local associate is signed on similar terms as of sale contracts. All risk & responsibilities including back charges or other incidents are on the account of local associate. MMTC charges a reasonable margin from local associate. In case of any default in payment , MMTC is not liable for any damage.

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Process of import of general trade commodities	
	Domestic Trading for Government / Import	
<b>1.1.</b>	Formal Request is made for a particular commodity to MMTC corporate office	Government Agency /Local supplier or buyer
<b>1.2.</b>	Examination of the proposal duly concurred by finance and approved by Law Division on the basis of documents submitted by the buyer or through ROs	MMTC's General Trade Division
<b>1.3.</b>	Decision on margin percentage for CIF value	MMTC's General Trade Division
<b>1.4.</b>	Local buyer/suppliers provide 100% advance payment of value of import	Local buyer/supplier
<b>1.5.</b>	In case of foreign supplier, MMTC floats an open tender	MMTC's General Trade Division
<b>1.6.</b>	Supplier documents are scrutinized for credit worthiness	MMTC's General Trade Division
<b>1.7.</b>	Pre shipment inspection at port before loading in to the vessel	Third party inspection agency
<b>1.8.</b>	High seas contract or warehouse storage at port	All stakeholders concerned
	Export ( On the basis of request from foreign buyer)	
<b>1.9.</b>	Formal request is sent to MMTC	Foreign buyer

Sr.No.	Process Detail	Responsibility Centre
1.10.	As per request MMTC floats a tender	MMTC's General Trade Division
1.11.	Bidders response to open tender floated by MMTC	Prospective bidders
1.12.	Performance guarantee is asked from foreign buyer & selected bidder	MMTC's General Trade Division
1.13.	Shipment is done as per schedule from foreign buyer	Concerned Regional office
	Export ( On the basis of request from foreign buyer)	
1.14.	Terms & conditions from local associate including price, Quantity, delivery schedule, etc.	Local associate
1.15.	Sale & purchase contract are signed with foreign buyer & local associate respectively	MMTC's General Trade Division

## 1.9 Shipping

### 1.9.1 Process for selection of vessel

#### 1.9.1.1 Description

The purpose of this process is to select vessel or substitute as per requirements of commodity division via Ministry of Shipping (Transchart System).

#### 1.9.1.2 Process Summary

<b>Name of process</b>	<b>Contracting</b>
<b>Process Goal</b>	
Select vessel or substitute as per requirements of commodity division via Ministry of Shipping	
<b>Process Owner</b>	
Shipping Division	
<b>Primary Actors</b>	<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Shipping division	<input checked="" type="checkbox"/> Commodity division at MMTC <input checked="" type="checkbox"/> Insurance division at MMTC <input checked="" type="checkbox"/> Supplier

Name of process	Contracting
	<input checked="" type="checkbox"/> Ministry of shipping (Transchart system) <input checked="" type="checkbox"/> Finance division at MMTC <input checked="" type="checkbox"/> Vessel agents (at load port and disport) <input checked="" type="checkbox"/> Independent surveyors (at load port and disport)
Process Input	Process Output
<input checked="" type="checkbox"/> Indent from commodity division to shipping division	<input checked="" type="checkbox"/> Finalization of vessel through Ministry of shipping (Transchart system) <input checked="" type="checkbox"/> Loading and discharge of vessel <input checked="" type="checkbox"/> Demurrage / dispatch calculations at load port and disport <input checked="" type="checkbox"/> As per charter party, vetting of bills by shipping and commodity division <input checked="" type="checkbox"/> Release of payments by finance division
Transactional Volume	
<input checked="" type="checkbox"/> No definite frequency	
Documentation	Formats

Name of process	Contracting
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Indent from product division</li> <li><input checked="" type="checkbox"/> Request to Ministry of shipping (Tranchart system)</li> <li><input checked="" type="checkbox"/> Obtaining acceptance of vessel from supplier and load port terminal through commodity division</li> <li><input checked="" type="checkbox"/> Conveying acceptance of vessel to Ministry of shipping(Tranchart system) and finalization of vessel</li> <li><input checked="" type="checkbox"/> Notices of likely arrival of vessel at ports by vessel master/owner</li> <li><input checked="" type="checkbox"/> Serving of Notice of readiness(NOR) by vessel master on arrival</li> <li><input checked="" type="checkbox"/> Daily loading/unloading reports from supplier (at load port) and receiver(at disport) or their agents</li> <li><input checked="" type="checkbox"/> Statements of facts</li> <li><input checked="" type="checkbox"/> Owners bill</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Notices of likely arrival of vessel at ports by vessel master/owner</li> <li><input checked="" type="checkbox"/> Serving of Notice of readiness(NOR) by vessel master on arrival</li> <li><input checked="" type="checkbox"/> Daily loading/unloading reports from supplier (at load port) and receiver(at disport) or their agents</li> <li><input checked="" type="checkbox"/> Statements of facts</li> <li><input checked="" type="checkbox"/> Owners bill</li> </ul>





#### 1.9.1.4 Process Description

The commodity division sends an indent to shipping division having details of laycan, quantity of commodity, etc. The shipping forwards this request to Ministry of Shipping (TRANSCHART system) with the terms and conditions. The TRANSCHART system enters in to market with quotes and timelines and replies back to shipping division with best possible freight rates, vessel name & description along with shipping terms & conditions.

Commodity division forwards the vessel details to supplier for acceptance. Once accepted by foreign supplier or Indian receiver and communicated to TRANSCHART, vessel is confirmed and fixture note is prepared. An intimation of the same is forwarded to the on ground vessel agents. Once vessel is in the vicinity of port, after obtaining free pratique, the vessel master sends anchoring request to supplier's agent at port before hatching. Once accepted, clearing and handling agents conducts draft survey of vessel. During the course of loading of vessel, vessel agents stationed at port sends daily loading/discharge reports to suppliers and other charters. On the completion of loading, CHA prepares statement of facts having details of loading and unscheduled/scheduled delays. Independent surveyor performs quantity survey of vessel based on which bill of the lading for the said quantity is prepared by vessel master/agent.

A copy of bill of lading is sent to vessel owner while original is sent to concerned RO/SRO. Vessel owner then raises the owner's bill and submits it to MMTC. Statement of facts (SOF) is prepared by both port of loading and discharge and submitted MMTC. Shipping division verify all the documents (Bill of lading, owner's bill and fixture note) against charter party and mutually settles dispatch/ demurrage figures with vessel owner. As per negotiations owner raises a fresh bill to MMTC which is sent to finance division for release of payments by Commodity division.

Sr.No.	Process Detail	Responsibility Centre
1.	Process for selection of vessel	
1.1.	Indent having details of laycan, quantity, load port, disport, load rate & other contractual details is submitted to shipping division	Commodity Division
1.2.	The request for vessel is forwarded to Ministry of Shipping (TRANCHART System)	Shipping division
1.3.	Search of best suitable freight rate in market is performed as per terms & conditions	TRANSCART System
1.4.	The details of vessel name & descriptions along with shipping terms are forwarded to foreign supplier/ Indian receiver for acceptance	Commodity division
1.5.	Once accepted, vessel is confirmed and fixture note is prepared	TRANSCART System
1.6.	An intimation is sends to ground agents of vessel	TRANSCART System
1.7.	Anchoring NOR is send to Supplier's agent at port	Vessel Master
1.8.	On acceptance of NOR, Draft survey of vessel is performed	CHA
1.9.	Daily report of loading/discharge progress is sent to all charter parties	Vessel Agent
1.10.	On completion of loading, statement of facts is generated	CHA

Sr.No.	Process Detail	Responsibility Centre
1.11.	Independent survey for quantity loaded in vessel is conducted	Independent Surveyor
1.12.	Bill of lading is prepared for surveyed quantity, a copy is sent to owner while original is sent to concerned RO/SRO	Vessel master
1.13.	Owners bill is raised to MMTC for approved quantity	Vessel Owner
1.14.	Statement of facts (SOF) is prepared at load port and discharge port and is submitted to MMTC	RO/SRO
1.15.	Bill of lading, Owners bill, Statement of facts and fixture note are verified against charter party	Vessel Owner
1.16.	Dispatch /demurrage calculations are verified and negotiated with the vessel owner	Shipping Division
1.17.	As per owners fresh bill, payment is released	Finance Division
	Payment terms	
1.18.	For Performing Owner: 90% payment has to be released within seven(7) days of completion of loading at the load port	
1.19.	For despondent owner: 90% payment has to be released within seven (7) days of safe arrival of vessel at birth i.e. unloading point. Remaining 10% payment is released after 120 days of loading completion & safe arrival	

## Corporate function

### 1.10 Law

#### 1.10.1 Description

The Law division of MMTC primarily has the following major areas of work, namely:

- Vetting of documents from a legal angle.
- Appointment of advocates and senior advocates.
- Filing/ defending of litigations (in coordination with concerned divisions).
- Follow up of litigation.
- Opinion and advisory work.
- Meetings with senior advocates and senior government officials.
- Submission of various MIS to management- as and when required and on periodic basis.
- Issuing circulars on important current legal and regulatory developments and hosting the same on MMTC's intranet.
- Settlement of dispute through dispute settlement machinery.
- Holding in-house training and seminars on legal matters.
- Publication of law bulletin.
- Maintenance of law library.
- Processing of payment to advocates, senior advocates and arbitrators.
- Other matters related to Law and its enforcement

#### 1.10.2 Process Summary

Name of process	Law
<b>Process Goal</b>	
To carry out the various tasks associated with Law Division	

<b>Process Owner</b>	
Law Division	
<b>Primary Actors</b>	<b>Secondary Actors</b>
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Law Division</li> </ul>	<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Various divisions at CO, RO, SRO</li> <li><input checked="" type="checkbox"/> Management</li> <li><input checked="" type="checkbox"/> Advocates, Senior advocates, various courts, tribunals, forums, arbitrators, consultants, and various adjudicating authority</li> </ul>
<b>Process Details</b>	
<ul style="list-style-type: none"> <li>• The law division requires following data in the system             <ul style="list-style-type: none"> <li>○ Serial number</li> <li>○ Commodity/ Division name</li> <li>○ Case number with year which are of the following types                 <ul style="list-style-type: none"> <li>▪ Suit number</li> <li>▪ Writ petition number</li> <li>▪ Criminal complaints</li> <li>▪ Criminal case number</li> <li>▪ Arbitration number</li> <li>▪ Assessment year</li> <li>▪ Civil appeal number</li> <li>▪ Criminal appeal number</li> <li>▪ Revision number</li> <li>▪ Execution petition number</li> <li>▪ Others</li> </ul> </li> <li>○ Name of the case/ parties</li> <li>○ Name of forum, which are of the following types:                 <ul style="list-style-type: none"> <li>▪ Supreme court</li> </ul> </li> </ul> </li> </ul>	

- High court
- District & Session court
- Tribunals
- MM/JM court
- National commission
- State commission
- District forum
- Labor court
- Others
- Claim amount
- Counter claim amount
  - In rupees
  - In dollar
  - In other foreign currency
- Name of arbitrator
- Name of advocate
- Name of senior advocate
- Legal expenses
- Details on security deposit / collateral security
- Details of deposit made by MMTC
- Brief facts about the case (150 words )
- Date/ hearing wise development of the case
- Next date of hearing
- Award and decree cases
- Remarks / orders / highlights

- The Law division maintains details on
  - Arbitrator / advocate details like
    - Name
    - Address
    - Contact details
    - Email
- The following MIS reports are generated by the Law division:
  - Case wise
  - Commodity wise number of cases
  - Age wise list of cases
  - Amount (in user defined band ex up to 50,000, up to 1 lac, up to 10 lacs etc) wise list of cases
    - In rupees
    - In dollar
    - In other foreign currency
  - Civil cases
  - Arbitration cases
  - Region wise cases
  - Advocate wise cases
  - Legal expense – case wise / consolidated/ Advocate wise
  - Consolidated list of cases
  - Report over a time frame (user selectable) on the following parameters:
    - New cases filed
    - Number of cases disposed
    - Number of pending cases
  - Forum / court wise number of cases

- Tribunal wise cases
- Award and decree cases
- The cases should be selectable/ searchable over parameters like:
  - Case wise
  - Advocate wise
  - Region wise
  - Claim wise
  - Division wise
  - Forum wise
  - Civil / criminal/ arbitration / tribunal case wise
  - Age wise
- The system should generate a report containing the full particulars of a user selected case



## 1.11 Corporate Communication

### 1.11.1 Description

The Corporate Communications division of MMTC primarily has the following major areas of work, namely:

- To publicize the business activities of the Corporation as and when required.
- Manage all publicity related works of MMTC
- To ensure wide publicity of the jewellery exhibitions being organized by Precious Metals division and JJC
- Publishing Tenders, Financial results (quarterly and annual) in Newspaper(s)
- On an average around 150 tenders are published in a year
- Publishing MMTC's quarterly magazine "*Spectrum*"
- Printing of calendars, diaries, brochures and Annual reports

### 1.11.2 Process Summary

<b>Name of process</b>	<b>Corporate Communications</b>	
<b>Process Goal</b>		
To carry out the various tasks associated with Corporate Communications		
<b>Process Owner</b>		
Corporate Communications		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Corporate Communications		<input checked="" type="checkbox"/> All divisions of MMTC

	<input checked="" type="checkbox"/> Empanelled agencies <input checked="" type="checkbox"/> Associate Finance <input checked="" type="checkbox"/> Finance - Administration & Establishment division <input checked="" type="checkbox"/> Rajbhasha division
<b>Process Details</b>	
<ul style="list-style-type: none"> <li>• This division empanels agencies through tender for awarding all work related to Publicity, printing of in-house magazines, annual reports, diaries, calendar etc.</li> <li>• These agencies carry out all décor designing, publicity related work while organizing these exhibitions</li> <li>• This division also may award work through limited invitation to agencies who have done similar kind of work with MMTC</li> <li>• All divisions of MMTC send their content for publishing of Tenders to this division with prior approval of the Director of the concerned division</li> <li>• This division gets printing of Calendars, Diaries, Annual report, Brochures etc. done through agencies selected through tender</li> <li>• This division initiates the work order and sends to the Director through associate finance for approval</li> <li>• After approval by competent authority, the division issues the work order</li> <li>• An entry of this work order is made by this division manually in a register. This register contains the following details: <ul style="list-style-type: none"> <li>○ Budget allocated for the FY</li> <li>○ Details of Work order issued with date, agency details, amount etc.</li> <li>○ Remaining budget for the FY</li> </ul> </li> <li>• After the work is executed by the agency they submit bill for payment to the Corporate Communications division who checks it with reference</li> </ul>	

to the approval, work order and supporting documents related to execution of work.

- The Associate Finance also verifies the bill and if everything is in order, concur it for payment and forward the bill to the division. Division retains a copy of the documents and forward it to Finance – Administration & Establishment division for release of payment.
- If the agency is a new one then they send a request to the System division for creation of vendor account through associate finance and subsequent to creation of vendor code documents are being forwarded by the division to Finance – Administration & Establishment division for release of test payment payment of Re.1/- only. After receipt of test payment, vendor confirms it to the division who provides a copy of the same to Finance – Administration & Establishment division and banking division. After this, bill is processed by the division as detailed in previous two paras.
- This division also prepares number of MIS reports like:
  - Financial position of the division with details of budget allocated, work order value and remaining budget
  - Payment made to agencies
  - Total number of advertisements published in Hindi and English (this report is sent to the Rajbhasha division)

## 1.12 Finance – Administration and establishment division

### 1.12.1 Description

This division primarily deals with all payments related to the administrative expenses of the corporate office. This division acts as the *Associate finance division* to the Administration & establishment division. The Administration division process the payments of both external vendors and regular employees of MMTC.

Establishment division deals with:

1. All employee related payments like salary, PRP, loans & advances to Employees,
2. Some housekeeping bills and bills related to upkeep of MMTC colony maintenance/ repairs / construction work are also done by this division.
3. This division deals mostly with employee related payments and works based on approvals from Personnel Division

FSA division deals with:

1. All administrative heads of expenditure like payments for:
  - a. office building,
  - b. electricity,
  - c. telephone,
  - d. hotel bills,
  - e. vehicle hire expenses,
  - f. tour expenses -both India and International
  - g. buying foreign currency ,
  - h. remittance to foreign office towards salary and office expenses,
  - i. legal expenses,
  - j. entertainment expenses,
  - k. directors sitting fees,

- I. Reimbursements to employees like TA/DA, telephone, ALTC, honorarium, out of pocket expenses, attendant's charges. With respect to any of these payments the applicable statutory levies of Income- tax, service tax, Vat payments are levied and remitted monthly.

### 1.12.2 Process Summary

Name of process		Payment to vendors and Receipts from vendors
<b>Process Goal</b>		
To process the payment of vendors working with corporate office and also managing the receipts from the vendors and to make disbursements of salary/ loan , earned leave encashment, terminal benefits like service award to employees		
<b>Process Owner</b>		
Finance – Administration & Establishment division		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Administration Accounts & Establishment division		<input checked="" type="checkbox"/> Vendors <input checked="" type="checkbox"/> Banking division <input checked="" type="checkbox"/> Administration division <input checked="" type="checkbox"/> Personnel division
<b>Process Details</b>		
<p>The Administration division of MMTC sends the bills under various heads like Estates, Training etc. to this division for processing and making payments. This division checks the bills before making the payment.</p> <p>After checking the bills if the vendor already exists, vendor payment is made by entering the vendor bill/invoice in Accounts Payable module. Then a pay batch is created and the voucher is authorized for banking division to make payment. The bills along with pay batch voucher having '<b>passed for payment note</b>' is forwarded to banking division who makes the e- payment to vendor.</p> <p>If the vendor does not exist then this division sends a request to the Systems division to create a vendor account. After the vendor account is created this division maps the new vendor by making a test payment of Re.1. After receipt of confirmation from the vendor payment batch is created and</p>		

followed by payment advice.

**Receipts voucher:-**

This division also deals with all the payment receipts of MMTC. This division makes a bank receipt in the GL module of the ERP. The receipt could be in the form of Earnest Money Deposit (EMD)/Holiday home rent/RTI applications fee etc. This division interacts with the Banking division for managing these receipts.

Name of process		Payment to regular employees
<b>Process Goal</b>		
To process the payment of vendors corporate office.		
<b>Process Owner</b>		
Finance – Administration & Establishment division		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Administration Accounts & Establishment division		<input checked="" type="checkbox"/> Regular employees <input checked="" type="checkbox"/> Personnel division
<b>Process Details</b>		
This division deals with all payments related to employees of MMTC – Corporate office. This division is responsible for Payroll processing, Loan processing and sanction.		
The Personnel division is responsible for: <ul style="list-style-type: none"> <li>• Approval of loan request of employees</li> <li>• Updation of loan details of employees in the HRM module of ERP</li> <li>• Updation of leave details of employees in the HRM module of ERP</li> </ul>		
<b>The schedule of various activities with respect to payroll processing is as per the table given below:</b>		

S.No	Activity	Date	Action By
1.	Submission of attendance data	15th of every month	Personnel Div.
2.	Submission of any change in Business rule for payroll processing	15th of every month	A&E Div,
3.	Entry of employees' personal details which affect salary	19th of every month	Personnel Div.
4.	Completion of data entry in respect of loans/advances	19th of every month	A&E Div.
5.	Completion of data entry for payroll (TA/DA/TOUR/Telephone etc.)	23rd of every month	A&E Div./FSA
6.	Payroll processing	1st processing to be done before 20th of every month & subsequent processing to be done till 25th max.	Processing -Systems Div., Rechecking and updating by A&E Div.
7.	Authorization of salary	25th of every month/ 2 days prior to salary day	A&E Div. with help of systems division
8.	Data mapping for e-Payment / Release of Payment	One day prior to salary day	Banking Div.

Current month's salary is processed based on previous month's attendance data and recovery of loan/advances.

The Establishment division after processing the payroll authorizes it and sends to the Banking division for linking of payment to the employees concerned.

In addition to the above payments, if there are any other payments like loans, Tour Advance, Festival advance, Transfer advance etc. the employees submit their payment claim to the Personnel division which initiates and approves and sends the bill to Establishment division for payment which verifies the amount as per order before approving the payment.

When advances such as tour advance, transfer advance are claimed by employees in between a month the Administration accounts division verifies

the amount as per order before approving the payment.

Name of process		MIS Reports
<b>Process Goal</b>		
To generate various MIS reports		
<b>Process Owner</b>		
Finance – Administration & Establishment division		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Administration & Establishment division		<input checked="" type="checkbox"/> Employees <input checked="" type="checkbox"/> Divisions
<b>Process Details</b>		
The following reports are generated: <ul style="list-style-type: none"> <li>• Payroll reports through payroll module</li> <li>• Statutory reports like TDS, DVAT, Service tax</li> <li>• Remuneration details of all Board of Directors (Key personnel report)</li> </ul>		



## 1.13 Finance – Central accounts

### 1.13.1 Description

The central accounts division of MMTC finance primarily has major areas of work, namely:

- MIS reports
- Budgeting
- Preparation of financial statements
- Fixed assets accounting

### 1.13.2 Process Summary

Name of process		MIS
<b>Process Goal</b>		
To churn out various MIS reports based on the actual business scenario		
<b>Process Owner</b>		
Finance - Central accounts section		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Central accounts division		<input checked="" type="checkbox"/> Business segments <input checked="" type="checkbox"/> Various branches <input checked="" type="checkbox"/> Debtors <input checked="" type="checkbox"/> Management
<b>Process Details</b>		
There are multiple types of MIS being generated by the central accounts division, some key reports are: <ul style="list-style-type: none"> <li><b>A. Weekly turnover:</b> is created to capture details like turnover, gross profit etc, over various heads, namely               <ul style="list-style-type: none"> <li>- Export, Import, Domestic</li> <li>- Director level</li> <li>- Profit center heads</li> </ul> </li> </ul>		

- 7 business segment wise
- Canalized / non- canalized (for export and import only)

**B. Profitability statement:** is created to capture details like

- Actuals for the previous year
- MOU target for the current year
- Proportionate MOU target for that period
- Actual for that period
- Actual of the previous year for that period

The above mentioned MIS is generated region wise, business segment wise, typically on a quarterly/ monthly basis

**C. Debtors statement:** is created to capture details like

- Debt statement (ageing is also done):
  - o 0-6 months
  - o >6- up to 12 months
  - o Greater than 1 yr. and up to 2 yrs.
  - o Greater than 2 yr. and up to 3 yrs.
  - o More than 3 years
- Doubtful debtors
- Net
- Nature of debtors i.e. secured or unsecured
- Nature of security

The above mentioned MIS is categorized:

- PSU wise
- Central government wise
- Private party wise

These MIS is typically generated on a monthly basis

**D. Establishment and Administration expense:** is created to capture details like

- Actuals for the previous year
- Target for the current year
- Proportionate target for that period
- Actual for that period
- Actual of the previous year for that period

The above mentioned MIS is generated region wise, typically on a monthly basis

**E. Inventory statement:** is created to capture details like

- Region wise statement (ageing is also done):
  - o 0-6 months
  - o >6- up to 12 months
  - o 1 year to 2 years
  - o 2 years to 3 years
  - o More than 3 years
  - o total

The above mentioned MIS is generated:

- Region wise
- For all seven business segments
- At product level

This MIS is typically generated on a monthly basis

**F. Miscellaneous :** various miscellaneous and adhoc reports are also generated as and when required

Name of process		Budgeting
<b>Process Goal</b>		
To arrive at the budgetary requirements under various heads		
<b>Process Owner</b>		
Finance - Central accounts section		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Central accounts division		<input checked="" type="checkbox"/> Business segments <input checked="" type="checkbox"/> Regional offices <input checked="" type="checkbox"/> Management
<b>Process Details</b>		
<p>Budgeting is done under various heads, some key heads of which are:</p> <p><b>A. Budget type:</b> is created to capture details like</p> <ul style="list-style-type: none"> <li>- Previous years actual audited expenditure</li> <li>- Current year budgeted expenditure</li> <li>- Current years proportionate budgeted expenditure</li> <li>- Current years actual expenditure till date</li> <li>- Current year balance period spending projection</li> <li>- Next full year projection</li> </ul> <p>The typical budgets can be</p> <ul style="list-style-type: none"> <li>- Trade budget – Segment wise, Product wise, Region wise with previous years turnover &amp; trading profit and next years projected figure for turnover and trading profit</li> <li>- Establishment &amp; Admin budget – which includes:             <ul style="list-style-type: none"> <li>o Salaries</li> <li>o Administrative Expenditure</li> </ul> </li> </ul>		

- Controllable Exp
- Uncontrollable Exp

**B. Capital expenditure:** is created to capture details for procurement of capital asserts like

- Land and building
- Office equipment
- Vehicles
- Plant & Equipment
- Furniture's & fixtures
- Computers etc.

Details such as the following are captured

- Previous years budget
- Current year expenditure till date- actual (consumption of budget)
- Current year balance period expenditure projection
- Next full year expenditure projection

**C. Loans and advances:** is created to capture details of loans and advances under the following head:

- House building advance
- Car advance
- Scooter advance
- Marriage advance
- Festival advance
- Education advance
- Household advance
- Gold jewellery
- Miscellaneous advance etc.

Some of these advances are interest bearing and some are interest free

Details such as the following are captured

- Previous year budget under loans and advances
- Current year consumption till date- actual
- Current year balance period projection
- Next full year projection

Name of process		Accounts Finalization
<b>Process Goal</b>		
To prepare various financial statements		
<b>Process Owner</b>		
Finance - Central accounts section		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Regional offices		<input checked="" type="checkbox"/> Finance – Central accounts section <input checked="" type="checkbox"/> Company auditors <input checked="" type="checkbox"/> Management
<b>Process Details</b>		
Preparation of financial statements encompasses		
<ul style="list-style-type: none"> <li>- All voucher entries (journal , receipt, payment)</li> <li>- Leger maintenance</li> <li>- Preparation of trial balance</li> <li>- Preparation of financial statements (cash flow statement, segment report ,profit and loss accounts, Balance sheet and notes to the accounts etc.)</li> </ul>		

Name of process	
<b>Process Goal</b>	
To do the necessary accounting entries for purchases, recording of fixed assets to calculate the depreciation and written down value of assets.	
<b>Process Owner</b>	
Finance - Central accounts section	
<b>Primary Actors</b>	
<input checked="" type="checkbox"/> Finance – Regional offices/Administrative division of Corporate office <input checked="" type="checkbox"/> Division initiating the purchase requisition / order	
<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Finance – division making the payment for assets purchased <input checked="" type="checkbox"/> Central accounts section <input checked="" type="checkbox"/> Company auditors <input checked="" type="checkbox"/> Management	
<b>Process Details</b>	
Fixed assets accounting involves the following: <ul style="list-style-type: none"> <li>- Purchase requisition /order generation</li> <li>- Approval to purchase the assets</li> <li>- Making payment to supplier</li> <li>- Recording of assets in the fixed assets register maintained by administration division</li> <li>- Recording of transaction in fixed assets module with the details like date of purchase, location, revaluation (if any), impairment (if any), estimated useful life, depreciation rate in service date, depreciation method , etc.</li> <li>- Any significant shortage of excess at the time of physical verification</li> <li>- Report as per the companies Act, 1956and other applicable laws</li> <li>- Computation of depreciation and written down value of assets .</li> </ul>	

## 1.14 Finance – Corporate Income Tax

### 1.14.1 Description

The Corporate IT division of MMTC finance primarily has the following major areas of work, namely:

- Providing inputs while creation of balance sheet for income tax related issue
- Assessment for tax payable, refund claims etc
- Filing of online income tax returns
- Involvement in transfer pricing assessment

### 1.14.2 Filing of appeals Process Summary

<b>Name of process</b>		Corporate IT
<b>Process Goal</b>		
To carry out the various tasks associated with Finance – Corporate Income Tax		
<b>Process Owner</b>		
Finance - Corporate Income Tax		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Corporate Income Tax		<input checked="" type="checkbox"/> Finance – Banking division <input checked="" type="checkbox"/> Management <input checked="" type="checkbox"/> Other agencies – like Income Tax department
<b>Process Details</b>		
<ul style="list-style-type: none"> <li>• The Corporate IT division at the time of balance sheet preparation passes the following entry through general ledger:             <ul style="list-style-type: none"> <li>○ provision for taxation</li> <li>○ Deferred tax</li> <li>○ Wealth tax</li> </ul> </li> <li>• Once the balance sheet is finalized; the Corporate IT division creates vouchers for any self-assessment tax to be paid. The vouchers are then</li> </ul>		



sent to the banking division for online payment.

- The Corporate IT division also creates vouchers for payment of advance tax appeal fee and sends them to the banking division for online payment. The appeal fee can be towards appeal before CIT(A) / IT(AT) / High Court/Supreme Court
- The Corporate IT division also files the IT return of MMTC with the digital signature of CMD
- The Corporate IT division, submits to the banking division, any refund received from the Income Tax department (received as a cheque) along with relevant vouchers
- The Corporate IT division also provides documents/ submissions/ quoting of case laws etc to justify MMTC's stand to the Income Tax authorities
- The Corporate IT division also gives details of transaction undertaken with MTPL Singapore and gets arm's length transfer pricing done
- The Corporate IT division also files appeal with CIT(A) / IT(AT) / High Court if the demand made by the Assessment officer if addition made is not as per law.
- Reporting - the following types of reports are currently required by the Corporate IT division of MMTC:
  - Appeal filed by MMTC - details
    - Date of filing appeal
    - Appeal number
    - Assessment year
    - Issue involved
    - Date of hearing
    - Next date of hearing
    - Pending before which authority (CIT(A) / IT(AT) / High Court)
  - Appeal filed by IT department against MMTC - details
    - Date of filing appeal
    - Appeal number
    - Assessment year
    - Issue involved

- Date of hearing
- Next date of hearing
- Pending before which authority (CIT(A) / IT(AT) / High Court)

## 1.15 Finance – Contributory Provident Fund (CPF) Accounts

### 1.15.1 Description

MMTC has set up its own CPF trust which is a separate entity. The CPF division is located at the Corporate office of MMTC. It does not have any other branch. MMTC has set up its own CPF trust which is a separate entity. The CPF division is located at the Corporate office of MMTC. MMTC CPF TRUST has no branches but each Regional Office of MMTC function on behalf of the Trust for activities pertaining to the Trust.

MMTC CPF TRUST at CO has full rights to view all employees PF statement make necessary corrections if any wrong entry/no entry has been committed at RO upon receiving email from the concerned RO and with the help of Systems Division.

### 1.15.2 Process Summary

Name of process		Management of CPF contribution of all regular employees	
Process Goal			
To manage the CPF contributions of all regular employees of MMTC.			
Process Owner			
Finance – CPF accounts division			
Primary Actors		Secondary Actors	
<input checked="" type="checkbox"/> MMTC CPF trust <input checked="" type="checkbox"/> Finance – CPF accounts division		<input checked="" type="checkbox"/> Regular employees <input checked="" type="checkbox"/> Finance - Banking division <input checked="" type="checkbox"/> EPFO	
Process Details			
The Contributory Provident Fund (CPF) has two contributions: <ol style="list-style-type: none"> <li>1. Employee</li> <li>2. Employer</li> </ol>			
The rate of contribution of retirement benefits including employer contribution of PF is fixed by the 30% DPE (Department of Public Enterprises)			

guidelines. The current rate of contribution (as per PF Act) for both by employee and employer is 12% each of the Basic pay + Dearness Allowance. Out of the 12% contribution made by the Employer (MMTC) 8.33% contribution towards pension (subject to maximum INR 541) for each employee, who is below the age of 58 , goes towards the Employee Pension Scheme. After an employee attains the age of 58 years they draw a pension from the Employee Provident Fund Commissioner office (EPFO).

At present voluntary contribution of up to 25% of basic + DA for an employee is allowed. No equivalent contribution is made by MMTC

All offices of MMTC including Regional office & Corporate office authorization of salary is done in the payroll module. After Salary is authorized, payroll module auto generates payroll voucher every month and posting of entries in GL and with respect to PF the Annual contribution card of each employee gets updated with the recoveries made.

Every month all Regional offices send through IOGL -journal entries containing PF details (both employer contribution and employee contribution and refundable and non-refundable loans and repayments). This is employee wise consolidated information for that region. Every region's IOGL is responded by MMTC CPF trust including that of Corporate office. For the contributions the trust draws the funds from MMTC, CO and for the various disbursements made by regional offices like loans and final payments the Trust reimburses the same to MMTC.

Statement C (generated through HRM module) is generated at RO /CO and amounts are matched with IOGL entries.

MMTC CPF Trust prepares monthly excel sheet from the drill of HRM module and uploads the monthly challan after conversion of the above excel sheet in the required format, for submitting the cheque towards pension and inspection charges to EPFO.

Two bank payment vouchers are created in the GL module by CPF finance division for monthly CPF withdrawal from MMTC limited and payment made to EPFO towards pension amount along with inspection charges.

Banking division transfers the monthly consolidated amount, excluding pension amount, compiled by CPF finance division through RTGS to CPF Trust's bank a/c. Banking division then prepares a cheque for pension amount along with inspection charges of EPF and EDLI and sends to the CPF division. CPF division sends the same cheque to the EPFO along with uploaded online monthly challan.

As on the last day of every month a statement is prepared which gives the details of monthly contribution and other relevant details and in case of retiring employee final payment details. The final payment of the employees is authorized by the CPF division. Then MMTC makes the payment to the employees at RO only and after getting the IOGL entries from RO, CPF trust reimburses MMTC Ltd. CPF Trust makes direct payment to employees towards refundable/ non-refundable loan / final payment at CO.

The MMTC CPF trust is responsible for investment of funds.

Name of process

Refundable & non-refundable loans to MMTC employees

Process Goal	
To process the refundable and non-refundable CPF loan request of all regular employees of MMTC.	
Process Owner	
Finance – CPF accounts division	
Primary Actors	Secondary Actors
<input checked="" type="checkbox"/> MMTC CPF trust <input checked="" type="checkbox"/> Finance – CPF accounts division	<input checked="" type="checkbox"/> Regular employees
Process Details	
<p>The regular employees of MMTC can avail two types of CPF loans:</p> <ol style="list-style-type: none"> <li>1. Refundable loan</li> <li>2. Non-refundable loan</li> </ol> <p>Upon receipt of loan application from an employee the CPF division processes and makes the payment to the employee. In case of refundable loan, the loan is recovered in monthly installments from the salary payable to the employee. The repayment amount has principle and interest components. Out of this interest component, a certain percentage goes to the trust account and the balance goes to the employee's account</p>	

Name of process		Management of Gratuity of all regular employees	
Process Goal			
To manage the Gratuity of all regular employees of MMTC.			
Process Owner			
Finance – CPF accounts division			
Primary Actors		Secondary Actors	
<input checked="" type="checkbox"/> MMTC Gratuity trust <input checked="" type="checkbox"/> Finance – CPF accounts division		<input checked="" type="checkbox"/> Regular employees <input checked="" type="checkbox"/> Life Insurance Corporation of India	

Finance- Banking division

#### Process Details

MMTC has set up a Gratuity trust which manages the Gratuity of all employees of MMTC. The maximum amount of gratuity amount is Rs. Ten Lakhs (at present). MMTC has taken a policy with the Life Insurance Corporation of India. Every year on 1<sup>st</sup> March the employee data is sent to the LIC. LIC does an actuarial evaluation.

Upon retirement of an employee (either at CO or RO level), MMTC initially makes the gratuity payment to the superannuating employee. If the employee is superannuating at RO level, then the IOGL is responded. A claim is lodged with LIC by MMTC Gratuity trust. LIC settles the claim to MMTC GRATUITY TRUST and the trust reimburses the funds to MMTC Ltd.

#### Name of process

Managing the defined contribution to the superannuation Trust

#### Process Goal

To process the employer and employee's contribution of all eligible employees payable to the superannuation trust

#### Process Owner

Finance – CPF accounts division

#### Primary Actors

- MMTC ltd employees defined contribution and superannuation trust
- Finance – CPF accounts division

#### Secondary Actors

- Eligible employees
- MMTC – Banking Divisions
- LIC

#### Process Details

A fixed percentage of basic + DA (currently 8%) of eligible employees is being contributed by the employer to the superannuation trust and any voluntary contribution of the employee would be deducted from the salary and drawn by the CPF section and MMTC will remit it to the superannuation trust.

The superannuation trust in turn will remit the amount to LIC

All investments of the CPF corpus, earning of interest etc is handled by the MMTC CPF trust. The MMTC CPF trust is currently using Tally system for maintaining the trust accounts.

## 1.16 Finance – Medical Accounts

### 1.16.1 Description

The medical accounts division of MMTC finance primarily deals with the settlement of claims and making payments to Regular & Retired employees towards:

- Outpatient treatment
- In patient treatment

### 1.16.2 Process Summary

Name of process		Outpatient claims of regular employees	
<b>Process Goal</b>			
To process the outpatient medical claims of regular employees of MMTC corporate office.			
<b>Process Owner</b>			
Finance – Medical accounts division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Finance – Medical accounts division		<input checked="" type="checkbox"/> Regular employees	
<b>Process Details</b>			
<p>The processing of outpatient medical claims of regular employees is done and payments made. There are two modes of payment namely</p> <ul style="list-style-type: none"> <li>• Fixed monthly amount</li> <li>• Reimbursement of medical bills</li> </ul> <p>Employees can opt for either of the above two modes and can change it once in a year.</p> <p><b>G. Fixed monthly amount:</b> Based on the cadre entitlement of employees is fixed. The payment is made as part of monthly salary. For getting income tax exemption subject to a maximum of Rs.15,000 per year employees should submit the medical bills.</p>			



**H. Reimbursement of medical bills:** On production of medical bills employees are reimbursed the amount subject to the maximum permissible for their cadre. Employees claim directly to this division. This division checks the claim and process for payment based on the balance amount payable to the employee. The payment is made through salary.

The rates of consultation charges are fixed and are as follows:

MBBS: Rs.100

Specialist : Rs.300

In case a regular employee (or any of his family members) suffers from a chronic illness and his/her OPD limit is exhausted, a yearly approval is given by the CMD. This approval from CMD has no OPD limit.

Name of process		Outpatient claims of retired employees
<b>Process Goal</b>		
To process the outpatient medical claims of retired employees of MMTC.		
<b>Process Owner</b>		
Finance – Medical accounts division		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Medical accounts division		<input checked="" type="checkbox"/> Retired employees
<b>Process Details</b>		
<p>To avail this medical scheme retired employees have to pay an annual subscription. All payments are made electronically to the employee's bank account. No cash payment is made.</p> <p>The processing of outpatient medical claims of retired employees is done and payments made. Depending upon the cadre at the time of retirement their entitlement is fixed. This fixed amount is paid half yearly. They have to submit a survival certificate-cum-claim twice a year. For the months of April – September the payment is made in October. For the months of October – March the payment is made in April.</p> <p>An additional 20% on the fixed amount is paid if the retired employee is more than 70 years of age. An additional 30% on the fixed amount is paid if the retired employee is more than 80 years of age.</p> <p>If the spouse of retired employee is not alive then the entitlement amount is reduced to half.</p>		

Name of process		Inpatient claims of regular employees
<b>Process Goal</b>		
To process the inpatient medical claims of regular employees of MMTC corporate office and Delhi regional office.		
<b>Process Owner</b>		

Finance – Medical accounts division	
Primary Actors	Secondary Actors
<input checked="" type="checkbox"/> Finance – Medical accounts division	<input checked="" type="checkbox"/> Administration division <input checked="" type="checkbox"/> Banking division <input checked="" type="checkbox"/> Regular employees <input checked="" type="checkbox"/> Empanelled hospitals <input checked="" type="checkbox"/> Non empanelled hospitals
Process Details	
<p>Employees can avail this benefit in the following categories of hospitals:</p> <ul style="list-style-type: none"> <li>• Empanelled hospitals</li> <li>• Non empanelled hospitals</li> </ul> <p><b>A. Empanelled hospitals:</b> There is no limit on the amount of claim. However the entitlement of rooms/wards in the hospital is fixed based on the cadre of the employee.</p> <p>Employees submit doctor's/hospital's advice for hospitalization and treatment to Administration division. The Administration division approves and gives permission. The employee then avails the treatment and at the time of discharge signs the bill at the hospital. Hospital sends the bill and all medical reports to the Administration division. In case if the bill is more than Rs.50,000 then it is sent to a "third party audit agency" empanelled under MMTC.</p> <p><b>B. Non empanelled hospitals:</b> There is no limit on the amount of claim. Reimbursement of claim is done based on CGHS rates.</p> <p>Employees submit bills to the administration division. The administration division processes and sends the advice to Medical account division. This division checks and if found ok pays through salary.</p> <p>Note :Employee has to inform concerned office (approving office RO/CO)within 3 days of admission , in writing or over telephone</p>	

Name of process		Inpatient claims of retired employees	
<b>Process Goal</b>			
To process the inpatient medical claims of retired employees of MMTC.			
<b>Process Owner</b>			
Finance – Medical accounts division			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Finance – Medical accounts division		<input checked="" type="checkbox"/> Administration division <input checked="" type="checkbox"/> Banking division <input checked="" type="checkbox"/> Retired employees <input checked="" type="checkbox"/> Empanelled hospitals <input checked="" type="checkbox"/> Non empanelled hospitals	
<b>Process Details</b>			
<p>To avail this medical scheme retired employees have to pay an annual subscription. All payments are made electronically to the employee's bank account. No cash payment is made.</p> <p>Employees can avail this benefit in the following categories of hospitals:</p> <ul style="list-style-type: none"> <li>• Empanelled hospitals</li> <li>• Non empanelled hospitals</li> </ul> <p><b>C. Empanelled hospitals: (for retired employees):</b> There is a limit on the amount of claim for treatments at empanelled hospitals. However in case of any major illness like cancer, major accident, paralysis, kidney failure &amp; heart ailment this limit could be doubled of the admissible limit upon approval from the CMD of MMTC. The entitlement of rooms/wards in the hospital is fixed based on the cadre of the employee at the time of retirement.</p> <p>There is no limit for regular employee however limit is there for implant, hearing aid, knee replacement , etc appliances as per CGHS rate for both retired and serving employee</p>			

Employees submit doctor's/hospital's advice for hospitalization and treatment to Administration division. The Administration division approves and gives permission. The employee then avails the treatment and at the time of discharge signs the bill at the hospital. Hospital sends the bill and all medical reports to the Administration division. In case if the bill is more than Rs.50,000 then it is sent to a "third party audit agency" empanelled under MMTC.

**D. Non empanelled hospitals:** There is a limit on the amount of claim for treatments at non-empanelled hospitals. Reimbursement of claim is done based on CGHS rates.

Employees submit bills to the administration division. The administration division processes and sends the advice to Medical account division. This division checks and if found ok pays in their bank accounts.

Note :Employee both retired & serving, have to inform concerned office (approving office RO/CO)within 3 days of admission , in writing or over telephone

Name of process		MIS Reports
<b>Process Goal</b>		
To generate various MIS reports		
<b>Process Owner</b>		
Finance – Medical accounts division		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Medical accounts division		<input checked="" type="checkbox"/> Banking division
<b>Process Details</b>		
<p>The following reports are prepared by this division:</p> <ul style="list-style-type: none"> <li>• Monthly medical expenses report: This report gives the list of claims for all categories of employees like directors, officers, staff and others (dispensaries run by MMTC), retired employees and hospitals which have been settled and paid. There are 2 dispensaries run by MMTC one at the corporate office and another at the staff quarters. Each of these dispensaries has 1 nurse who is an employee and one doctor and physiotherapist each who work for 2 hours daily on working days. This report captures details of salaries paid to these doctors and physiotherapist and cost of medicines supplied to the dispensaries. It contains details like: <ul style="list-style-type: none"> <li>○ A/c code</li> <li>○ Particulars</li> <li>○ Current year</li> </ul> </li> <li>• Hospital wise TDS deducted: A voucher is generated by this division and sent to the Banking division which makes the tax payment to Income tax department before the 7<sup>th</sup> of the following month. Quarterly a TDS return is also filed with the Income Tax Department. for all the tax deducted details during that quarter.</li> <li>• Form 16A: This contains details of TDS deducted for all hospitals quarterly.</li> <li>• Financial year closing of accounts giving all details of account payables and receivables</li> </ul>		

Income tax is not deducted for retired employees

**List of Proforma/formats maintained by Medical accounts**

- In patient treatment- admission letter
- Life certificate for retired for reimbursement of OPD
- Day care admission letter
- Application for Seeking permission for admission
- Applying for Medical card for retired and serving employees
- Reimbursement /medical claim form ( retired & serving )
- Chronic patient (only for serving employee)
- Authorization letter
- Checklist for approval (serving / retired )
- Subscription for retired employee (retired )
  - 50
  - 100
  - 200
- Limit for retired persons

**List of Registers maintained by medical accounts**

- Medical rules
- Empanelled hospital list
- Employee record of serving (with family) & retired (only spouse) as per policy
- Authorization letter provided , / dispatched record with details of patient , maintained for financial year

## 1.17 Finance – Banking

### 1.17.1 Description

The banking section of F&A Division of MMTC at CO primarily has the following major areas of work, namely:

- Fund transfer to various RO/SRO/ other accounts
- Reconciliation of Bank accounts at CO
- Investment of surplus funds
- Arranging funds from various banks through credit facility etc.

### 1.17.2 Process Summary

<b>Name of process</b>	<b>Banking</b>
<b>Process Goal</b>	
To carry out the various tasks associated with Finance - Banking Section	
<b>Process Owner</b>	
Finance - Banking Section	
<b>Primary Actors</b>	<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Finance – Banking Section	<input checked="" type="checkbox"/> Various branches, RO,SRO,Divisions at CO <input checked="" type="checkbox"/> Banks <input checked="" type="checkbox"/> Management
<b>Process Details</b>	
<ul style="list-style-type: none"> <li>• MMTC has about 220 accounts (currently) across India, being operated by different offices</li> </ul>	



- Out of these 220 accounts, SBI,HDFC,SBH are cash credit accounts with overdraft facility and the rest are current accounts
- Deposit of payments received at any MMTC office:
  - All payments received at any MMTC office are deposited via vouchers into respective bank accounts by ROs/SROs
- Request for fund from any MMTC office:
  - When there is a fund requirement at any of the MMTC offices, the respective office sends in a request (post due internal approval) to the banking section at CO.
  - The banking section verifies the request and transfers the funds (via vouchers). A voucher is an interoffice General Ledger (IOGL)
- Bank reconciliation of accounts is done by the 10<sup>th</sup> of subsequent month by respective ROs/SROs
- Any payment disbursement request is forwarded to the banking division by the other divisions and the banking division then, based on the received requests, makes all the payments
- The following payments modes are currently used:
  - epayment
  - cheque
- e-payment process:
- Mapping of Vendor/Customer details
  - uploading of vouchers
  - 1st authorization (for payment up to 10,000 only single authorization is required)
  - 2nd authorization (for payment above 10,000) as per Delegation of Powers.
- For expenses like telephone bill ,electricity bill etc, cheque payments are made. But all receipts are accounted for the concerned department/

division

- Surplus fund :
  - Investment of surplus fund is done by the banking section in fixed deposits/ liquid mutual funds of PSU's
  - Investment in mutual funds – process
  - Surplus Fun(Temporary) is worked out by Banking Section
    - A note for investment is prepared by the banking section
    - The note is processed through by GM(Banking)/ CGM(F&A)
    - The note is then approved by Director (F)
    - The note is then approved by CMD
    - Investment is carried out by the banking section
    - Entire process need to be completed by 2 PM.
  - Investment in Fixed Deposit – process
  - Surplus Fund(For more than 7 days) is worked out by Banking Section
    - The banking section confirms rates from banks from different banks with which MMTC has regular business transactions.
    - Meets internal requirements like investment ratio of 60:40 in PSU: Private banks
    - Arrives at the investment period based on cash flow requirements
    - A note for investment is prepared by the banking section
    - The note is processed through GM(Banking)/CGM(F&A) for approval
    - The note is then approved by Director (F)

- The note is then approved by CMD
- Investment is carried out by the banking section
- Setting of credit limit with bank - process
  - The banking section also processes setting up the credit limit extended to MMTC by various banks
  - Various ROs send inventory details to the central accounts section and central accounts gives banking section a consolidated inventory statement
  - Banking section sends the inventory position to various banks, based on which the credit limit is set by the respective banks
- Reporting - the following types of reports are being currently generated by the banking section of MMTC:
  - Credit facility with various banks
  - Utilization of credit facility and balance with banks on a monthly basis
  - Investment details:
    - Bank wise
    - Transaction wise
    - Inflow during a particular timeframe
    - Returns from FD/ MF
  - Report on earning from interest
  - Buyer (through bank) / supplier (through concerned division) credit report
  - Reports on any transaction over “x” amount
  - Report on balance across all accounts

## 1.18 Administration & Establishment

### 1.18.1 Description

Administration & establishment division looks in to following areas

- To coordinate with all departments for their consumable requirements for Stationery & other non IT articles.
- Manage transportation, communication means and facility management services.
- Allotment of flats/community center/ dormitory and maintenance/repair of MMTC premise.

### 1.18.2 Process Summary

Name of process		Administration & Establishment
<b>Process Goal</b>		
To provide services to maintain estate properties i.e. allotment of flats/community center/dormitory, Expansion of existing facilities, Renovation of existing facilities, Security, Regular Maintenance and Repairing of all the properties within estate premises.		
<b>Process Owner</b>		
Site Office – MMTC Estate		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Site Office, MMTC Estate		<input checked="" type="checkbox"/> Administration & Establishment Division, Corporate Office, Delhi
<b>Process Details</b>		
<ul style="list-style-type: none"> <li>• New Construction / Expansion / Maintenance             <ul style="list-style-type: none"> <li>○ MMTC Estate is currently having flats , dormitory and a Community Centre in estate</li> <li>○ In case of new construction :                 <ul style="list-style-type: none"> <li>▪ Division floats tender to hire an Architect</li> </ul> </li> </ul> </li> </ul>		

- Based on architect's recommendation and approval on estimate from competent authority tender for civil work is floated
- E-bids are received & opened in presence of finance division
- Approval from competent authority is taken for award of contract as per terms & conditions of contract
- Renovation / Maintenance / Repairing Process
  - Maintenance (whitewash, sanitary work, seepage problem, etc.) of existing infrastructure like roads, flats, community center, etc.
  - Other Day to day activities
- Allotment of flats
  - Flats/community center/ dormitory are allocated to employee as per policy after approval from competent authority

## Reports

- Daily communication is maintained via emails while approvals are taken on files

Name of process		Administration & Establishment
<b>Process Goal</b>		
To coordinate with all departments for their consumable requirements for Stationery, Printers, other non-IT consumables , etc. and to manage to transportation ,maintenance/repair of MMTC premise, communication means and facility management services.		
<b>Process Owner</b>		
Corporate Office – MMTC		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Corporate Office – MMTC		<input checked="" type="checkbox"/> Finance Division
<b>Process Details</b>		
Below mentioned is the list of activities performed under Administration & Establishment division		
1. Car Cell		
<b>Allocation/hiring of vehicle</b>		
a. Purchase of new vehicle based on quotation received and approval from competent authority		
b. Disposal of old vehicles through tendering		
c. Hiring of vehicle via e tendering		
i. Vendor with L1 offer is selected and on acceptance is empanelled for 1-2 years		
ii. Drivers are required to maintain log books for trips/journey, duly signed by concerned officer. These are checked on weekly basis by concerned in MMTC.		
d. Pick & drop facility is available for CGM ranks officials and dedicated vehicle for CMD & Directors. Vehicles are also assigned on request basis for official work where the requisition needs to be signed by concerned GM.		
e. Whenever a signed requisition from any division GM is received , they are scrutinised and on approval a slip is given to concerned division having the vehicle number , mobile number , drivers name		

- f. The driver is required to produce the allocation slips along with log book at the time of verification/ billing.
- g. MMTC also does vehicle hiring on spot basis from empaneled vendor. Any journey extending beyond 5:30 pm or on Saturday /Sunday sat-sun or for holidays require approval from director.
- h. MMTC also have a fleet of owned cars. For such cars drivers are not required to reproduce allocation slip at the time of log book verification

#### **Vehicle Maintenance**

- i. For MMTC owned vehicles, a Proforma is to be filled by the driver and based on approval from GM it is sent to a service station on the panel list. Work order is given to the driver for service station and the driver certifies a counter copy for verification of service performed. Service station will raise an invoice on monthly basis.
  - j. For empanelled vehicles, the maintenance is done by concerned vendor .If in case a vehicle is substituted, it should be notified by the driver to the concerned at the start of business day.
  - k. Fuel for MMTC owned cars: Two (2) petrol pumps are empanelled for fuel petrol cars only. Usually the concerned asks for fuel slips approved by the concerned. Physical registers are maintained having details of date, vehicle number, fuel allocated (in Litres), etc. Petrol pump counter signs fuel slip and raises the bill on monthly basis.
  - l. Hiring of drivers: MMTC is having drivers for its owned vehicles. In case of shortage, drivers are hired from outsourced agencies as and when required.
  - m. Approval for Uniform & leaves for MMTC drivers is done as per the policy for regular employees.
  - n. Accessories for MMTC owned vehicles are taken from empanelled shop and all payments are made through e-payment
  - o. Parking payment are reimburse by MMTC
    - i. For owned vehicles, driver fill up a proforma along with bills for approval
    - ii. For hired vehicle , the vendor raises the parking bills with monthly bills
- Security Personnel/agency management
    - a. Agency is hired through DGR (Director General Resettlement, Ministry of Defence) for MMTC colony, Director & CMD residence and Corporate office.
    - b. For hiring of security agency, quotation are invited through DGR & is appointed on seniority basis

- c. Deployment of security personnel is managed by agency only based on the numbers provided by MMTC. Attendance registers are maintained by the contractor themselves and is verified by MMTC on monthly basis
- d. Security agency raises the bills to MMTC on monthly basis
- e. Three (3) types of personnel's are hired from security agency for shifts of 8 hours, namely Super visor (business hours) , gunmen and basic guards w/o arms.
- Store management
  - a. All stationary items, articles ( plastic folder, slip pad, clips, paper rim (A4, A3), etc. are maintained by the stores
  - b. Tentative list is maintained in store for each article based on its usage of last month
  - c. If material is not available in stores, requisition is done via tender as per approval from competent authority
  - d. Corporate store, Kendriya bhandar are empanelled for stationary items & other articles. They are paid in advance against which they raise bills on monthly basis
  - e. Store items are maintained using a stock register and as an when it is released , the same is also recorded
  - f. Store requests admin division to procure more items with specification & numbers
  - g. Employee fills requisition forms with approval for stationary items
- **Crockery procurement**
  - h. Flask, Cup plate , tea kettle ,plates ,coaster, tea spoon ,sugar pot , milk pot & tea tray are given to CGM & above on need basis
  - i. Glass Tumbler superior set given to GM & above
- Reception
  - a. Three(3) employees are stationed at reception and physical registers are maintained for visitors
- Uniform
  - a. Employees belonging to grade I, II, III ( Class IV ) , staff driver, electrician and photocopy operator are given uniforms by MMTC
  - b. Uniform is provided by **Raymond** , which is an authorised supplier with brand code fixed (23 % discount)
  - c. Colours, size, etc. details are fixed in consultation with union bodies by competent authority
  - d. For females , uniforms are procured from **NALLI** showrooms



- e. Rate is fixed by Corporate Office & conveyed to Regional office, where they can buy from local vendors as per their discretion
- f. Apart from uniform , shoes/sandal & sox from liberty , slippers from Bata are also supplied to above mentioned employees
- g. For drivers , apart from uniform items such as blanket , torch, time peace , umbrella, rain coat, overcoats etc. are also provided once in five(5) years:
- h. Different grades are given set of uniforms for winter/summer as per the policy
- i. Briefcases are issued to different grades as per the policy
- Telephone , broadband , mobile management
  - a. MMTC purchase telephone set as per requirement with approval from competent authority
  - b.** Employee submits bill by 16<sup>th</sup> of month, the division checks for Cadre wise entitlement for every employee
  - c. The data for mobile bill reimbursement is maintained by division in excel sheet format
  - d. if the requisites amount is greater than entitlement the approval from concerned director for extra amount is required which the employee him/herself is required to obtain
  - e. The complete excel sheet is sent to accounts on 22<sup>nd</sup> of every month for processing
  - f. Then the said amount is accredited in salary of employee
  - g. Register is maintained for mobile purchase for various designations as per allotment. It is need based below DGM rank , above entitlement for every cadre with is as per policy )
  - h. Direct Bills from higher officials (GM & above) are received & processed and cheques are prepared
- Franking machine, Courier ,FAX, printer, Printing of stationary , photo copy, biometric machine (time office) & Telephone maintenance
  - a. MMTC floats tender for AMC (physical tender)
  - b. Committee if formed for bid process management (in presence of nominated members from accounts, audit, commodity )
  - c. Bid processing reports / comparative statement is prepared for approval from competent authority
  - d. L1 vendor is awarded the work order after approval from competent authority (GM Admin & GM (F))
  - e. Photocopy machines are rented from agency via tendering and they are paid on per transaction basis
- Courier management

- a. Courier register ( in ward / outward management ) is maintained by the division
- Care taking cell – AMC for housekeeping (facility management )
  - Following steps are performed for AMC vendor selection:
    - a. Tender is floated for selection of vendor
    - b. Approval from competent authority for tendering
    - c. Tender terms are prepared & sent to Systems division (email based)/ required hardcopy approvals
    - d. Tender is hosted on website using 2 envelope method
    - e. Constitution of committee ( people from Finance , Internal audit are nominated)
    - f. Technical bid is examined by the committee ( minimum 3 bids should have received )
    - g. Approval for price bid from competent authority with details of technically qualified bidders
    - h. Price bid opening for selection of L1 vendor
    - i. Approval for work order from competent authority
    - j. Agreement / work order signing with a security deposit
  - Purchase by care taking**
    - k. On requirement basis , purchase is performed as per approval from competent authority
    - l. As per approval either market quotations are invited or tendering is done.
- Periodical payment to party
  - a. Vendor database master for courier, machine, fax, telephone, etc.
  - b. All payments are done electronically
  - c. Every month/quarter the vendor raise invoices , it is cross checked and as per approval from competent authority
  - d. Sent to FSA for payment
- Extension of AMC
  - a. If performance of party is good , party is asked for verification of terms & conditions for extension
  - b. On approval from competent authority , Letter of award or re-tendering is done**

- Registers maintained
  - a. Fixed assets register/stock register – item purchased over 5000
  - b. Payment record register (physical register )
- Conference room at 6<sup>th</sup> floor
  - a. Requisition of booking the conference room received from interested party with approval from divisional heads.

### Reports

- Daily communication is maintained via emails while approvals are taken on files

## 1.19 Board Secretariat

### 1.19.1 Description

To arrange, coordinate and to supervise the works relating to the meeting of Executive committee, Board of directors and other sub-committees of Board, and to correspond with the Ministries and Parliamentary Secretariat.

### 1.19.2 Process Summary

<b>Name of process</b>		<b>Board Secretariat</b>
<b>Process Goal</b>		
To carry out works relating to the meetings of Functional Management Committee of Directors, Board of Directors & other sub-committees and to correspond with MOC&I for various issues related to the Directors and other Ministries with regard to Parliament Questions/Study Visit.		
<b>Process Owner</b>		
Board Secretariat		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Board Secretariat		<input checked="" type="checkbox"/> Concerned Ministry and Divisions
<b>Process Details</b>		
<ul style="list-style-type: none"> <li>• To convene Meetings of the Board of Directors, Executive Committee, Sub-committee of the Board of Directors and the Annual General Meetings</li> <li>• To supervise and coordinate work relating to references from the Ministries, Parliamentary Committees, Parliament questions etc.</li> <li>• Maintenance of records relating to share and Shareholders</li> <li>• Circulation of information on MMTC website and to individual stakeholders if required</li> </ul>		

- Publication of annual reports
- Seeking Agenda Notes from concerned Divisions before Board/ACOD/other sub-committee meetings through concerned Director-in charge.
- Processing subscriptions for Membership with various Bodies/Associations/Govt Agencies.

### Reports/Registers

- Documents relating to BOD / FMCoD / Sub-committees of BOD agenda and minutes
- Attendance Register of BOD /FMCoD/ Sub-committee of BOD.
- Document related to Shareholders List and Registers through our RTA
- Annual General Meeting Minutes Register.
- Parliament Questions Register

## 1.20 Corporate Planning

### 1.20.1 Description

The main role of this department is to provide strategic inputs to formulate a business plan for MMTC. This department works with all the business units across MMTC to have a business plan in place. This department is mainly responsible for Strategic planning for MMTC with Short Term, Medium term and long term perspective. Besides, the department provides strategic inputs to management on various policy related issues and coordinates between MMTC and Ministry of Commerce and Industry (MoC&I) and other ministries/department. Among its other functions are conducting regional review meetings, information to management and MoC&I on trade policy issues, coordination with industry associations, preparation of corporate presentations for Ministry, Parliamentary committees, MoU task force etc. and write –ups on MMTC on various company and government publications etc.

### 1.20.2 Process Summary

<b>Name of process</b>	<b>Corporate Planning</b>
<b>Process Goal</b>	
To work with all the business units across MMTC to have a business plan in place.	
<b>Process Owner</b>	
Corporate Planning	
<b>Primary Actors</b>	<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Corporate Planning	<input checked="" type="checkbox"/> All business units
<b>Process Details</b>	
<ul style="list-style-type: none"> <li>• Short term planning</li> </ul> <p>This is a year on year process wherein an MOU between MMTC and MoC&amp;I is signed on agreed targets. This process starts in the month of October for planning for the next fiscal year. The corporate planning division seeks inputs from the business divisions and compiles a business forecast for the company for the next fiscal year. These preliminary targets from each of the business units are discussed at all levels of Management and based on these discussions the targets are agreed and a draft MoU document is formulated. The Functional Management Committee of Directors ratifies the draft MoU and this exercise is completed by the 30th of November in accordance with the guidelines laid down by DPE. The draft MoU is thereafter deliberated by the Board of Directors and by the 15th December a final draft MoU duly approved by Board of Directors is submitted to DPE through the Administrative Ministry, which is MoC&amp;I for MMTC. A copy of draft is also given to Planning Commission and Ministry of Statistics and Programme implementation for their records.</p> <p>By end-January or early February, detailed discussions are held between the members of MoU Task Force (constituted by DPE) and MMTC management and a revision of the draft MoU document is done after the discussions. The final document with targets for the next fiscal year (duly authenticated by the DPE) is submitted to the MoC&amp;I for signatures. The MOU is signed before 31st of March between Secretary, MoC&amp;I and CMD, MMTC. Thereafter, targets are communicated to the respective Business divisions/ Regions.</p> <ul style="list-style-type: none"> <li>• Medium to long term planning</li> </ul> <p>This activity is planned from a 3- 5 year's perspective. This department facilitates the discussions of targets, goal etc. for the next 3-5 year period. The Board approves the plan, and corporate planning division communicates the same to respective divisions accordingly.</p>	

- Long term planning

For activities which has to do with Long term planning the above process is again followed

- Other Activities
  - Providing inputs for Result Framework Document (RFD) of MoC&I and compilation of targets achieved.
  - Information to MoC&I on various issues such as domestic & overseas visits of CITM/Govt. representatives; policy issues, pre-budget proposals etc.
  - Compilation of information and providing write-ups for various publications of MoC&I e.g. Annual India, National archives, Annual report etc.
  - Conducting regional review meetings taken by management and communicating and monitoring of decisions of management.
  - Preparing presentations to CITM and MoS, Parliamentary delegations etc.
  - Providing information to Industry associations such as CII, FICCI etc. On policy issues, visits of various business delegations etc.
  - Annual/Half yearly public enterprises survey.
  - To look after all activities of Trade Information Centre (library) including selecting and purchase of books, periodicals, magazines, subscribing to commodity specific business information etc.
  - Implementation issues related to Integrity Pact.
  - Interact with the industry bodies like FICCI, CII etc. for various activities such as trade policies issues etc.

### Reports/Registers

After the fixation of targets for the year, the department monitors the progress vis- a vis the targets assigned in the draft MoU on a quarterly basis.

The tasks connected with the same are:

- Compiling Information on targets achieved from respective divisions.
- Calculation of MOU scores.
- Reporting to Management on status of achievement of MoU targets on a quarterly basis.
- Generating Reports based on MoU targets achieved for management and MoC&I

## 1.21 Corporate Social Responsibility (CSR)

### 1.21.1 Description

With approval of the Board, MMTC adopted CSR as a policy initiative in Sept. 2006 effective from 2007-08 with the following objectives.

- To initiate voluntary measures to address economic, social and environmental concerns of stakeholders
- To make CSR a key business process for sustainable development
- To be a good Corporate Citizen

### 1.21.2 Process Summary

<b>Name of process</b>		<b>Corporate Social Responsibility</b>	
<b>Process Goal</b>			
To initiate, Execute and monitor CSR activities			
<b>Process Owner</b>			
Corporate Social Responsibility			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> CSR		<input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Concerned divisions/locations	
<b>Process Details</b>			
<b>Scope</b> MMTC follows a three pronged approach for carrying out CSR activities to add value to its triple bottom line – <ul style="list-style-type: none"> <li>• MMTC as Promoter- takes up CSR activities on its own.</li> <li>• MMTC as Partner – CSR activities in association with Voluntary / Autonomous bodies, Central / State Govt. agencies, statutory bodies.</li> <li>• MMTC as Facilitator- activities in and around locations where MMTC has its business operations / country at large</li> </ul>			
<b>Implementation</b>			



A Committee headed by an Independent Director and comprising of Director (P) - Member, Director (F) – Member, Director (Marketing) - Member and the Company Secretary / Asst. Company Secretary - as Member Secretary, is responsible for the planning and implementation of CSR/ Sustainability activities. The Committee is the Apex Policy making Body to lay down guidelines for allocation of budget under various head of CSR. Welfare Section of Personnel Division at Corporate Office assists the Apex Committee.

To assist the above mentioned committee in its functioning, there is a Below Board level committee headed by a Chief General Manager and having General Manager (P) and General Manager (F) as members. This Committee is also responsible for preparing monthly reports with respect to the “implementation status”. At the Regional Office level, the General Manager in charge and his associate finance are responsible for implementation of CSR programme as decided by the apex committee.

MMTC’s engagement areas in CSR include infrastructural development, environmental care and concern and relief and restoration during time of natural calamities which are line with the Millennium Development Goals (MDGs) of the United Nations.

The broad areas for CSR activities taken up by MMTC are as under:

- Infrastructure development
- Promotion of literacy
- Primary health care
- Community activities – Relief and restoration in times of national calamities.
- Promote afforestation especially in mining areas
- Check dams and water conservation projects
- Sustainable development

#### **Planning guidelines**

- Identification of projects in the periphery of MMTC areas of operations, as far as possible.
- Development of long term, medium term and short term CSR action plan matching with the business plan, specifying following :
  - Requirements relating to baseline survey
  - Activities to be undertaken

- Budgets allocated
- Time-line prescribed
- Responsibilities and authorities defined
- Major results expected

**CSR Initiatives**

Infrastructure Sector	
1	BARBIL- Creation of drinking water & sanitation facilities at 3 Govt. schools in Joda-Barbil
2	CHENNAI- Creation of wash room facilities in Govt. school, Padappai
3	Saraswati Shishu Mandir, Chandanbhati, Odisha- Purchase of 30 tables, chairs, one black board and two computers
4	Primary school at Sarangpur Village-Construction of three additional classrooms and toilets *
5	Development of burial ground of NINL Rehabilitation & Resettlement Colony, Gobarghati, Odisha
6	Rain water in Regina Mundi High School, Chicalim, Goa
7	Construction of toilets and placement of waste dumpers in Bellary. *
8	Residence cum rehabilitation complex at Gurgaon by the NGO "Action for Autism". *
Health Sector	
1	ALIMCO-Camps in Kolkata for distributing assistive devices to PwDs

2	Equipment's for Ramkrishna Mission, Purulia
3	INDIAN CANCER SOCIETY- Cancer screening/ Mammography
4	HELPAGE INDIA- Provision of Mobile Medicare Units
5	Health camps in BBSR in association with UCCI
6	Physio therapy Equipment for school for Deaf – Mute Society, Ahmedabad
7	ICARE Foundation-Purchase of Keratometer and Slit Lamps to facilitate conduct of free OPD
<b>Education</b>	
1	CHINH-Purchase of equipment's for imparting skill development trainings like stitching, photography, computer and multi-media, to women from economically weaker sections
2	District Red Cross Society-purchase of raw materials for assistive equipment to be distributed to physically challenged persons

3	Creation of Self-employment/employability in Sarangpur and Gobarghati, Odisha
4	Equipment's to Leprosy Mission Trust for skill development trainings-RO Mumbai
5	Computer, tables and cupboards for Vikas Gruha, Ahmedabad
<b>Promotion of Sports, Art &amp; Culture</b>	
1	Sangeet Vandana-Supported "Suron ke Ustaad-2"- an event for the differently abled children
2	Khorda Zilla Lok Utsav-2012
3	Shahabad Hockey Centre-procurement of various equipment's
4	ALPANA-Supported SAMBHAV 2012-an event for persons with disability
5	SANKALP-Financial assistance for national festival
<b>Donations (5% of CSR Budget) = Rs. 10.5 lakhs</b>	
1	SDRS- National Symposium on Disability Management in Agriculture and Farming
2	JAN AKANSHA-Towards holding of workshops for women empowerment & protection of rights
<b>Sustainable Development</b>	

1	Lokhit Samiti- National Seminar on "Renewable Energy Resources as a key to Sustainable Growth"
2	Street lighting through solar energy at Baragadia Village in Jaipur (thru OREDA)
3	Construction of check dams
4	M/s EESL- Energy Audit of MMTC Corporate Office
5	Revival of Water Body at Neb Sarai

### Budget Allocation

The budget for undertaking CSR activities during the year will be % of Net profit of the previous year as under

Type of CPSEs Net Profit (Previous Year)	Expenditure range for CSR in a Financial Year (% of profit)
Less than Rs. 100 crores	3% - 5%
Rs. 100 crores to Rs. 500 crores	2% - 3% (Subject to a Minimum of 3 crores)
Rs. 500 crores and above	0.5% - 2%

*However with the passing of the Amendment to the Companies Bill, the budget for CSR shall be two percent of the average net profits of the preceding three financial years.*

The CSR Budget never lapses; the unutilized funds is carried over for a period of three years, after which any unutilized funds which still remain is transferred to a Sustainability Fund being created by the Govt. Of India.

### Implementation & Implementation Machinery

Implementation of MMTC CSR scheme are based on the following guiding principles

- Investment in CSR to be project based.
- Time frame for each project to be finalized at the beginning.
- Wherever possible suppliers / business associate to be involved in CSR activities.
- CSR activities to be in line with National Plan Goal/ objectives.
- Millennium Development Goals adopted by our Country should be included in CSR activities.
- Use of Public-Private / Public -Public partnership can be formed for undertaking CSR / Sustainability activities.
- Identification of specialized agencies for implementing the action plan, namely-
  - Community based organizations whether formal or informal
  - Elected local bodies such as Panchayats
  - Voluntary Agencies (NGOs)
  - Institutes/ Academic Organizations
  - Trusts, Missions, etc.
  - Self—Help Groups
  - Governments, Semi-Government and autonomous Organizations
  - Standing Conference of Public Enterprises (SCOPE)
  - Mahila Mandals/ Samities and the like
  - Contracted agencies for civil works
  - Professional Consultancy Organizations, etc.
- Verification of Credentials of specialized agencies
- Preparation of Panel of specialized agencies and/ or selection of NGOs through Panel maintained by Govt., Semi-Govt., Autonomous Organizations and National CSR Hub.
- Identification of agency for carrying out impact assessment / social audit of the CSR / Sustainability activities undertaken.

### Reports/Registers

#### Baseline Survey

- The impact made by CSR activities will be quantified to the best possible extent with reference to base line data, which need to be created before the start of any project.

#### Monitoring

- Board of Directors are apprised of CSR activities undertaken on quarterly basis.
- CSR Implementation I forms a part of MOU with Ministry.
- A separate paragraph is included in Annual report of the Company.
- Appointment of Social Audit Committee or suitable credible external agency for periodic monitoring of CSR activities.
- Projects is evaluated (Impact assessment) by an independent external agency selected via tender process.
- Nodal officer sends execution progress reports to Corporate report on monthly basis
- Business Compliance report is prepared as per SEBI Compliance.

**Documentation**

- CSR Policy, expenditure, programme shall be put up on MMTC Website for Public domain

## 1.22 Internal Audit

### 1.22.1 Description

- Dealing with the Govt. Auditors, arranging reply of Audit Paras and its follow up for settlement.
- Conducting internal audit of Corporate Office, Regional Office and other offices spread all over India, issuing Audit Reports and examining replies particularly of major paras submitted Independent auditors and finally settlement of the Audit Paras.
- Conducting internal audits at all offices of MMTC.

### 1.22.2 Process Summary

Name of process		Internal Audit	
<b>Process Goal</b>			
To convene internal audit for all associated functions within the organization.			
<b>Process Owner</b>			
Internal Audit			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Internal Audit		<input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Concerned divisions	
<b>Process Details</b>			
<b>1.22.2.1 Responsibilities and Scope of the Department (Corporate - Internal Audit)</b> <ul style="list-style-type: none"> <li>• Items of audit relating to trading activities</li> </ul>			



S No	Items of Work	Frequency
1	Scrutiny of Contracts: Contracts for purchase and sale of all commodities. Proprietary audit of transactions with regard to approvals of competent authority from CO and actual transactions thereof	Verified in all quarters
2	Scrutiny of BG's received and or issued by the corporation and other securities including cash balances	Verified in all quarters
3	Audit of trading transactions	Verified in all quarters
4	Negotiation of L/C	Verified in all quarters
5	Transactions under MCX, NCDEX	Verified in all quarters
6	Physical verification of stocks in particular stocks under financing scheme if in private go down	Verified in all quarters
7	For Corporate Office Only <ul style="list-style-type: none"> <li>• Audit of System Division</li> <li>• Investments</li> <li>• Foreign Exchange Activities</li> <li>• Audit of site office</li> <li>• Audit of Central bullion operations (CBO)</li> </ul>	Verified in all quarters
8	Verification of Subsidy claims	
<ul style="list-style-type: none"> <li>• Items relating to bullion and other specified areas</li> </ul>		
S No	Items of Work	Frequency
1	Audit of bullion transactions	Verified in all quarters

	<ul style="list-style-type: none"> <li>• A Certificate regarding compliance With the laid down gold drill to be incorporated by the auditors in quarterly reports</li> <li>• All manual transactions to be reported. Also all delivery made through manual delivery challans not updated/late updated in the system to be reported. In case of unfixed metal the provisional value should be calculated on the basis of prevailing metal on the date of transaction and uncovered exchange to be reported quarterly</li> </ul>	
2	Risk Management Audit	Verified in all quarters
3	Third party confirmations	Verified in all quarters
4	Buyer Credits/Suppliers credit	Verified in all quarters
5	Forward Contracts	Verified in all quarters
6	Claims against the company	Verified in all quarters
7	Verification of the financial securities	Verified in all quarters
8	Adequacy of financial securities	Verified in all quarters
9	System audit of VAT, Service Tax, Sales Tax ,TDS and Tax returns :- <ul style="list-style-type: none"> <li>• From salaries and from contractors etc.</li> </ul>	Verified in all quarters
10	Review of insurance claims	Verified in all quarters
11	Donation/Corporate Social responsibilities	Verified in all quarters
12	Internal corporate loan	Verified in all quarters
13	Review of handling and stevedoring agreements, lacunae , if any , observed and suggestions for plugging those lacunae	Verified in all quarters
14	Systemic audit on the slow moving goods for sale	Verified in all quarters
15	Review of incidence of demurrage/ detention charges, its causes and	Verified in all quarters

	suggestions for avoiding demurrage in future	
16	A special study on the various penalties incurred on account of admixture of foreign materials in the ores supplied causes for excess moisture, failure to maintain contractual fee and penalty sizes and how the corresponding procurement policy counteract such penalties, improvement and suggestions, etc.	Verified in all quarters
17	At the time of each and every audit it must be ensured that the ROs/SROs have submitted the GRs/Bes in time. Non submission is required to be included in report (GR-I forms)	Verified in all quarters

- Items relating to accounting activities

S No	Items of Work	Frequency
1	<ul style="list-style-type: none"> <li>• Suspense Account</li> <li>• Outstanding liabilities</li> <li>• Claims payable</li> <li>• Claims recoverable</li> </ul>	Verified in all quarters
2	A Special study of state cheques account analyzing the reasons for non-appropriation of stale cheques outstanding for more than 3 years to Misc. income account	Verified in all quarters
3	Review of cash management at ROs/SROs to ensure that large idle funds do not remain at ROs/SROs without sufficient reason and are transferred to CO without delay to avoid loss of opportunity to earn interest	Verified in all quarters

4	Review of fund flow, utilization and investment of surplus fund and long term investments etc.	Verified in all quarters
5	Review of payment receipt register	Verified in all quarters
6	Reconciliation: Bank accounts, cash books and bank books	Verified in all quarters
7	Audit of e-payments	Verified in all quarters
8	IOGL entries	Verified in all quarters
9	Booking of sale & Purchase	Verified in all quarters
10	Classification of EMD/Security deposit	Verified in all quarters
11	Contingent liabilities	Verified in all quarters
12	Provisioning for liabilities	Verified in all quarters
13	Vouching of banks/journal vouchers and debit/credit notes	Verified in all quarters
14	Withholding tax	Verified in all quarters
15	Monthly closing of ERP	Verified in all quarters
16	Opening balances in ERP	Verified in all quarters
17	Cash in hand	Verified in all quarters
18	Debit balance in party account	Verified in all quarters
19	Audit of estate activities	Verified in all quarters
20	MIS	Verified in all quarters
21	Scrutiny of quarterly/annual accounts including schedules	Verified in all quarters
22	Systematic audit of expenses and comparison with budget	Verified in all quarters
23	Scrutiny of advances (other than staff)	Verified in all quarters
24	Fixed asset register	Verified in all quarters
25	Sale/purchase of fixed assets	Verified in all quarters

- Items relating to other activities

S No	Items of Work	Frequency
1	Scrutiny of staff advances such as HBA, vehicle advances, etc. including checking of prescribed documents, entry in the service book, nominations, recoveries, etc. Service books of the employees to be audited with regard to entries in respect of advances drawn , verification of entries made in the service book and leave account	Verified in all quarters
2	Scrutiny of salary bills , grant of allowances, recoveries , sanctions of leave with or without pay, fixation of pay	Verified in all quarters
3	Insurance	Verified in all quarters
4	Audit of legal activities	Verified in all quarters
5	Register of stationary items	Verified in all quarters
6	Submission of audit report	Quarterly

- Items requiring compliance certificates

S No	Items of Work	Frequency
1	Bank reconciliation statement	Verified in all quarters
2	Fixed assets module under ERP	Verified in all quarters
3	Bullion Trading system (BTS)	Verified in all quarters
4	Other Accounting transactions under ERP	Verified in all quarters
5	VAT/TDS returns	Verified in all quarters
6	<ul style="list-style-type: none"> <li>• Physical verification of bullion stock</li> <li>• Physical verification of other commodities</li> </ul>	Verified in all quarters

7	Risk management	Verified in all quarters
8	ACD directives on audit paras on repeated points	Verified in all quarters

### Reports/Registers

- In respect of paras required to be reported to SMAC/ACD pertaining to precious metals (Annexure – 1C – A)

Audit Observations	Instance observed in the last quarter	Instance observed in the current quarter
Delay in issuance of invoices due to which huge balances are appearing in the customer ledger (no of days)		
Whether BG's reviewed each month by RO head and head of finance and on weekly basis by the officers dealing in bullion		
Whether all records required under bullion drill are maintained		
For loan cases, wherever sale had been booked taking notional exchange/metal rate final invoice is made and debited to customer account to reflect actual balances		
Variance in gold stock as per BTS and stock physically available		
BTS delivery challan not having signature of customer in support of having taken the delivery		
Delay in fixation of gold( no of cases)		

- Report in respect of paras required to be reported to SMAC / ACD pertaining to Agro(Annexure – 1C – B)

Audit observation	Instances observed in The quarter ending	Instances Observed in the quarter ending
Opening of LCs prior to receipt of proper EMD ( no. of cases )		
Delay in lifting of stock by the associates ( no. of cases)		
Shortages in stock not recovered from suppliers / associates ( no. of cases)		
Detention / demurrage and other costs including price variation, stock damage beyond the reimbursement limit of Government not recovered from associates ( no. of cases )		

- Report in respect of paras required to be reported to SMAC / ACD pertaining to Steel (Annexure – 1C- C)

Audit observation	Instances observed in The quarter ending	Instances Observed in the quarter ending
No. of transactions where C Forms are pending		
Delay in receipt of C Forms – ( no. of cases/days )		

Note: However adequate amount is being kept towards security in the shape of cash or BG wherever “c” form is not submitted in advance by RO Kolkata and Bhubaneswar (Except for PSU)

Increase in C-Forms is due to increase in the number of customers for sale of NINL products by Kolkata, BBSR, Ahmedabad and Mumbai regional offices

- Report in respect of paras required to be reported to SMAC / ACD pertaining to Non-Ferrous Metals (Annexure – 1C – D)

Audit observation	Instances observed in The quarter ending	Instances Observed in the quarter ending
Delay in lifting of stock by the associates ( no. of cases)		
Delay in disposal of stock ( no. of cases )		

- Report in respect of paras required to be reported to SMAC / ACD pertaining to Minerals (Annexure – 1C – E)

Audit observation	Instances observed in The quarter ending	Instances Observed in the quarter ending
Payment of penalty (Minimum Guarantee Throughput ) on account of non fulfillment of export obligation ( no. of cases )		
Amount of MGT		

- Audit reports

S No	Name of the report	Frequency	Format
1	Concurrent audit done for all items for all ROs	Every 15 days	MS Word
2	In-depth audit by external 3 <sup>rd</sup> party auditor	Quarterly	
3	Special audits by Senior officers	Random	
4	Recommendations of internal audits on a particular	As an when required	MS Word



	transaction		
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## 1.23 Projects Division

### 1.23.1 Description

Project division is looking in to development of new business areas for MMTC as per management approvals.

### 1.23.2 Process Summary

Name of process		Projects
<b>Process Goal</b>		
To look in to development of new business areas for MMTC as per management approvals.		
<b>Process Owner</b>		
Projects		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> projects		<input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Concerned divisions
<b>Process Details</b>		
<p><b>1.23.2.1 Development of coal block</b></p> <p>MMTC was allocated a coal block in Jharkhand state in the year 2006 and the prospecting license was given by the state government in 2010. On 24.08.2012 MMTC has signed an MoU with M/s. Singareni Collieries Co Ltd. (SCCL), a government company for development and operation of Gomia Coal Block allocated to MMTC</p> <p>Exploration work in Gomia u/g coal block has since been completed in two phases for which firms were identified using global tender. Projects division is now focusing on preparation of mining plan, in consultation with M/s. SCCL, who are experts in underground mining</p>		

**1.23.2.2 15 MW Wind farm**

MMTC's Gajendragad plant started in march 2007, has delivered net electricity units of power of over 171 million units to Hubli Electricity Supply Company Limited (HESCOM) Limited till 31.082013. The installed capacity of the plant is 15 MW, with 25 wind energy generators, each with 600 KV.

**1.23.2.3 Free Trade Warehouses**

MMTC, along with ILF&S IDC, has established a joint venture company, Free Trade Warehousing Pvt. Ltd. (FTWPL) for jointly promoting free trade warehousing zones in india. The SPVs formed under the joint venture company have been allotted land to set up free trade warehousing zones at Haldia and Kandla on lines similar to special economic zones. However due to change in policies of government of west Bengal, an 'International Cargo Hub' is now being setup at Haldia, outside the scope of SEZ Act. Work relating to obtaining of internal approvals for the development of Kandla and Haldia projects is presently in progress.

**1.23.2.4 Warehouses at other locations**

MMTC is looking in to the possibilities of construction of warehouses on its available land at Abhraknagar, Goa and Kakinada.

**Reports/Registers**

- Microsoft excel and email based reporting from projects locations

## 1.24 Personnel and Training

### 1.24.1 Description

To perform efficient Man-Power Planning, Training, Administration, Human Resources activities, Industrial relations, etc.

### 1.24.2 Process Summary

Name of process		Personnel and Training	
<b>Process Goal</b>			
To convene Human resource and associated functions of the organization.			
<b>Process Owner</b>			
Personnel and Training			
<b>Primary Actors</b>		<b>Secondary Actors</b>	
<input checked="" type="checkbox"/> Personnel and Training		<input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Concerned divisions	
<b>Process Details</b>			
<b>1.24.2.1 Responsibilities of the Department (Corporate - Personnel and Training)</b> <ul style="list-style-type: none"> <li>• Man-Power Planning</li> <li>• Training &amp; Development</li> <li>• Personnel Administration</li> <li>• Provide trained and experienced man-power at all locations of work</li> </ul>			

- Redressal of the Grievances.

Task/Activities performed by the department

- Welfare Matters
  - Welfare Loans
  - Employee Gifts – Diwali Gifts, New Year Gifts
  - Maintenance of 3% Sundry Perks
  - Holiday Home matters- Sanction, payments, opening-closing etc
  - Meal Vouchers
- Canteen Society Matters- Subsidy, Legal Matters
- EPS Pension Returns and Claims.
- RB Section Matters
  - Settlement of CPF Claims.
  - Settlement of Gratuity Cases
  - Settlement of Death Cases.
  - Settlement of Long Service Award
  - Gold Coin on Retirement.
  - EFBS Settlement
  - EDLI and GI claims settlement
- Exemption to MMTC CPF Trust.
- HBA Cases.
- Legal Matters related to Gratuity, PF
- Matter related to MMTC Employees Defined Contribution Superannuation Scheme (Pension Scheme)

**AR Section/Cell**

- Probation Clearance (process starts a month prior to completion of probation)
- Distribution of Blank ACR Forms in 1st Month of March
- Mid-year review
- Compliance of Bell Curve by June/July of subsequent year
- Providing Ratings to concerned sections for DPC/ distribution of PRP
- Reply of RTIs within stipulated time frame

**IR Section**

- Coordination of distribution of PRP every year.
- Promulgation, updation/ introduction of new rules.
- Revision of MMTC Rules/ Schemes
- Interact/ Meetings with MMTC Officers/ Staff Federation/ Unions
- Arrange reply of Audit Paras,
- Deal MICA related issues
- Respond MMTC Public/ Employees Grievance

**Reports/Registers (Corporate - Personnel and Training)**

- ACRs of OM and above till AGM level (all RO's)
- Below OM level staff all staff employees (CO only)

- Probation clearance register
- ACR folders of all officers ( Deputy Manager to AGM)
- ACR folders of Staff at CO
- ACR folders of Oms ( all regions)

**REVISION/ ADDITION TO BROAD DESCRIPTION OF EXISTING PROCESSES**

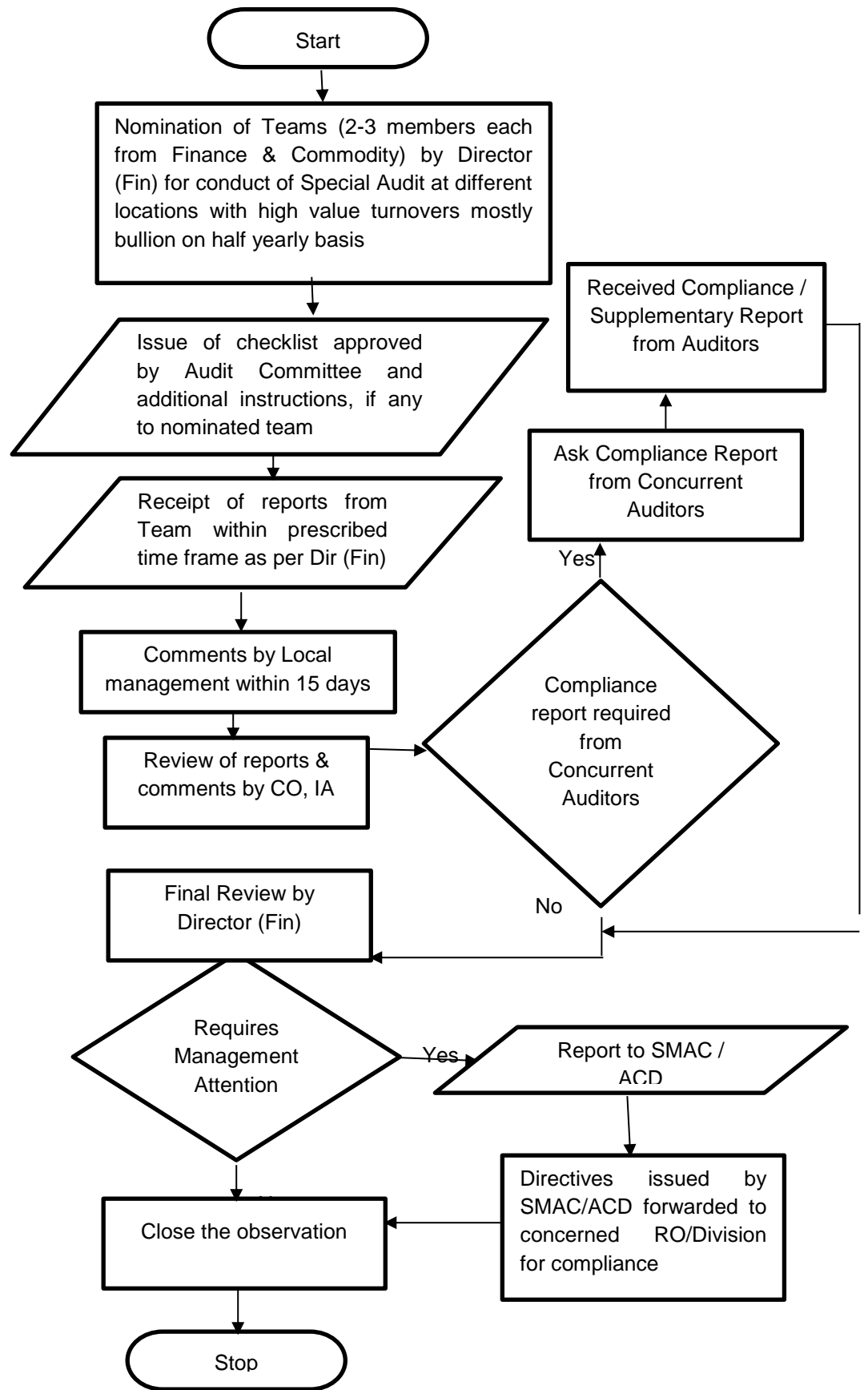


## Contents

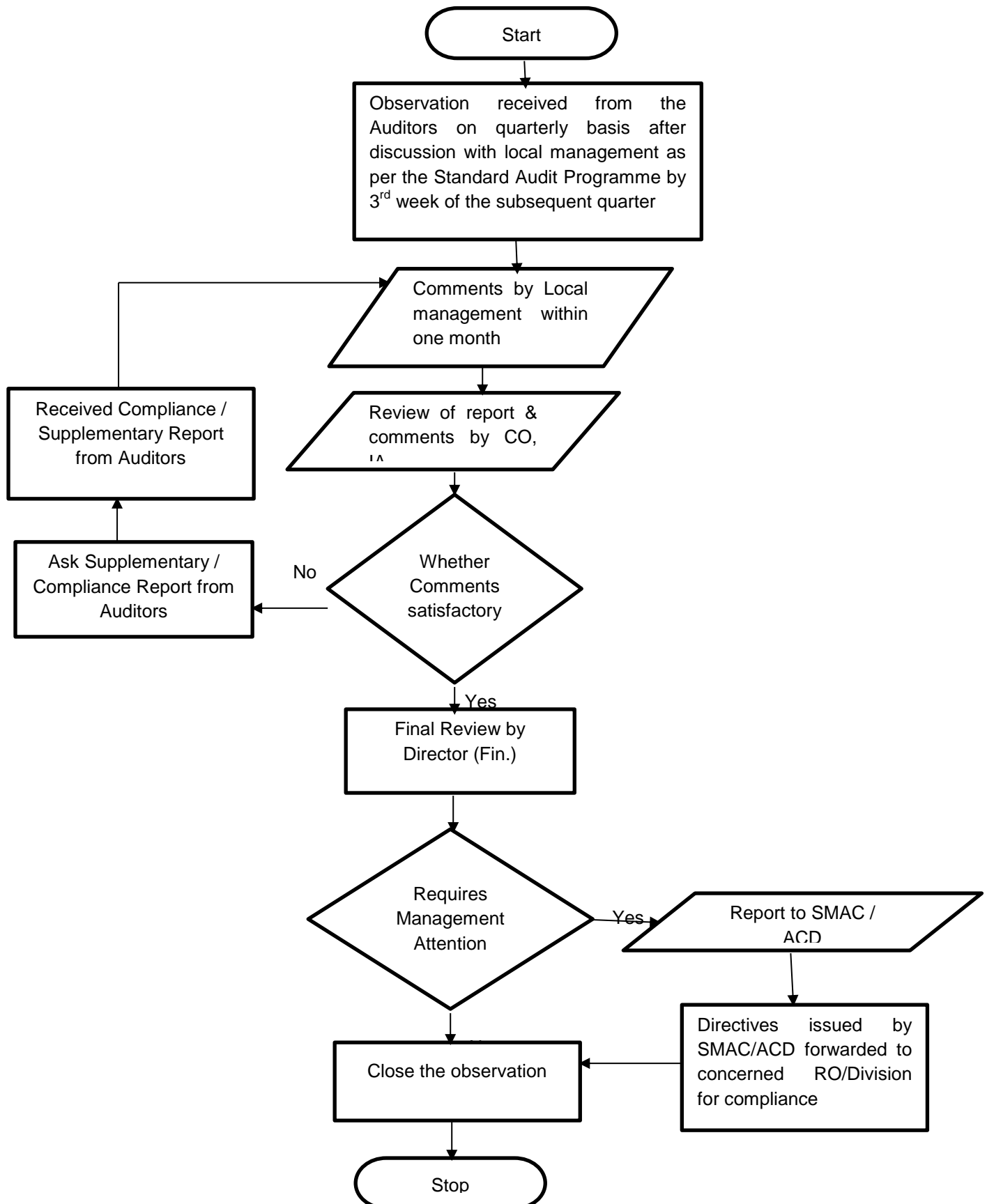
Annexure III- Addition.....	Error! Bookmark not defined.
<b>REVISION/ ADDITION TO BROAD DISCRIPTION OF EXISTING PROCESSES .....</b>	<b>288</b>
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## 2 Internal Audit

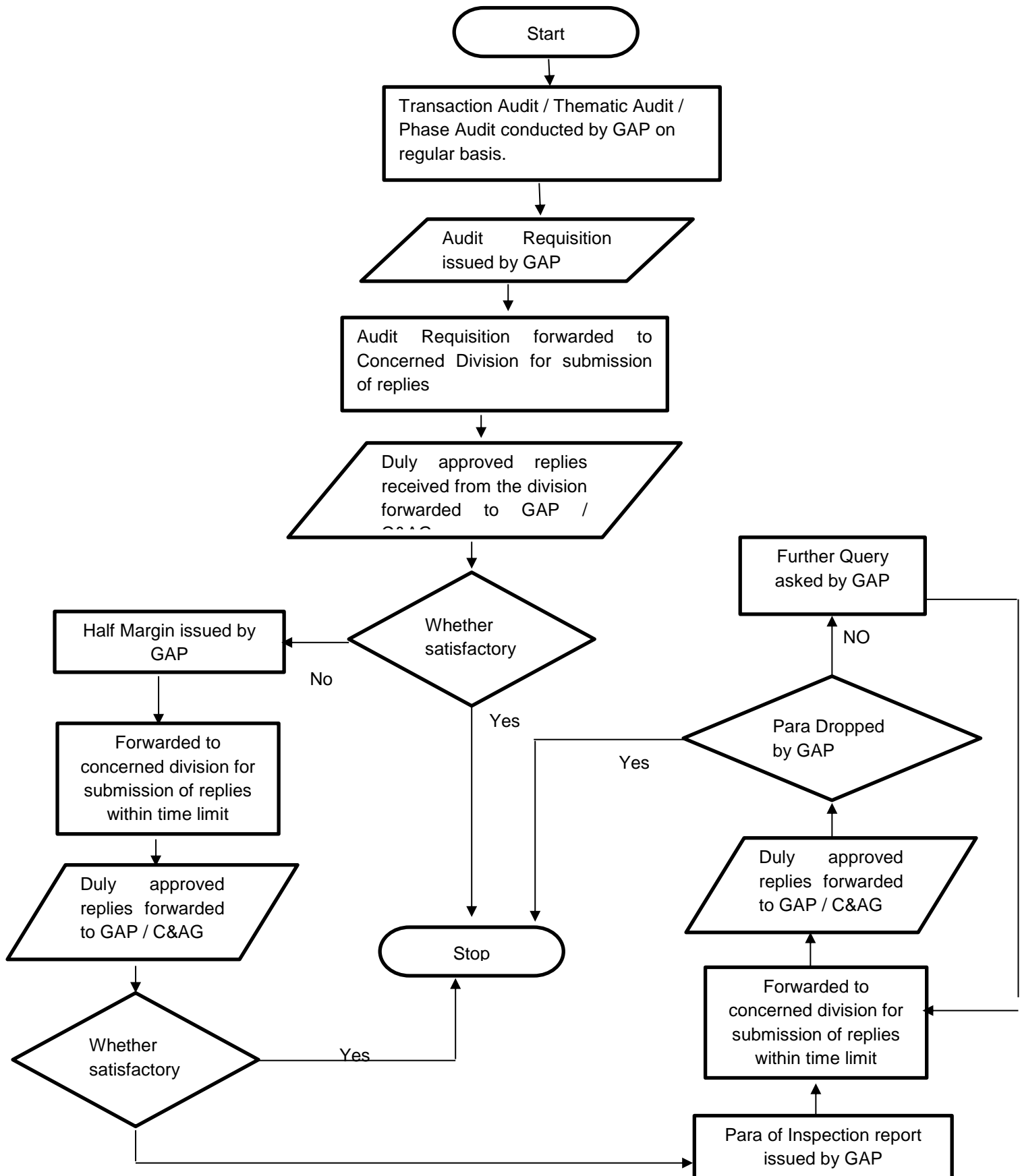
### Process Flow of Special Audit on Half Yearly



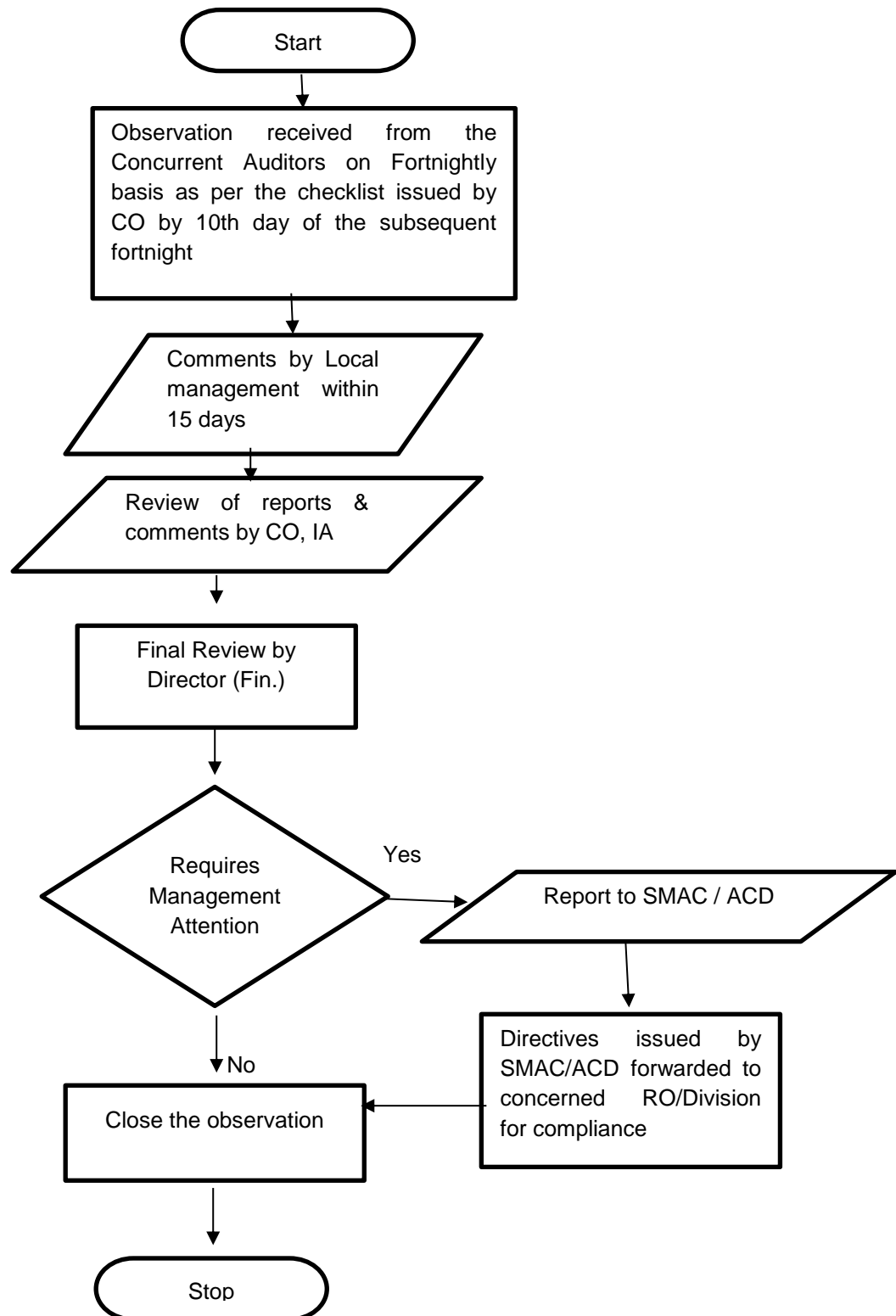
### Process Flow of Professional Internal Audit on Quarterly basis



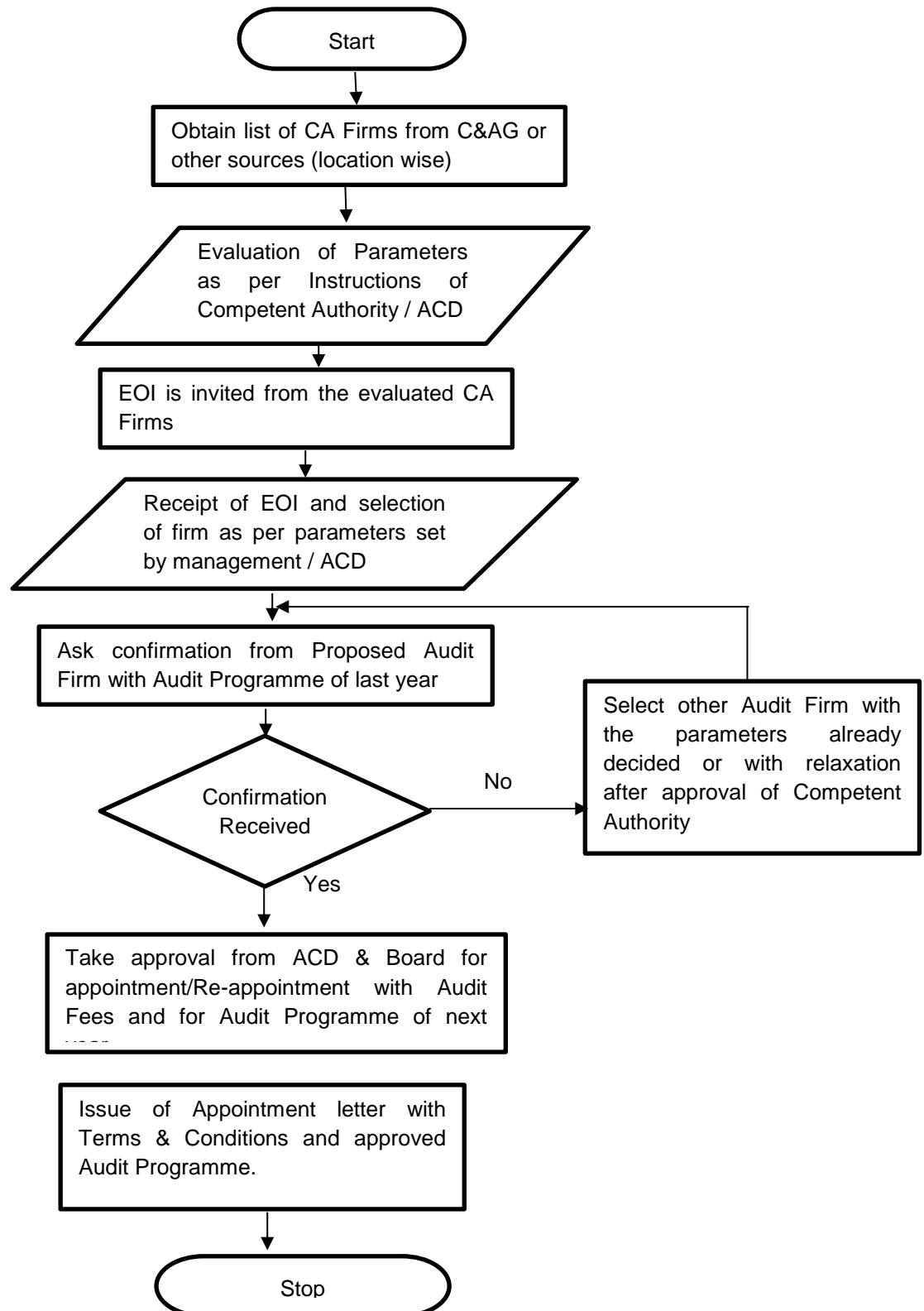
**Process Flow of GAP / C&AG Audit on regular basis**



### Process Flow of Concurrent Audit on Fortnightly Basis



## Process Flow of Appointment/Re-appointment of Professional Internal Auditors on Yearly basis



### 3 Fertilizer

#### Canalized Urea: Flow of Business Process

- Instruction from DOF to enter global market for procurement
- MMTC floats global tender and advertisement in Hindi and English news paper
  - Key points in tender
    - Tender closing date
    - Last date of shipment
    - Bid bond validity date
    - Offer validity date
- Tender opening and evaluation of bids
  - Bidders evaluated L-1 onwards
  - Department of fertilizers (DOF) is upraised on the bids received and DOF indicates quantities to be covered at various ports
- Within validity of offers Letter Of Intent Is issued to eligible bidders
- Simultaneously contracts are signed between MMTC and suppliers, Performance Band Guarantees are submitted by supplier, MMTC takes confirmation of the same, vessel is nominated by the supplier and is accepted by MMTC/DOF
- L/Cs are opened on supplier, Inspection agency is nominated for loadport inspection
- Vessel after sailing from loadport submits sailing advise and copy of shipping documents
- MMTC informs DOF of sailing of the vessel
  - DOF nominates receiver at the discharge port
  - DOF issues Letter of Authority
- MMTC takes insurance of the cargo (MMTC keeps an open cover so that insurance can be obtained timely)
- 98% bill submitted with DOF
- Receipt of payment from DOF
- Payment to suppliers one L/C is negotiated/ CAD terms
- 2% bill submitted with DOF
- Balance payment received from DOF
- Lay Time Calculations (LTC) are submitted by suppliers and Despatch/ demurrage settlement takes place
- Bill of Entry (B/E) is received from receiver of the cargo and is submitted with the bank making foreign remittance to the supplier
- Return of PBGs

- Before returning PBG, Check for quality and quantity reports, LTC settlement, complete receipt of payment from DOF
- Inspection agency payments are settled
- Transaction completed

## **All decanalized fertilizers process of procurement is similar an example of MOP is substantiated**

### **MOP: Flow of Business Process**

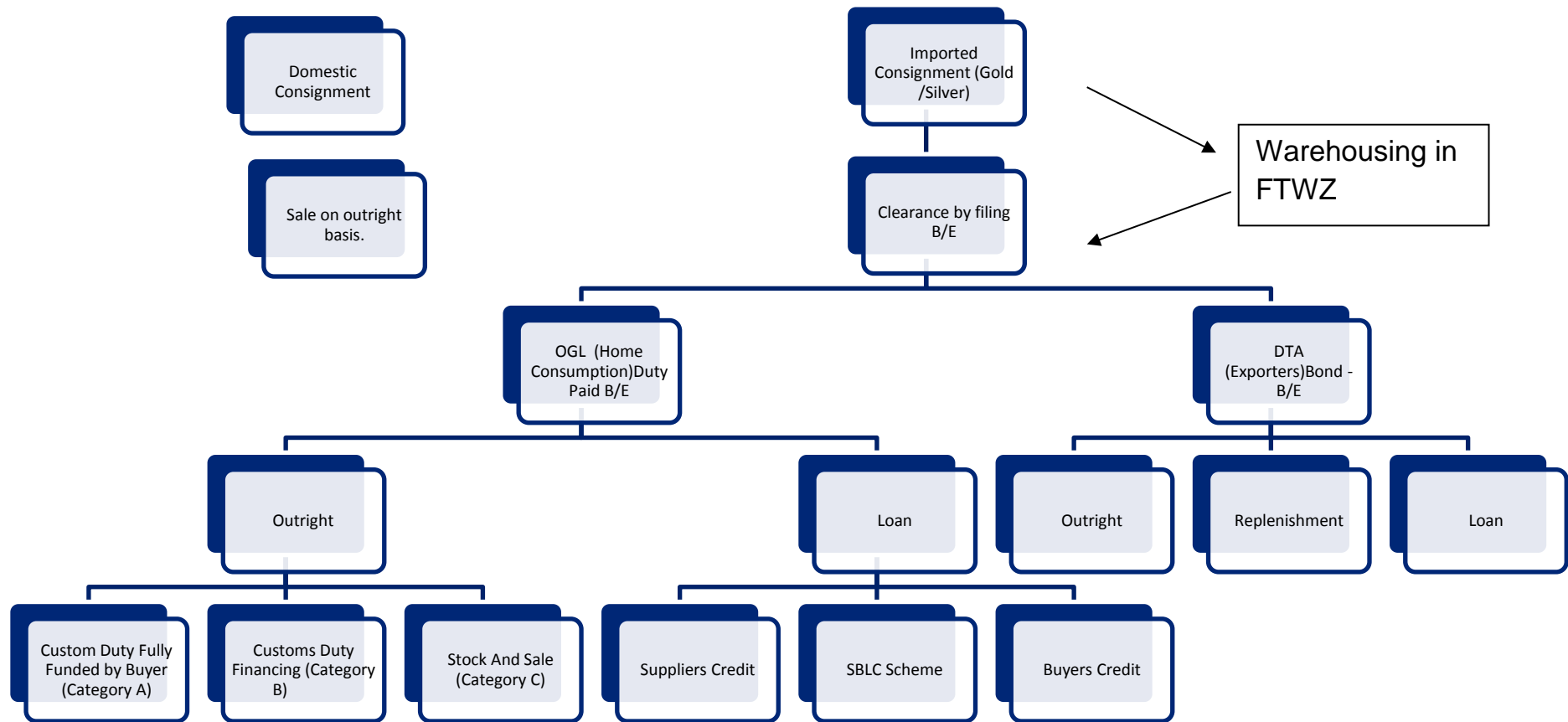
- Enquiry from Buyer/ or tender floated by customer
- MMTC enters the market to procure the cargo
- Tender: Two Bid System
  - CFR/CIF
  - Bid Bond and Performance Guarantee Bond
  - Shipment period
  - Validity of offer
  - Specifications
- On due date tender is opened and on the basis of the L1 bid received offer to buyers on High Seas Sale is prepared and sent through ROs
- On acceptance of the offer, LOI to Supplier is issued
- Contracting with buyer and seller
- Submission of Performance Guarantee Bond by supplier and MMTC takes its confirmation
- Vessel Nomination by supplier and acceptance of vessel by the buyer
- Buyer opens L/C or bank guarantee to MMTC and MMTC in turn opens L/C on supplier
- Shipment takes place, shipment advise is issued
- Copy of shipment documents
- High sea sales agreement with buyer
- Inspection Agency nomination (Load port/ discharge port)
- Negotiation of documents and Realization of proceeds
- Payment to suppliers
- LTC settlement
- Bill of Entry submission to Bank
- Return of PBG to the PG issuing bank



## **4 Precious Metals - Bullion trading**

Process flow and requirement as per specific scheme

*Under the current setup Gold/ silver is operated under following scheme:*



## Gold /Silver Transaction Is classified in following category

- A) OGL (Domestic Consumption)-Duty Paid
- B) DTA (Exports) – Cleared Under Bond
- C) SEZ(Exports)- Cleared Under Bond
- D) Domestic Transactions – MPIPL

### **A) OGL -Outright**

#### Category A(gold) or Category I (Silver)

- a) KYC Compliance: No Credit Rating Report required.
- b) Indent Placement: Indent Margin of Rs 25 Lacs per 100 Kgs for gold and Rs 2 Lacs per MT for Silver. No Minimum Lot size for indent placement
- c) Cargo Clearance: Custom duty to be fully funded by the customer. Adequate fund should be available for authorizing cargo clearance.
- d) Fixing Margin: No fixing margin will be required if Custom duty on Gold and Silver is more than 10 % else customer will be required to maintain 10 % fixing margin.
- e) Delivery Procedure: Delivery order to be generated only after receipt of balance fund.
- f) ERP should allow Pro-rata adjustment of Custom duty
- g) Invoicing: ERP should automatically calculate the Total Invoice Amount using Following Factor
  - 1) Gold/Silver Price : Actual
  - 2) Forex Price : Actual
  - 3) CIP Premium: Actual Paid
  - 4) Purity
  - 5) Quantity
  - 6) Custom Duty: Actual paid Custom Duty
  - 7) Trade Margin : 30 Cents per troz gold and 0.06% of CIF value for silver
  - 8) Bank Charges
  - 9) Taxes

#### Category B (Gold) or Category II (Silver)

- a) KYC Compliance: Fair and Above Credit Rating Report required
- b) Indent Placement: Indent Margin of minimum 2 % of CIF Value for gold and Silver both. Maximum lot size criteria to be specified
- c) Cargo Clearance: 80 % Custom duty to be financed by MMTC. Adequate fund should be available for authorizing cargo clearance.
- d) Fixing Margin: Customer will be required to maintain 10 % fixing margin with MMTC. Fixing should only be allowed after adequate fixing margin
- e) Delivery Procedure: Delivery order to be generated only after receipt of balance fund.
- f) ERP should not allow Pro-rata adjustment of Custom duty. Customs duty to be adjusted in the last transaction.
- g) Invoicing: ERP should automatically calculate the Total Invoice Amount using Following Factor
  - 1) Gold /Silver Price : Actual
  - 2) Forex Price : Actual
  - 3) CIP Premium: Actual Paid
  - 4) Purity
  - 5) Quantity
  - 6) Customs Duty: Actual paid Customs Duty
  - 7) Trade Margin : 40 Cents per troz Gold and 0.08 % of CIF Value for Silver
  - 8) Bank Charges
  - 9) Taxes

Category C (Gold) or Category III (Silver)

- a) KYC Compliance: No credit rating required
- b) Indent Placement: Indent Margin not required as it is brought under MMTC account. Maximum Quantity for indent should be specified
- c) Cargo Clearance: MMTC to fund full custom duty, Adequate fund should be available for authorizing cargo clearance.
- d) Fixing Margin: Customer will be required to maintain 10 % fixing margin with MMTC. Fixing should only be allowed after adequate fixing margin
- e) Delivery Procedure: Delivery order to be generated only after receipt of balance fund.
- f) Invoicing: ERP should automatically calculate the Total Invoice Amount using Following Factor
  - 1) Gold/Silver Price : Actual
  - 2) Forex Price : Actual
  - 3) CIP Premium: Actual Paid or as per current market whichever is higher
  - 4) Purity:
  - 5) Quantity:
  - 6) Custom Duty: Actual paid Customs Duty
  - 7) Trade Margin : 90 Cents per troz for Gold, Silver to be specified later.

- 8) Bank Charges
- 9) Taxes

**B) OGI - Loan**

- a) KYC Compliance: Fair and above rating is must.
- b) Indent Placement:
  - Digitally/manually signed application from customer with all the terms and condition to be uploaded in ERP.
  - For acceptance of any Loan customer has to satisfactorily do business with MMTC for at least 6 months.
  - After Loan is approved customer will be required to submit Bank Gaurantee of minimum 120 % of Notional Value .
  - BG Confirmation to be done by R.O and accordingly details to be fed in ERP for Placement of Indent. No Indent to be placed before confirmation of BG under loan criteria
  - Validity of Loan to be defined (Suggested 90 days). Interest rate etc should be defined at the time of indent.
  - The gold will be released maximum of 200 KG per customer, subject to the overall limit of 400 KGS for the RO, at any point of time
  - ERP Should capture all the key information like maturity date , date of drawl of loan etc and also automatically send alert at the time of expiry
- c) Cargo Clearance: Customs duty to be fully funded by the customer in cash . Adequate fund should be available for authorizing cargo clearance.
- d) Fixing procedure: The customer will have flexibility to fix the gold price on any working day within the loan period.
- e) Delivery Procedure: Delivery to be made if sufficient financial security is available. Stop loss should be kept as per the predefined criteria.
- f) Invoicing: ERP should automatically calculate the Total Invoice Amount using Following Factor
  1. Gold Price : Actual
  2. Forex Price : Actual
  3. CIP Premium: Actual Paid
  4. Purity
  5. Quantity
  6. Customs Duty: Actual paid Customs Duty
  7. Trade Margin : 30 Cents per troz gold and 0.06% of CIF value for silver
  8. Bank Charges
  9. Withholding tax
  10. Interest
  11. Taxes

**DTA Scheme:** Currently we supply DTA gold to exporter under following 3 schemes

- a) DTA Outright
- b) DTA Replenishment
- c) DTA Loan

DTA Outright :

- a) KYC Compliance: D&B Not Mandatory, But other Key registration number like, IEC Code, GJEPC (RCMC) Number , Customs one time certificate etc to be uploaded in ERP. Validity of all the certificates should be captured in ERP and ERP should auto-remind regarding expiry of any of the key registration.
- b) Indent Placement:
  - Indent under this scheme is usually on MMTC account, However for any major customer whoever demands large quantity of DTA gold , Nominal indent margin can be taken. ERP should be flexible on Indent Margin under DTA category.
- c) Cargo Clearance: Under all DTA categories, Consignment is cleared under Bond, which is furnished by MMTC. Adequate bond amount fund should be available for authorizing cargo clearance.
- d) Fixing procedure:
  - Digitally/manually signed application as mentioned in Bullion Drill to be furnished by customer covering complying to terms and condition, which should be uploaded in ERP.
  - Customer to Furnish 10 % of CIF Value as fixing margin along with the application.
  - Customer to Furnish BG/Cash/FD as customs duty Security Confirmation to be done by R.O and accordingly details to be fed in ERP Indent.
  - No fixing should be allowed before 10 % fixing margin and application as mentioned in bullion drill.
  - Time period for Export to be automatically calculated as per FTP (90 days from date of issuance of DTA Gold).
  - Time period allowed for Fulfilment of Export obligation and its realization should be Fed in ERP. ERP should automatically send a reminder to the customer regarding important dates. There should be option of customer web portal where they can keep track on the important dates and upload the relevant exports document along with important details. Such information should be automatically captured in ERP and should be authorized by MMTC official after confirming it from original export documents.
  - ERP Should capture all the key information like maturity date , date of drawl of DTA Gold etc and also automatically send alert at the time of expiry.
- e) Delivery Procedure: Delivery to be only after receiving 100 % meal Value and security for customs duty & other statutory taxes.
- f) Invoicing: ERP should automatically calculate the Total Invoice Amount using Following Factor
  - 1) Gold Price : Actual
  - 2) Forex Price : Actual

- 3) CIP Premium: Actual Paid
- 4) Purity
- 5) Quantity
- 6) Customs Duty: Nil, Duty Free Material
- 7) Trade Margin : 0.2% of CIF value for Gold and 1 % of CIF Value for Silver
- 8) Bank Charges
- 9) Other charges such as Export document verification charge etc
- 10) Taxes
- g) Under DTA Scheme ERP Should have options to cover default in meeting Export obligation. Duty payment through Tr6 challan and other penalties should be captured in ERP. Final Invoicing and refund of customs duty should only be done after fulfilment of all the Export obligation and documents are checked and verified by MMTC officials.
- h) ERP Should be capable of calculating Wastage criteria, value addition criteria and other FTP key points, ERP Should not accept any document which does not meet satisfactory criteria.

The above points are few key points; however detailed work can be done during designing phase of ERP. We are working on key points related to other schemes such Supplier's credit, Buyers credit, SBLC, DTA replenishment, DTA Loan and Domestic- MPIPL.

#### **DTA Replenishment :**

- i) KYC Compliance: D&B is Mandatory, other Key registration number like, IEC Code, GJEPC (RCMC) Number , Customs one time certificate etc to be uploaded in ERP. Validity of all the certificates should be captured in ERP and ERP should auto-remind regarding expiry of any of the key registration.
- j) Indent Placement:
  - Indent under this scheme is usually on MMTC account, However for any major customer whoever demands large quantity of DTA gold, Nominal indent margin can be taken. ERP should be flexible on Indent Margin under DTA category.
- k) Cargo Clearance: Under all DTA categories, Consignment is cleared under Bond, which is furnished by MMTC. Adequate bond amount fund should be available for authorizing cargo clearance.
- l) Fixing procedure:
  - Digitally/manually signed application as mentioned in Bullion Drill to be furnished by customer complying to terms and condition, which should be uploaded in ERP.

- Under replenishment scheme customer has to deposit 20 % of CIF Value to book the replenished gold.
  - Customer after depositing 20 % of CIF value can fix the material and accordingly Price certificate is generated.
  - Time period for Export to be automatically calculated as per FTP.
  - Time period allowed for Fulfilment of Export obligation and its realization should be Fed in ERP. ERP should automatically send a reminder to the customer regarding important dates. There should be option of customer web portal where they can keep track on the important dates and upload the relevant exports document along with important details. Such information should be automatically captured in ERP and should be authorized by MMTC official after confirming it from original export documents.
  - ERP Should capture all the key information like maturity date , date of drawl of DTA Gold etc and also automatically send alert at the time of expiry.
  - Upon fulfilment of Export obligation and on submission of required document, gold is delivered after collecting balance funds with interest.
- m) Delivery Procedure: Delivery to be only after receiving 100 % meal Value and verification of export document & other statutory taxes.
- n) Invoicing: ERP should automatically calculate the Total Invoice Amount using Following Factor
- 1) Gold Price : Actual
  - 2) Forex Price : Actual
  - 3) CIP Premium: Actual Paid
  - 4) Purity
  - 5) Quantity
  - 6) Customs Duty: Nil, Duty Free Material
  - 7) Trade Margin : 0.5% of CIF value for Gold and 1 % of CIF Value for Silver
  - 8) Bank Charges
  - 9) Other charges such as Export document verification charge etc
  - 10) Taxes

Under DTA Scheme ERP Should have options to cover default in meeting Export obligation. Duty payment through Tr6 challan and other penalties should be captured in ERP. Final Invoicing and refund of customs duty should only be done after fulfilment of all the Export obligation and documents are checked and verified by MMTC officials.

ERP Should be capable of calculating Wastage criteria, value addition criteria and other FTP key points, ERP Should not accept any document which does not meet satisfactory criteria.



**DTA Loan Scheme :**

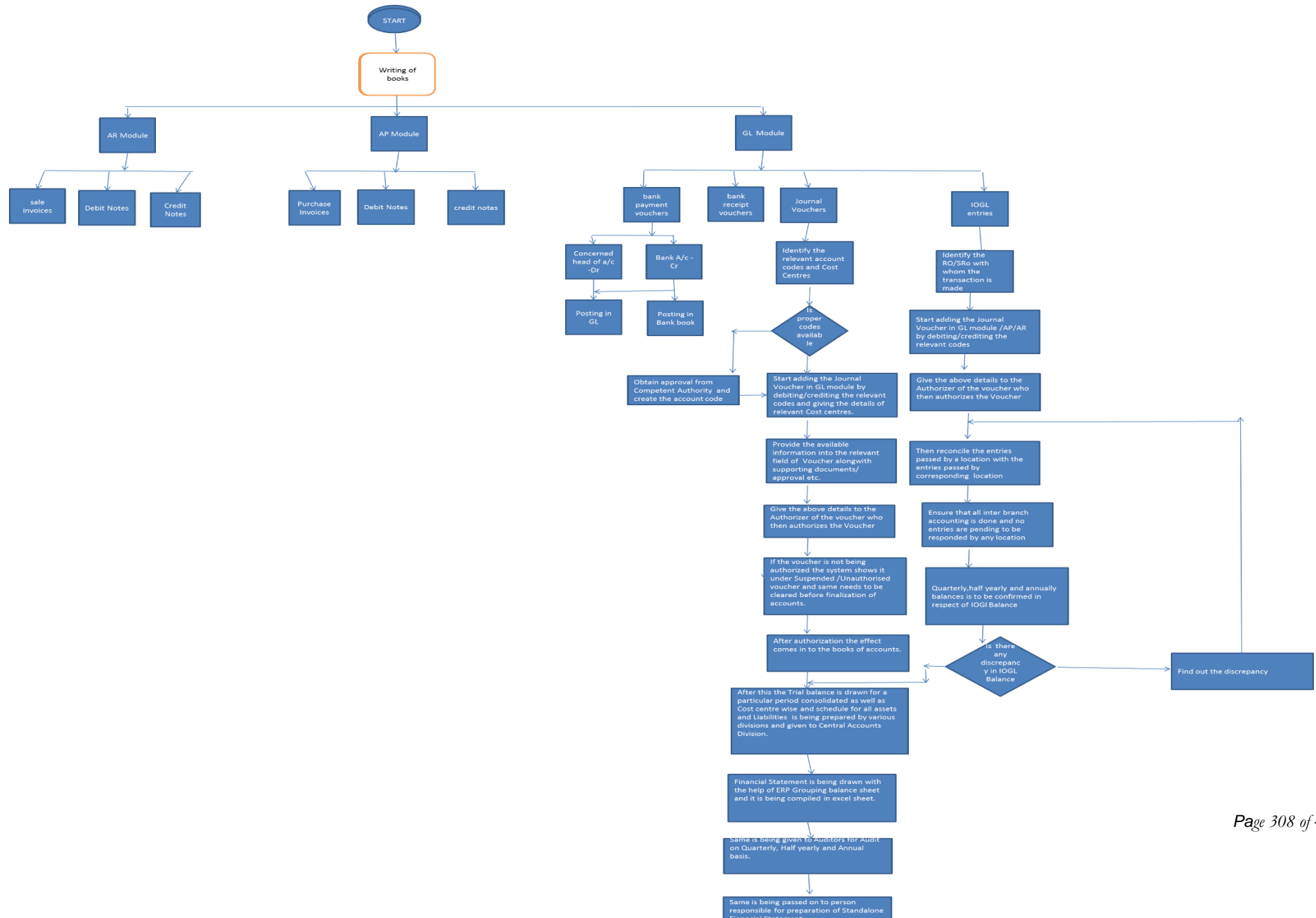
- a) Initially customer has to lift Gold on outright basis and after satisfactory completion of minimum two transactions; the customer will be eligible for commencing loan transactions.
- b) Export Gold Loan Period to be restricted to 90 days.
- c) Maximum loan quantity extended to be 50 Kg per registered KYC Compliant Customer at any point of time.
- d) The customer should not have defaulted with MMTC at any point of time.
- e) The customer will be required to submit a BG, covering minimum of 120% notional CIF value. The Regional Office has to place 'Stop Loss' at 115% of prevailing LBMA Gold Price and concerned associate finance shall monitor the forex fluctuations separately to ensure security coverage, minimum to an extent of 115% at any point of time to avoid exposure. Regional Head and Regional Finance Head to monitor security coverage on daily basis so that no exposure on account of Gold Price or INR fluctuations at any given point of time.
- f) For availing gold loan scheme the exporter is required to submit two BGs. First Bank Guarantee to cover the value of gold being taken on loan (120 % of the prevailing LBMA Gold Price) and the second Bank Guarantee shall be towards the value of custom duty and other statutory charges along with interest as given below:
  - I) BG equivalent to amount of 120 % of (Actual Customs Duty (Mentioned in B/E) + Vat (as per local statutory norm) + Interest for 1 Year on (customs duty and Vat) at the rate of 18 %).
  - II) Other local taxes like octroi, stamp duty (if applicable) and any other local statutory taxes if any shall also be collected along with Interest for 1 Year at the rate of 18 %.
- g) Under this scheme, applicable trade margin shall be 0.5% of the CIF Value.

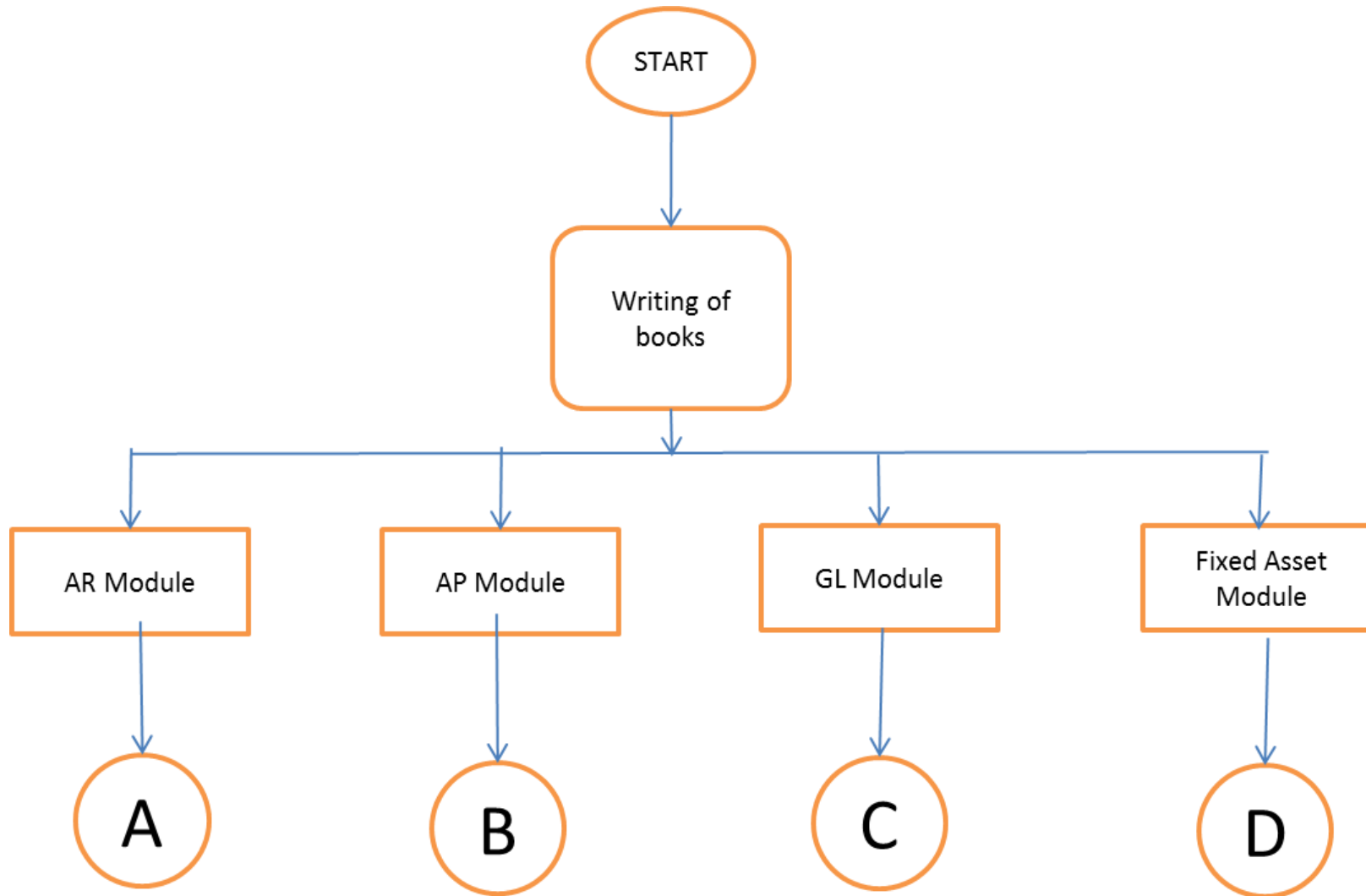
The above points are few key points; however detailed work can be done during designing phase of ERP. We are working on key points related to other schemes such Supplier's credit, Buyers credit, SBLC, OGL-Loan.

**5 Finance**

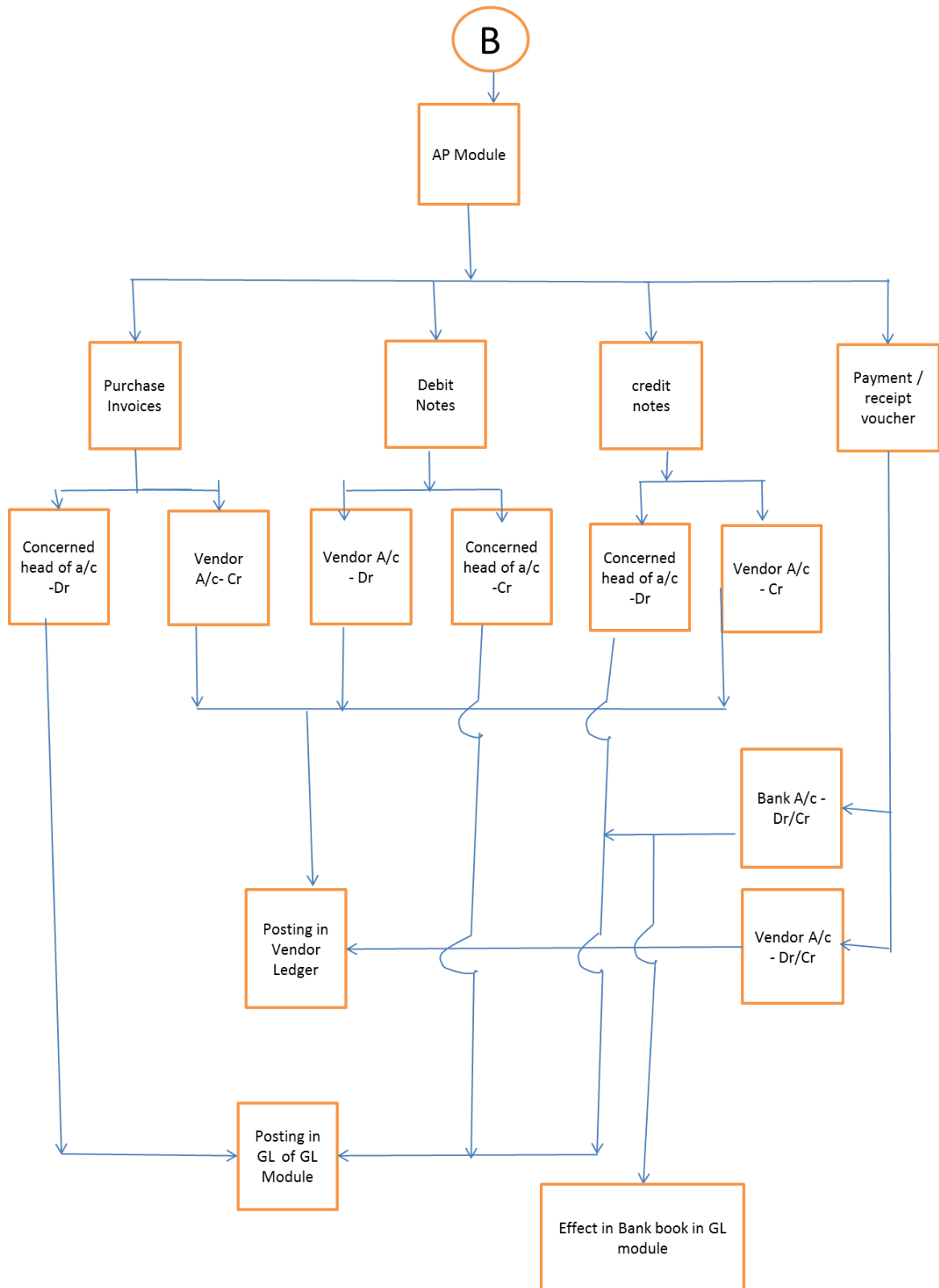
## 5.1 Central Accounts

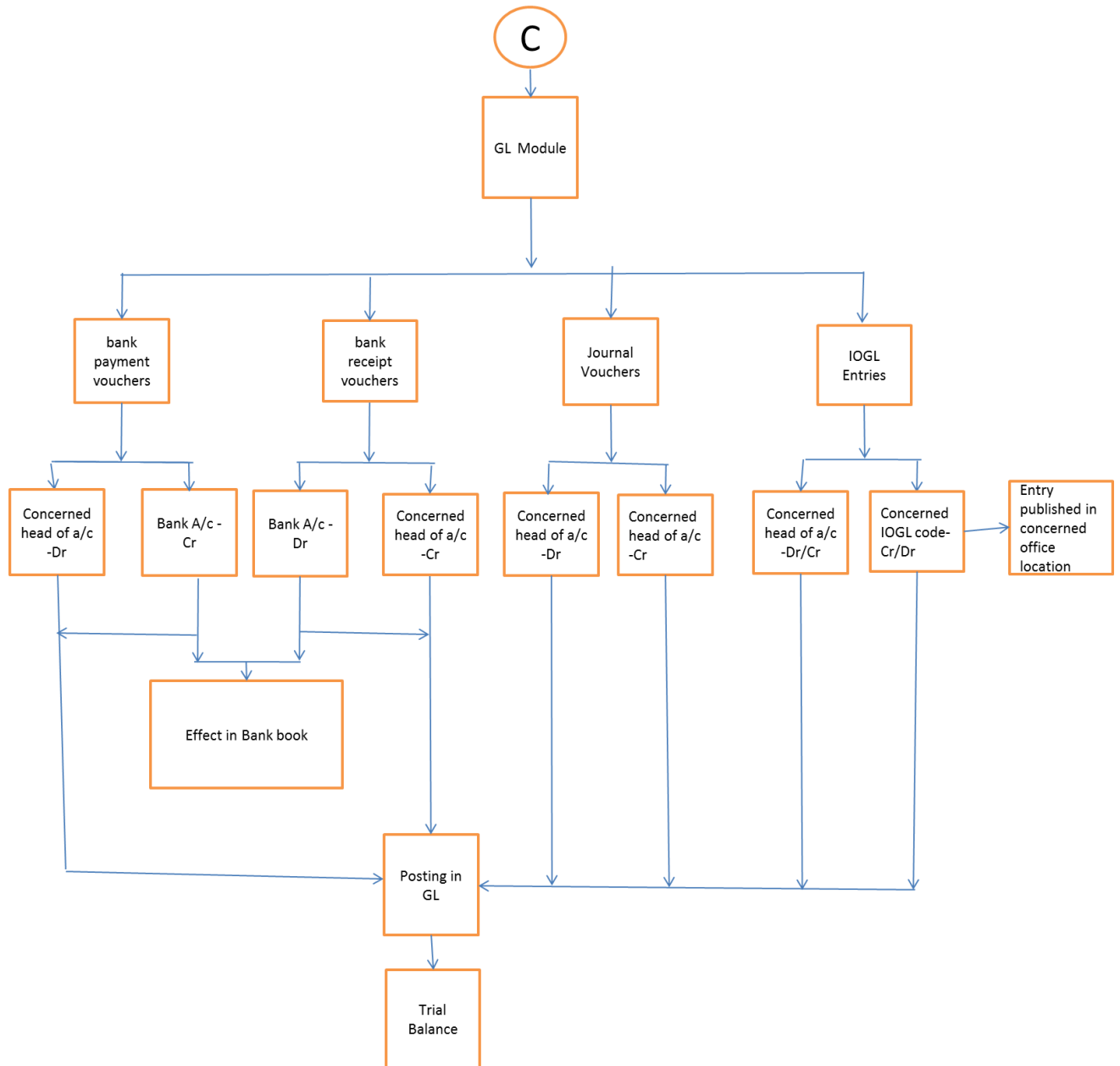
### 5.1.1 Process flow for writing book of accounts



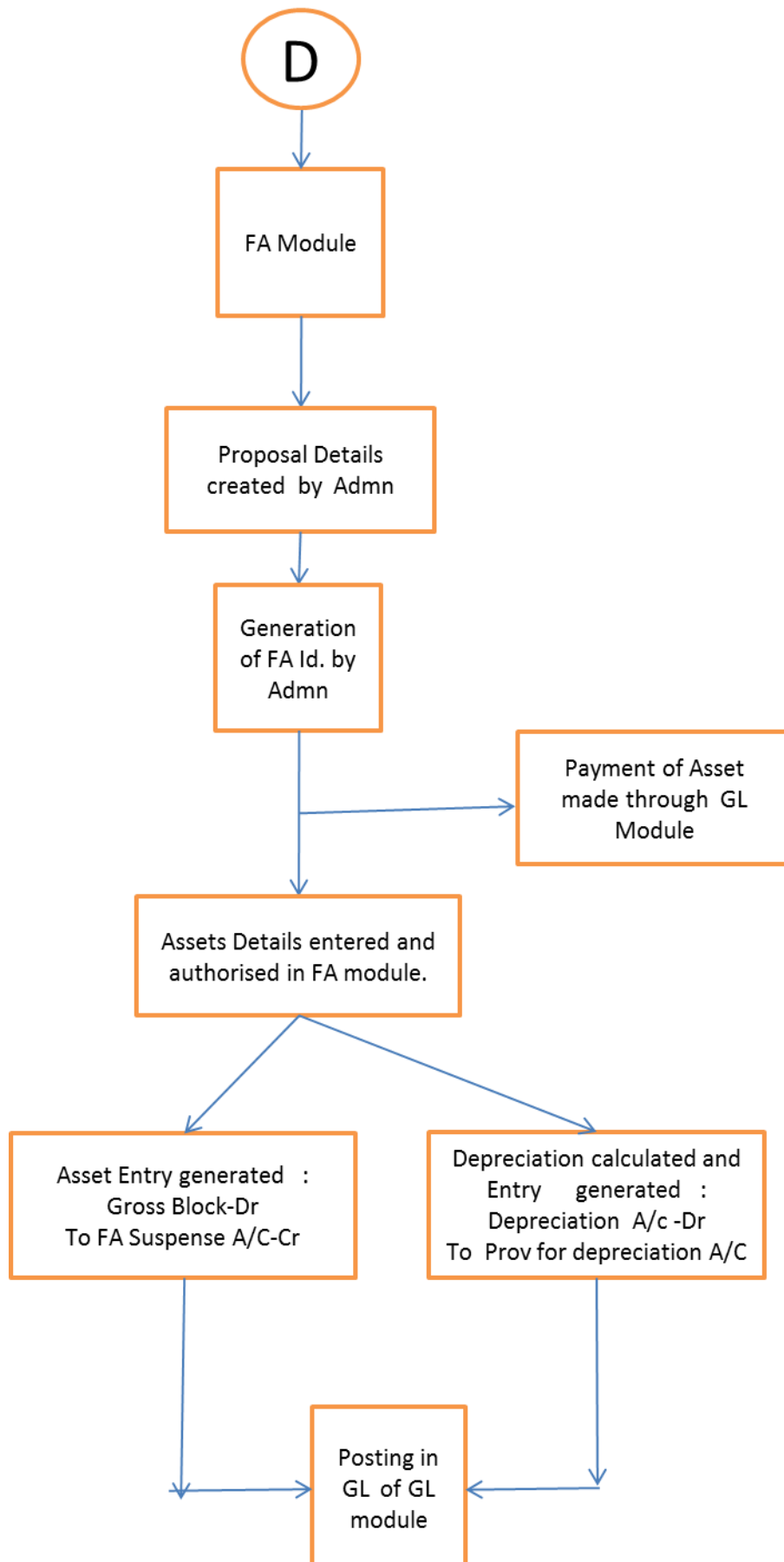




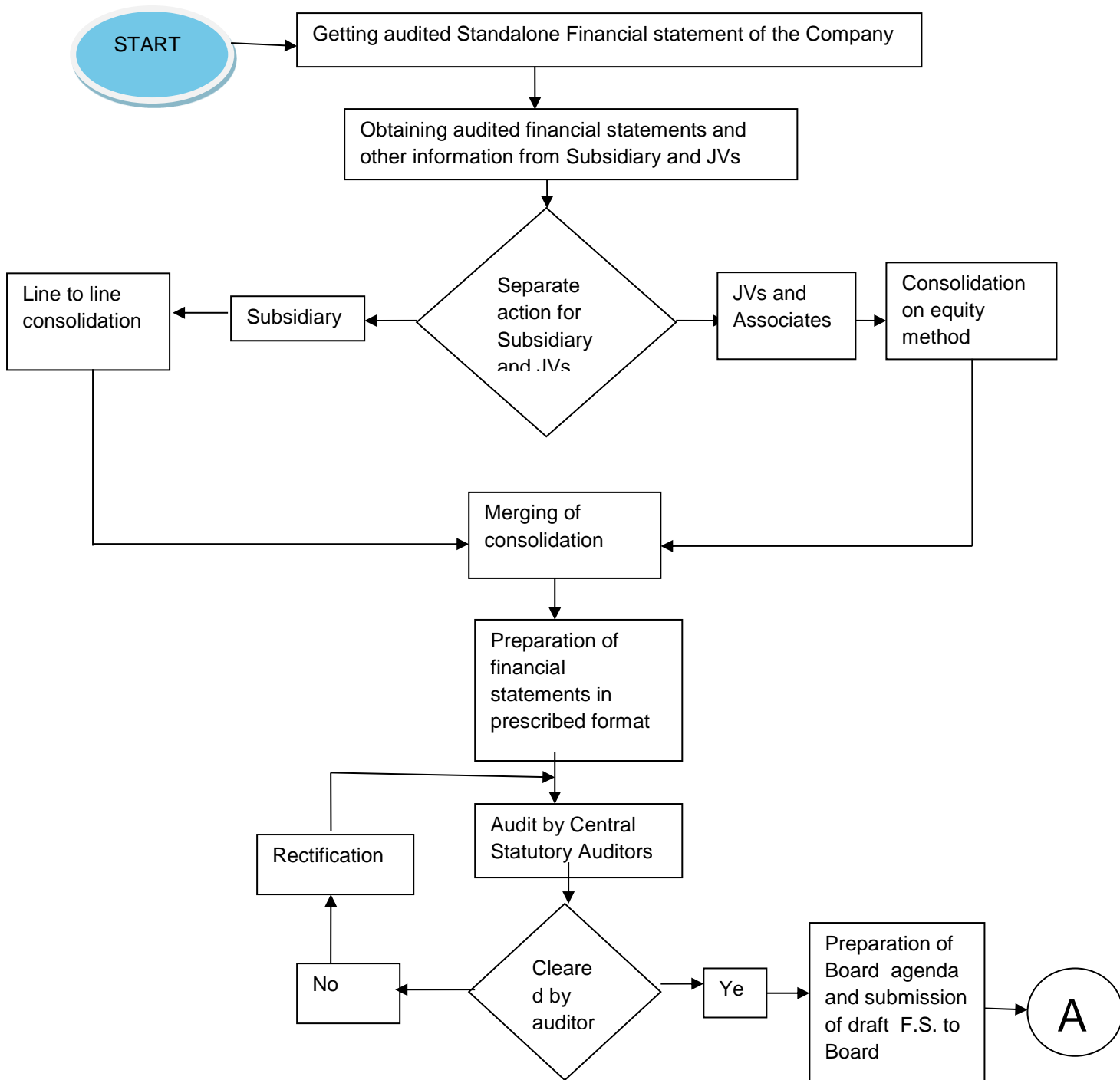




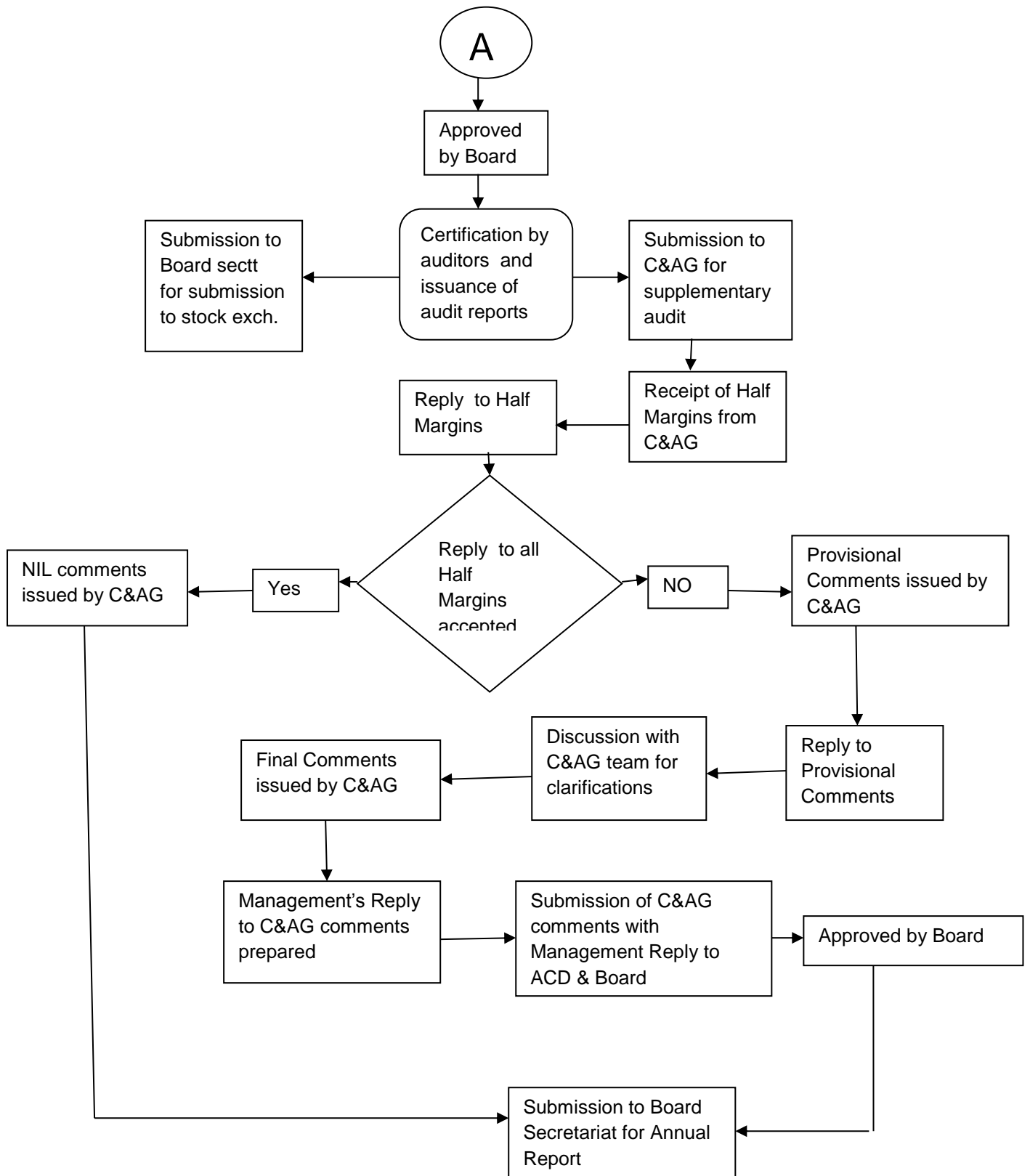




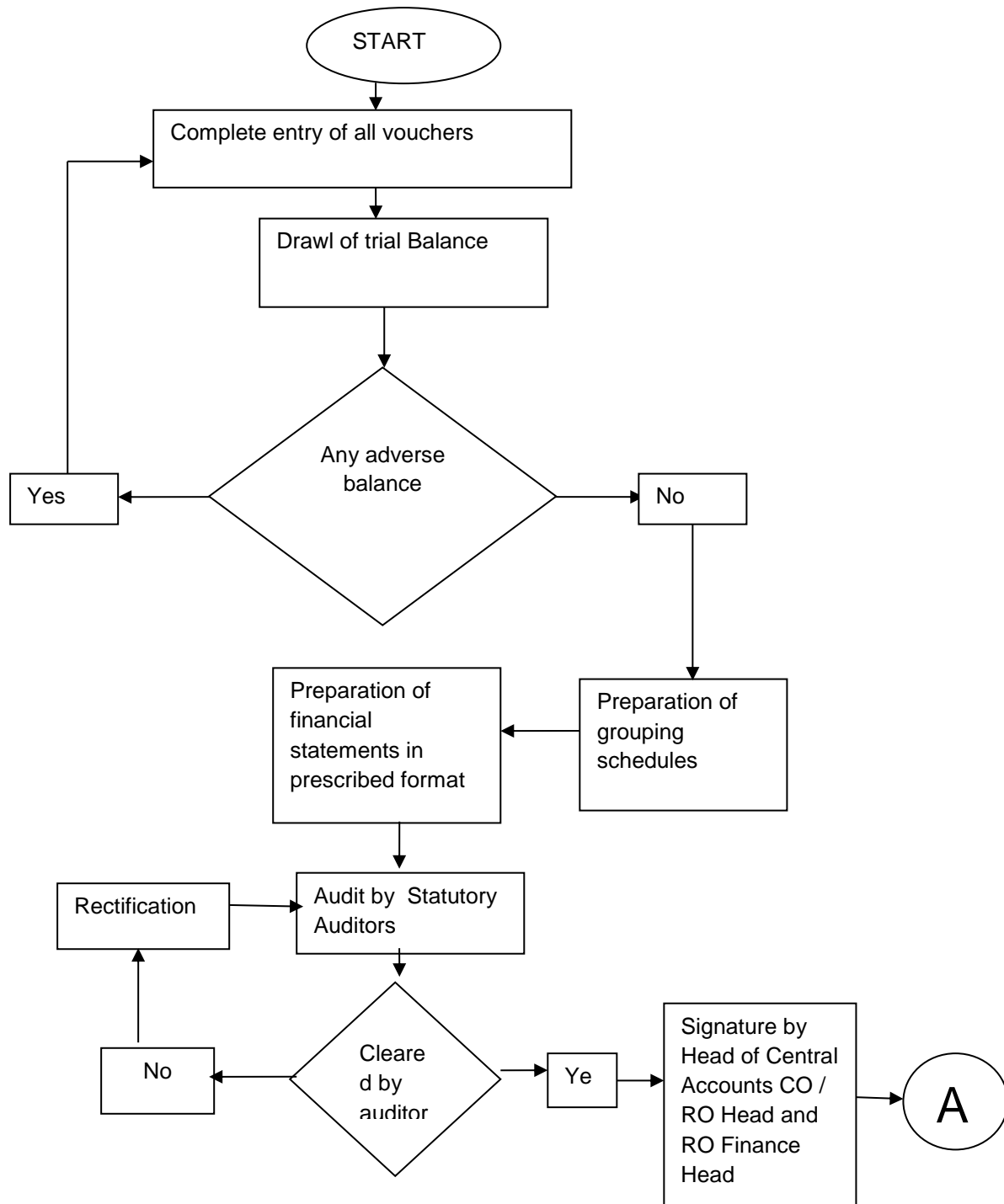
### 5.1.2 FLOW CHART FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS



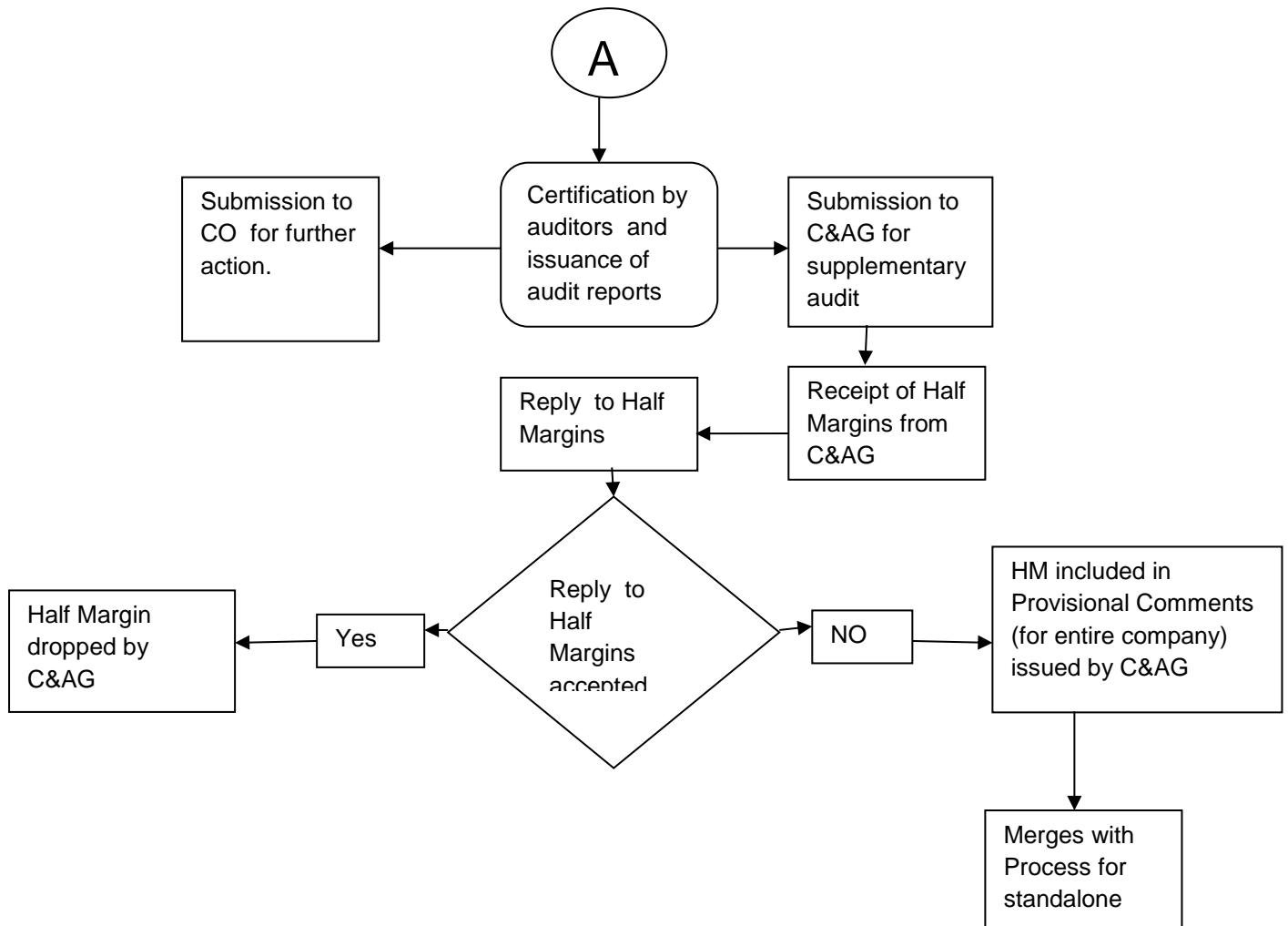
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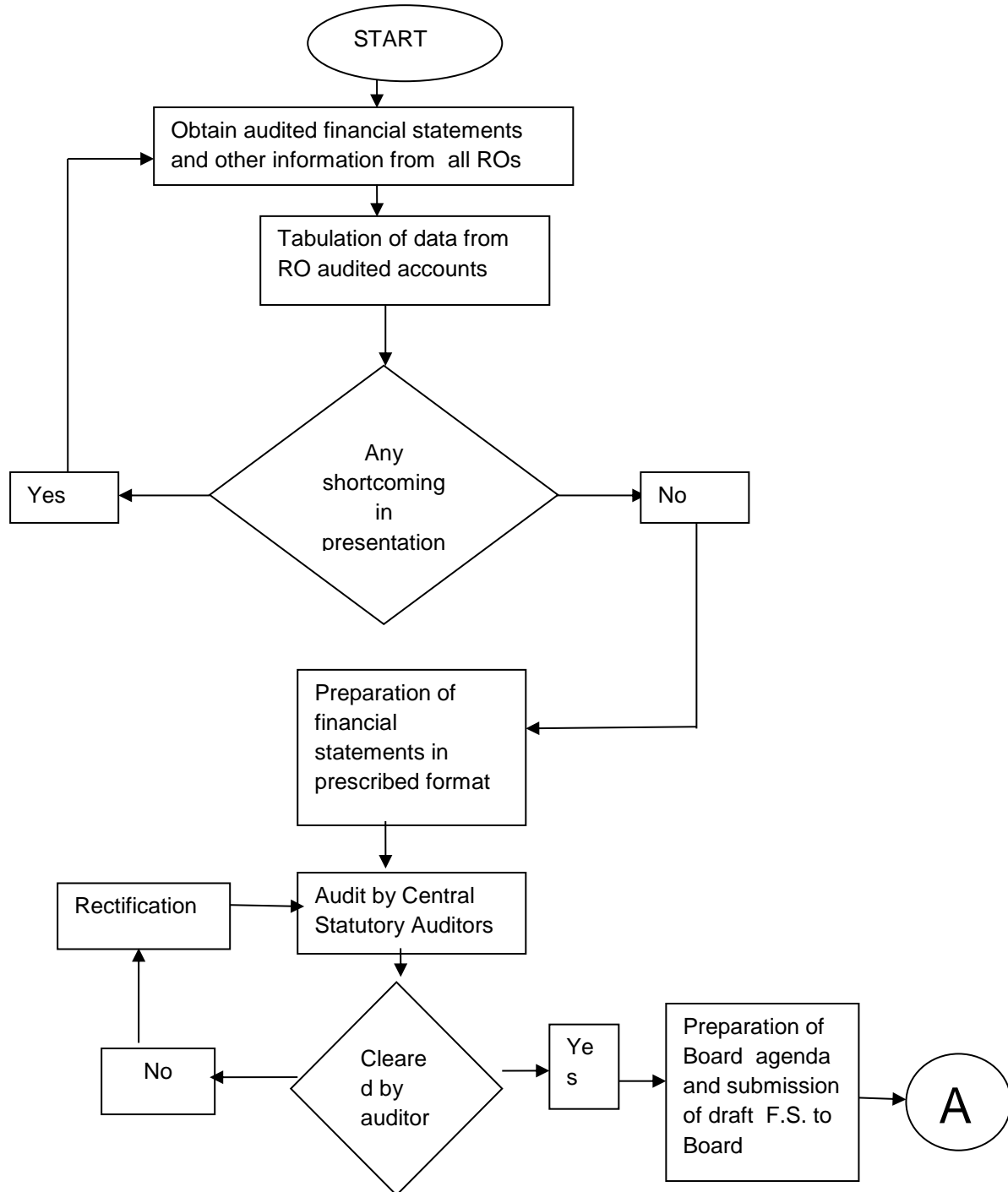
**5.1.3 FLOW CHART FOR PREPARATION OF CO/RO FINANCIAL STATEMENTS**



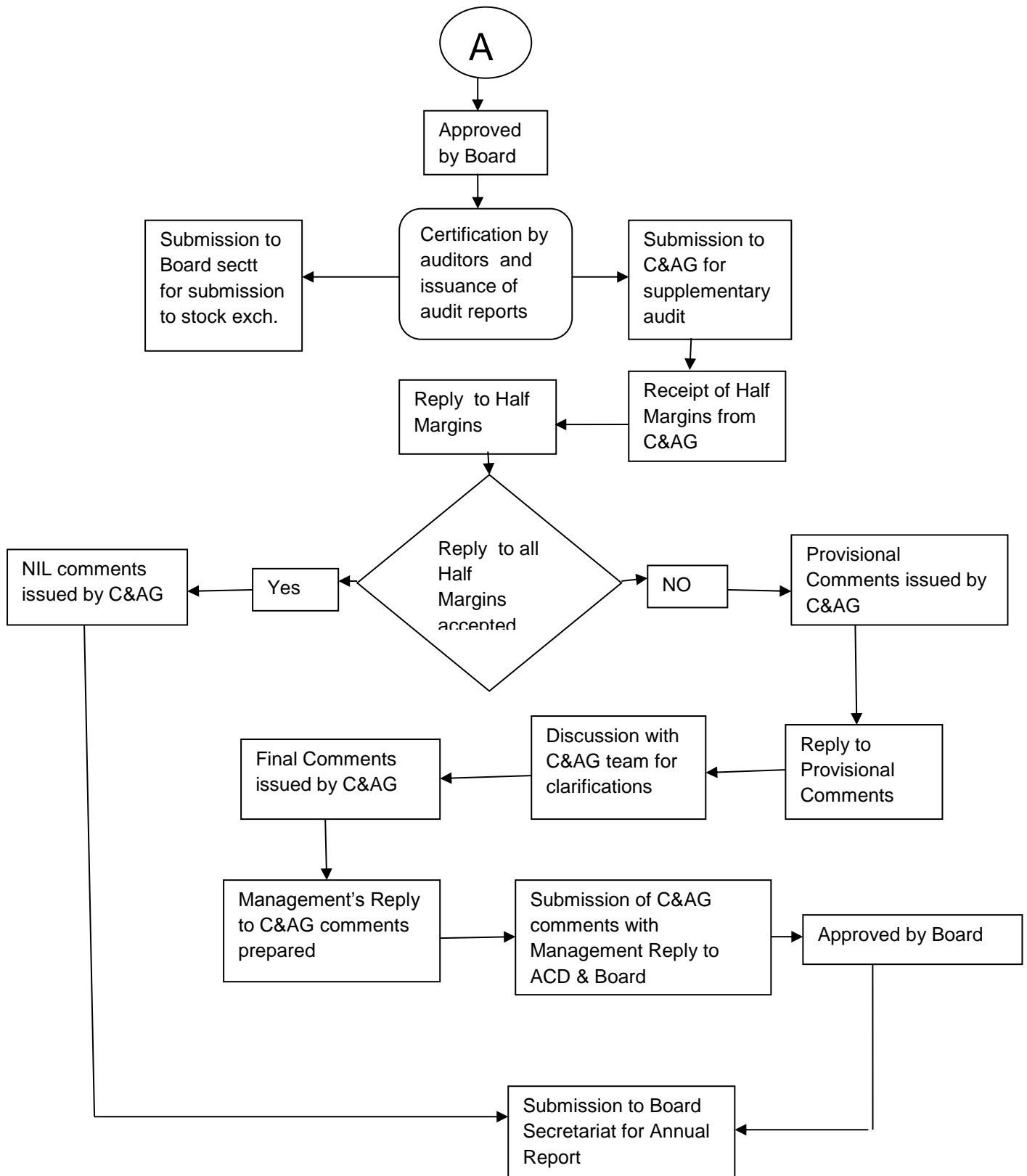
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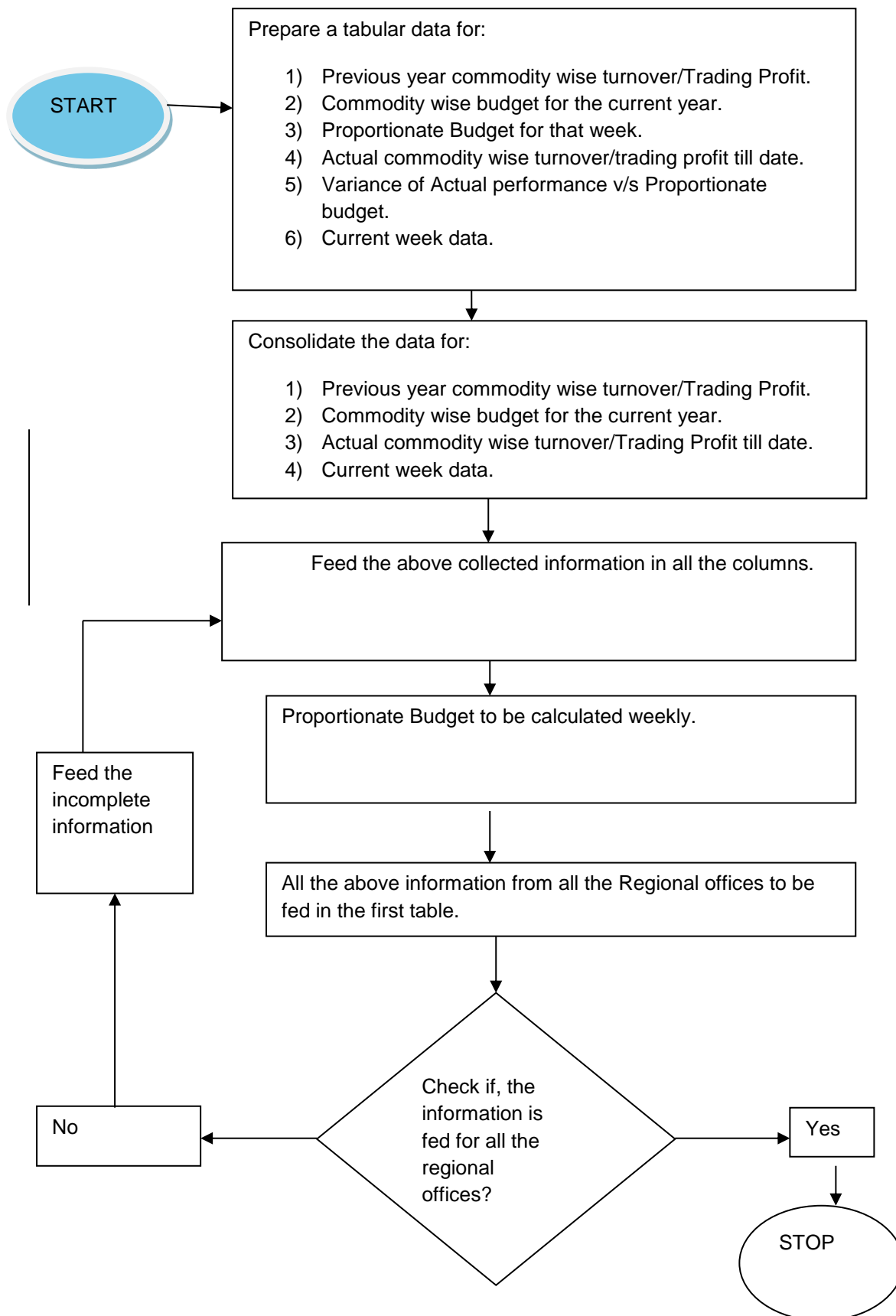
### 5.1.4 FLOW CHART FOR PREPARATION OF STANDALONE FINANCIAL STATEMENTS



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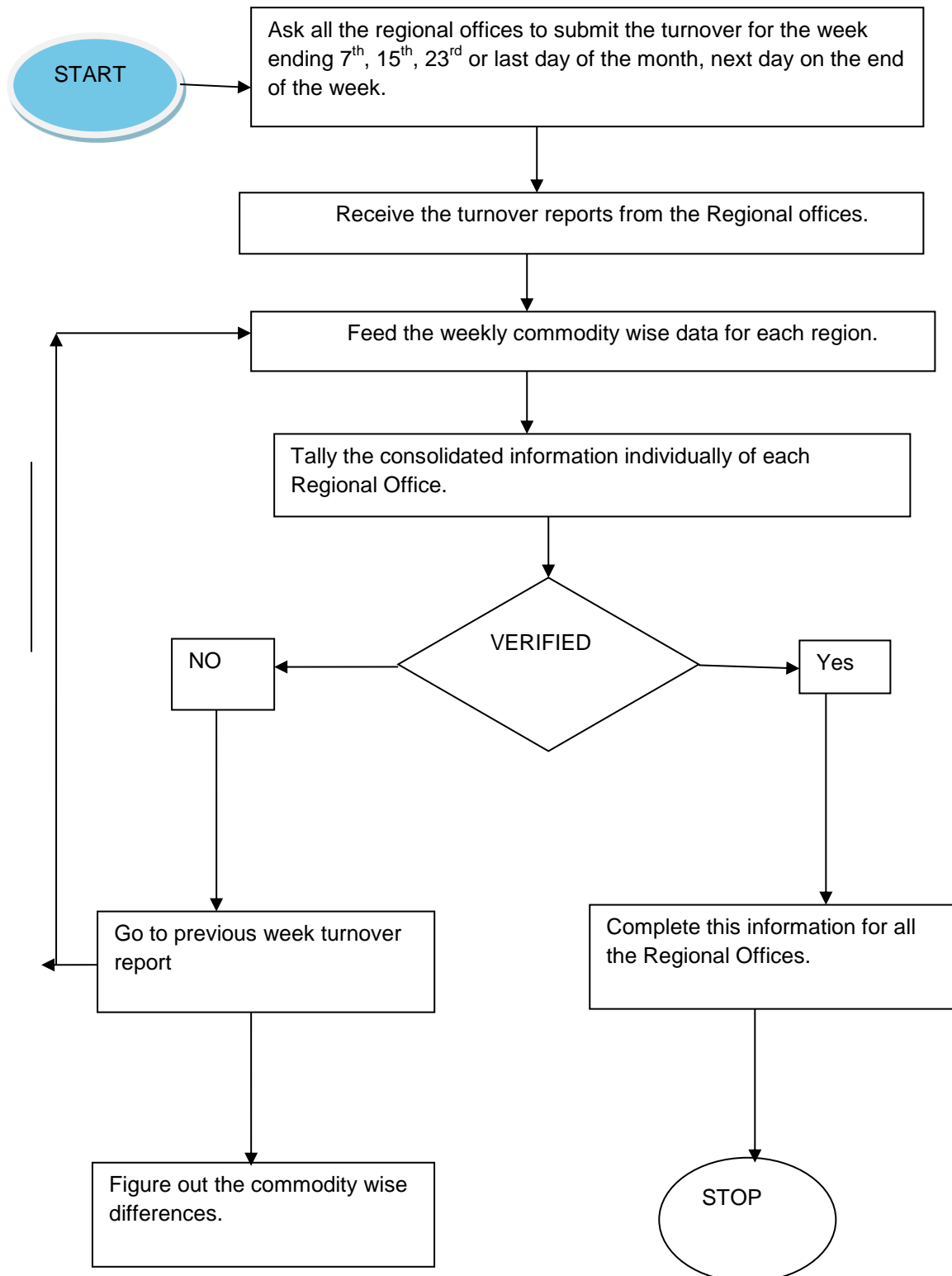


**5.1.5 FLOW CHART FOR WEEKLY TURNOVER/TRADING PROFIT:- AT THE BEGINNING OF THE YEAR**



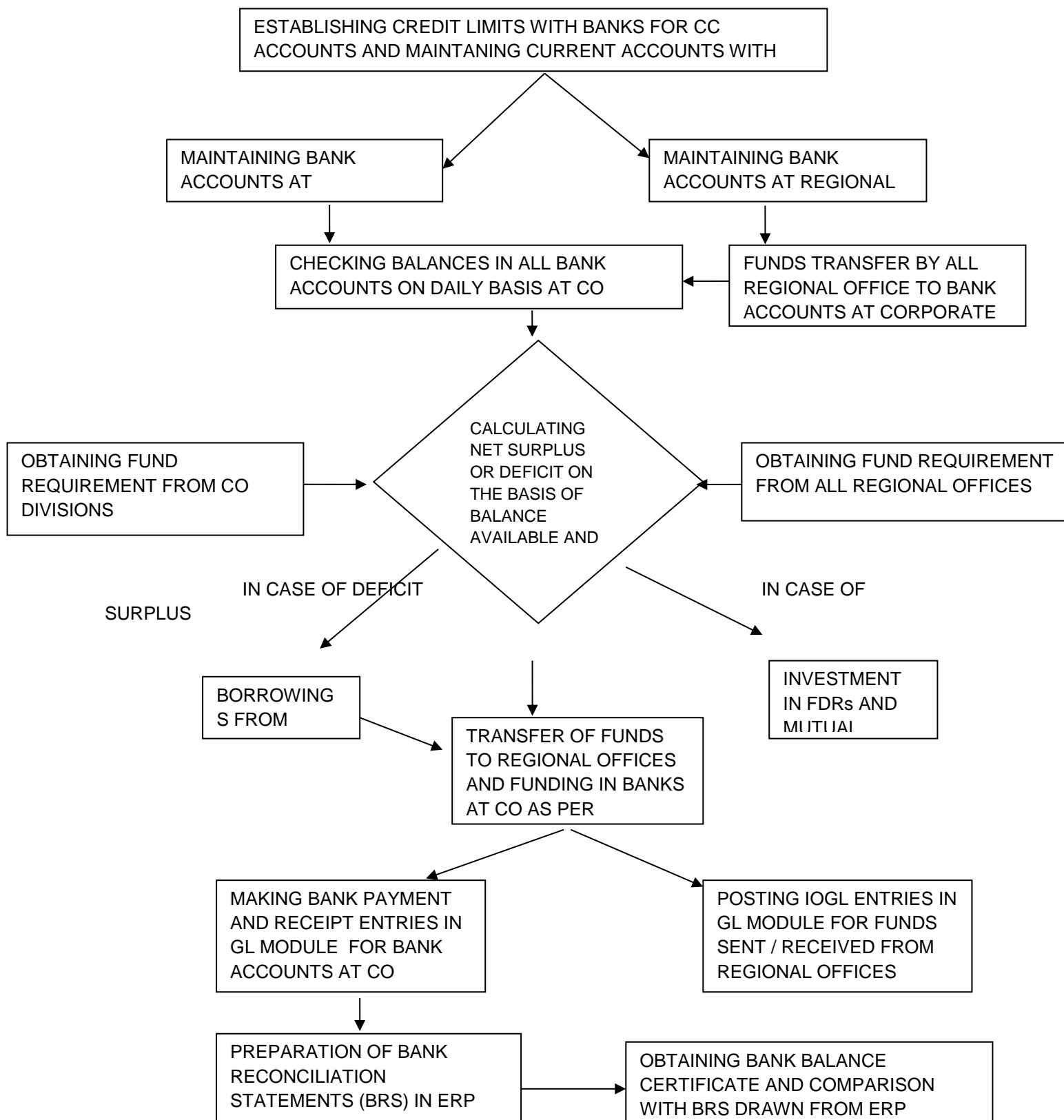


**5.1.6 FLOW CHART FOR WEEKLY TURNOVER/TRADING PROFIT:- DURING THE YEAR**



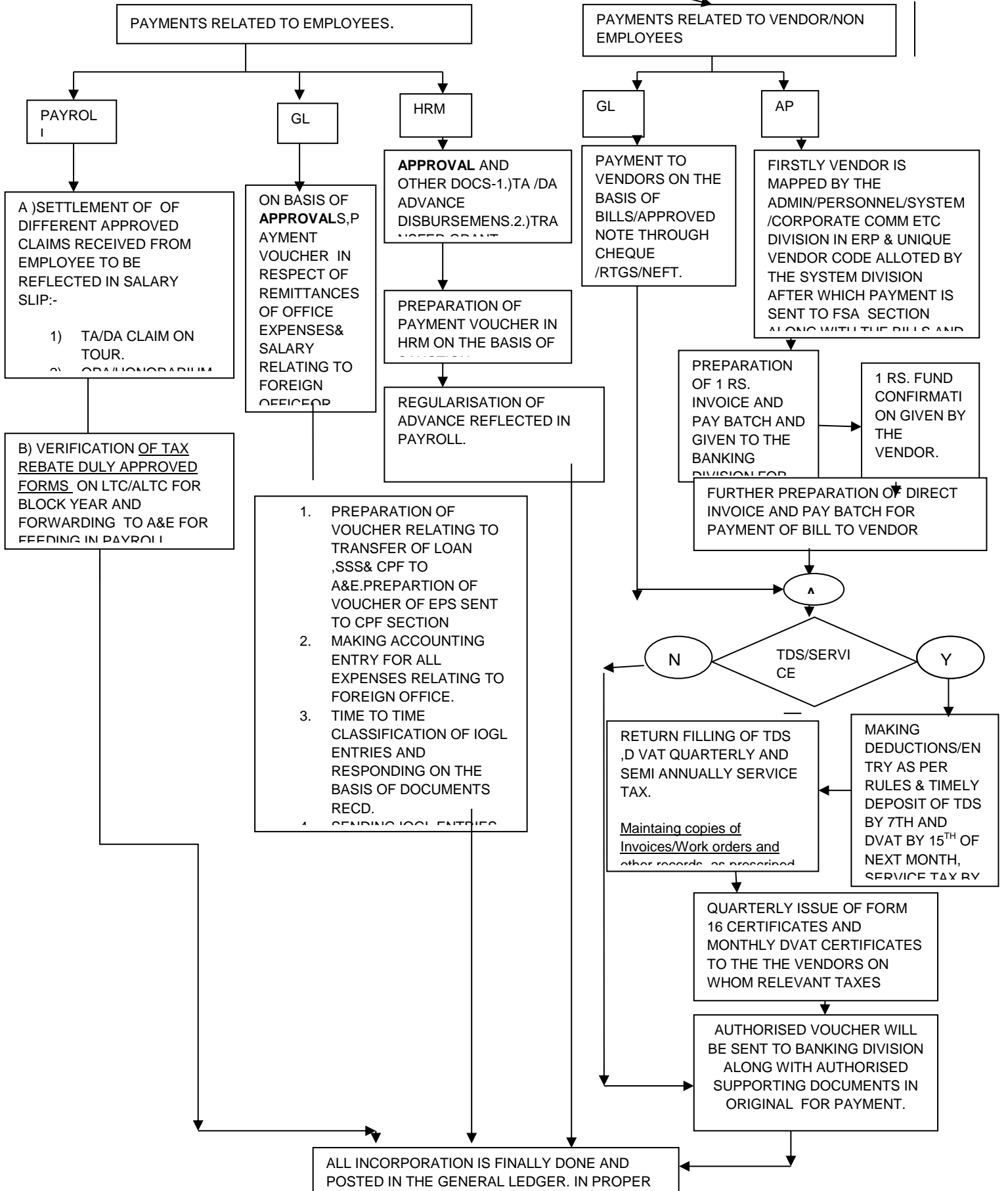
## 5.2 Banking

### FLOW CHART –BANKING SECTION



5.3 FSA

**FLOW CHART OF WORK FLOW IN FSA SECTION.**



## 5.5 Income Tax

1. It starts with payment of Ist installment of Advance Tax on 15<sup>th</sup> June, which is 15% of total estimated tax payable for the whole year.



2. For calculation of estimated tax payable every quarter, data is called from Central Accounts Division regarding estimated profit projections for the whole year. Central Accounts collect data from ROs/Profit Centers/Divisions.



3. After receipt of data from Central Accounts duly approved by Dir(F), calculation for advance tax is made.



4. A voucher is made & authorised for payment of advance tax and sent to Banking Division alongwith filled Income Tax Challan No. 280 for further processing/payment.



5. Steps 2, 3 & 4 are repeated on or before 15<sup>th</sup> September, 15<sup>th</sup> December and 15<sup>th</sup> March for payment of advance tax 2<sup>nd</sup> Installment (45% of annual estimated tax ), 3<sup>rd</sup> Installment (75%) & 4<sup>th</sup> Installment (100%) respectively.



6. Sometimes, Income Tax Cell Officials are called by Chief Commissioner / Commissioner of Income Tax to explain on advance tax estimates/projections.



7. Apart from above, TDS is also deducted on MMTC's income by associates during the year (Both for CO & ROs). That TDS is first recorded by concerned ROs/divisions and sent to Income Tax Cell for consolidation. Income Tax Cell also informs ROs/divisions about unrecorded TDS on the basis of data available in Form 26AS.



8. During finalization of accounts, provisions for income tax, deferred tax & MAT (if applicable) are created on the basis of annual accounts & other relevant available information.



9. Provision of income tax is compared with Advance Tax paid & TDS. If provision exceeds advance tax, then self assessment tax is paid. For this payment, step 4 is repeated.



10. Tax Audit Reports / Transfer Pricing Reports from ROs are called and are consolidated by Central tax auditors alongwith their observations at CO. IT Cell Officials co-ordinates between ROs & central tax auditors in this task.



11. On the basis of Tax Audit Reports / Transfer Pricing Reports, a final calculation of tax is made for the year.

12. On the basis of final calculation of tax, Income Tax Return is prepared & filed online by due date. For most of the corporate assesseees, the due date is 30th Sep., but it is 30th Nov. in MMTC's case since MMTC has international transactions with associated enterprise i.e. MTPL.

13. Provision for Income Tax created in Step 8 is adjusted on the basis of final calculation of income tax. If any refund arises, the same is shown as recoverable from Income tax Department. A journal voucher is passed to that effect.

14. In normal course, intimation u/s 143(1) is received from Income Tax Department for processing of Income Tax return. If any refund arises, the same is credited in Bank account directly and a receipt voucher is passed for that effect. In case of demand raised on MMTC, an application for rectification u/s 154 is submitted before IT Dept.

15. For most of big corporate like MMTC, notice u/s 142/143 is received for scrutiny assessment and information/documents are called by assessing officer (AO) for verification.

16. Information/documents are collected from ROs /Divisions & submitted to AO. Hearings are held over a period of time. MMTC being big corporate, usually 10-12 hearings take place for submission of documents/clarification. After that, an order u/s 143(3) is passed by assessing officer assessing income.

17. If income is assessed over returned income, then the same is analyzed and reconciled and if required, appeal is filed with the approval of CA for variations between assessed & returned income before Commissioner of Income Tax (Appeals). Simultaneously, request is made to AO for stay of demand.

18. Notice for hearing is received for appeal and information/documents are called by CIT(A) for verification. Sometimes, hearing notice gets delayed due to frequent transfer of CIT(A), then regular follow-up is required to get the hearing notice.

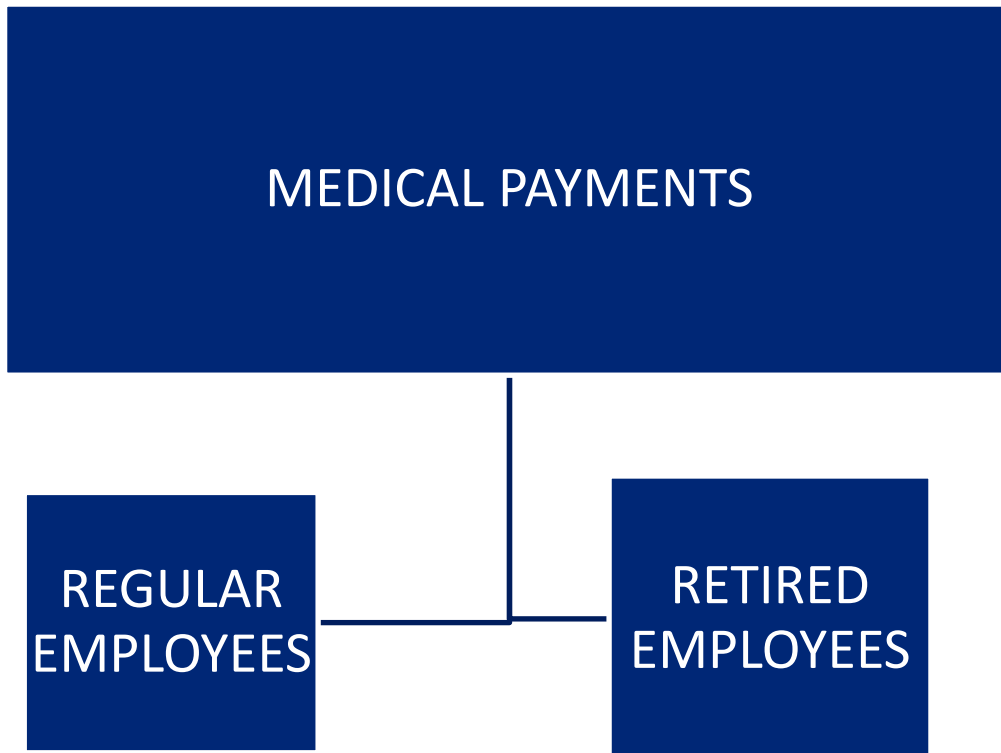
19. A paperbook is prepared on the basis of information/documents collected from ROs /Divisions & submitted. In normal course, hearings are held over a period of time till CIT(A) satisfies his requirements.

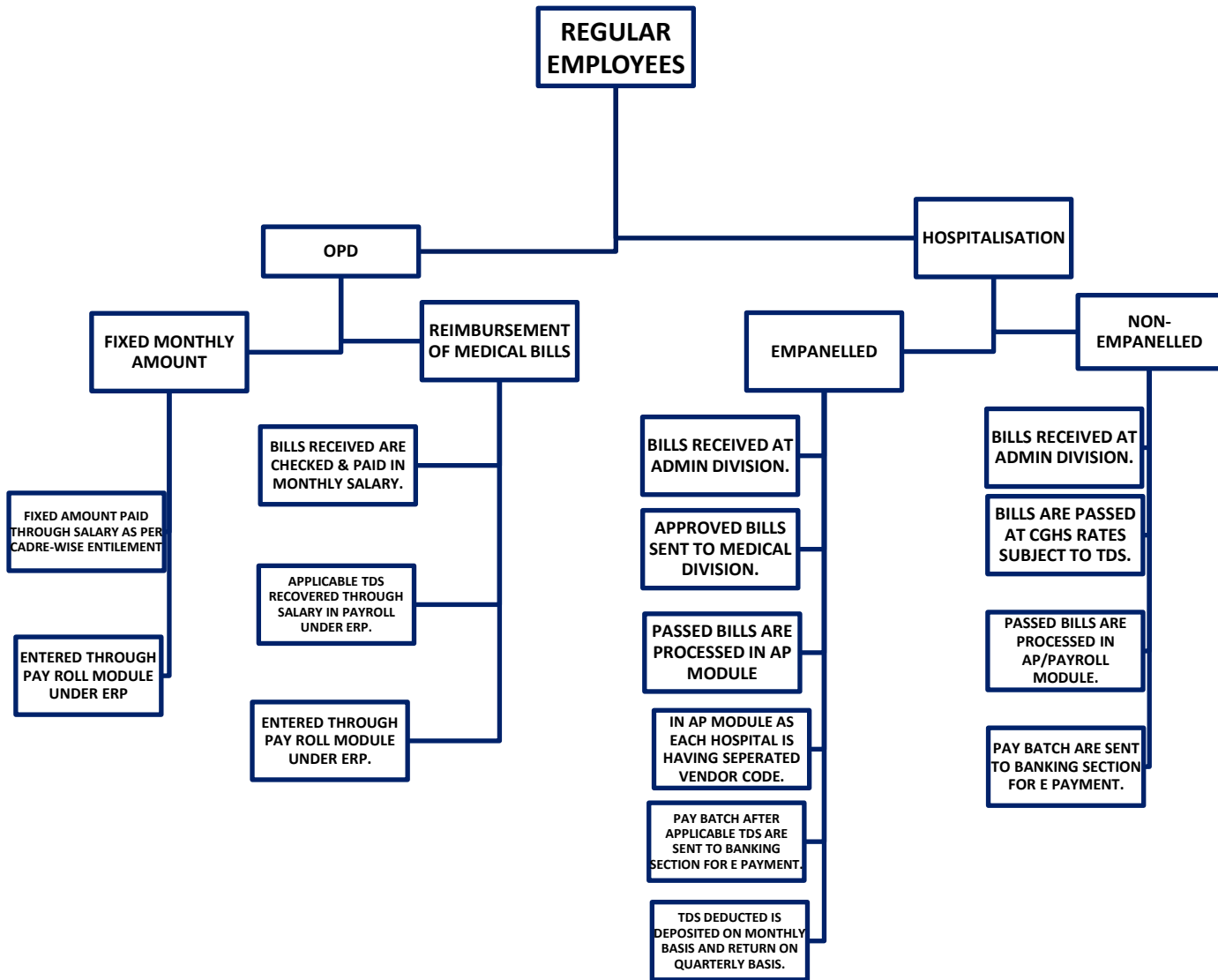
20. An order u/s 250 is passed by CIT(A) deciding the appeal. The order is analyzed and for issues/grounds decided in MMTC's favour, the appeal effect is done by AO. This takes time and rigorous followup is required at this stage.

21. On issues decided against MMTC, appeal is filed before ITAT after cost benefit analysis. Steps 18, 19 & 20 gets repeated. If need arises appeal is filed before next appellate authority i.e. High Court and then, Supreme Court.

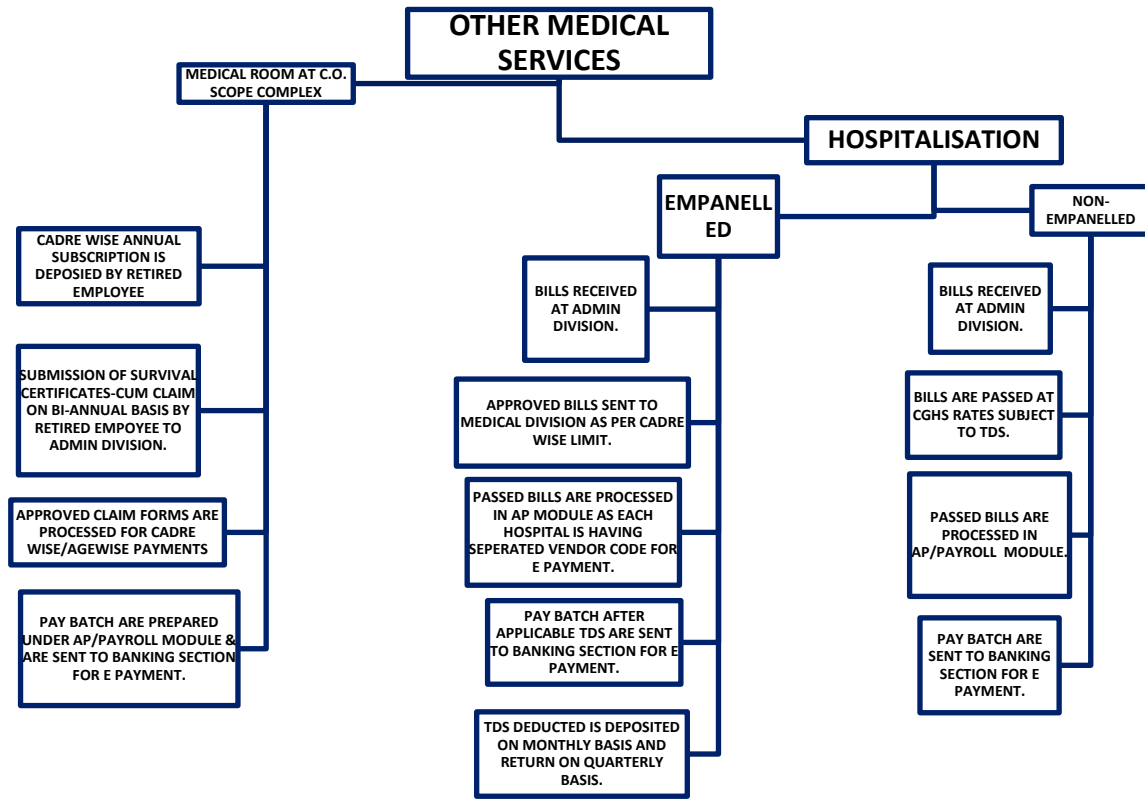
22. Income Tax Cell has an expert tax consultant, who helps us in tax related matters upto the level of CIT(A). Above the level of CIT(A), appeal/matter is taken up by advocate appointed with the approval of CA. At present, M/s. Vaish Associates are representing MMTC in ITAT and above.

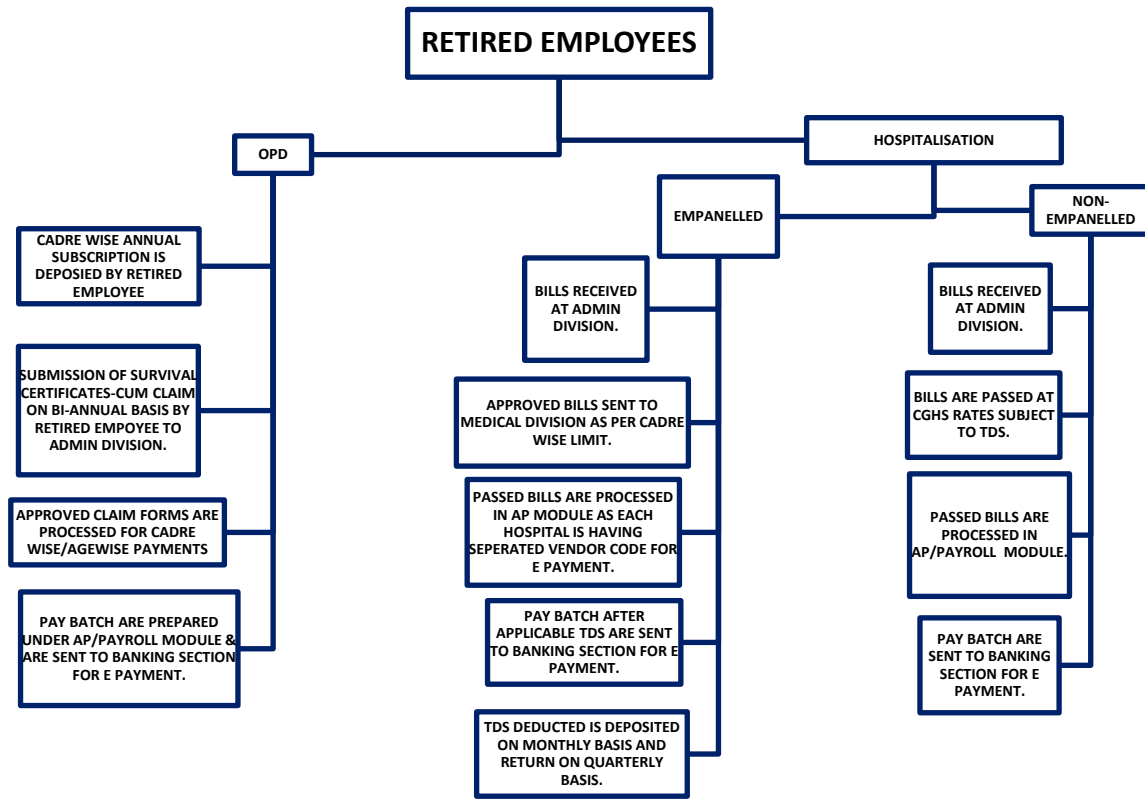
## 5.6 Medical Accounts





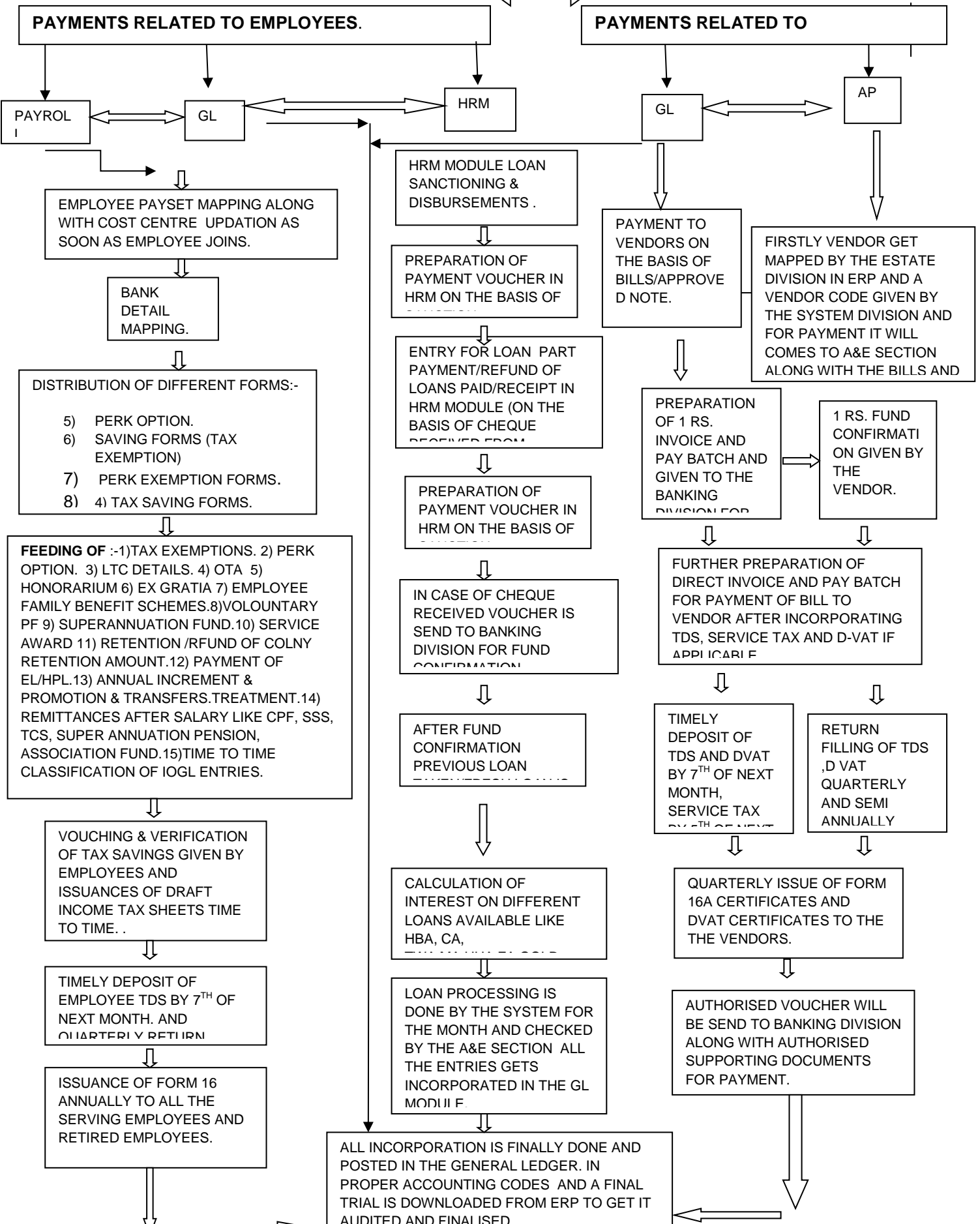




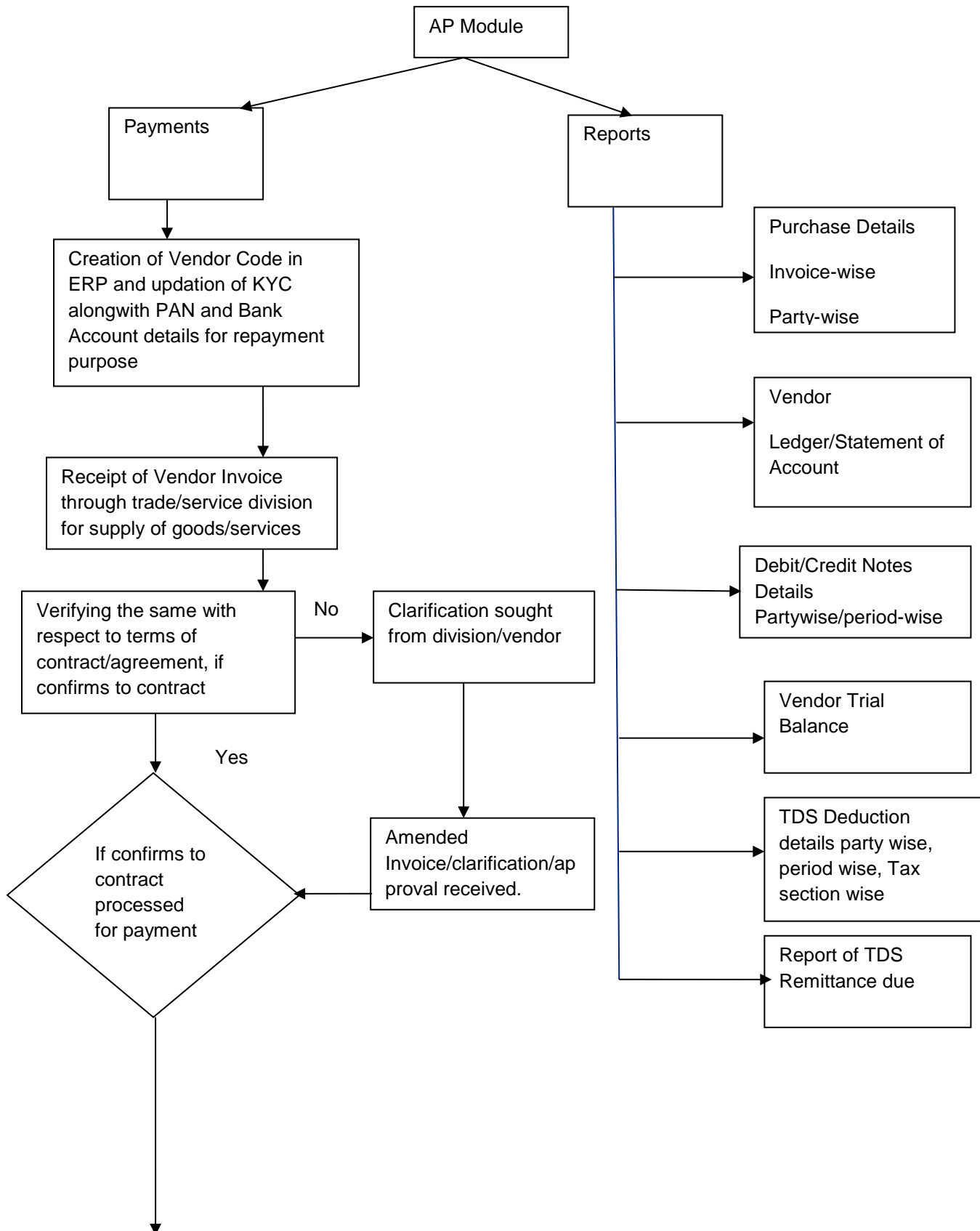


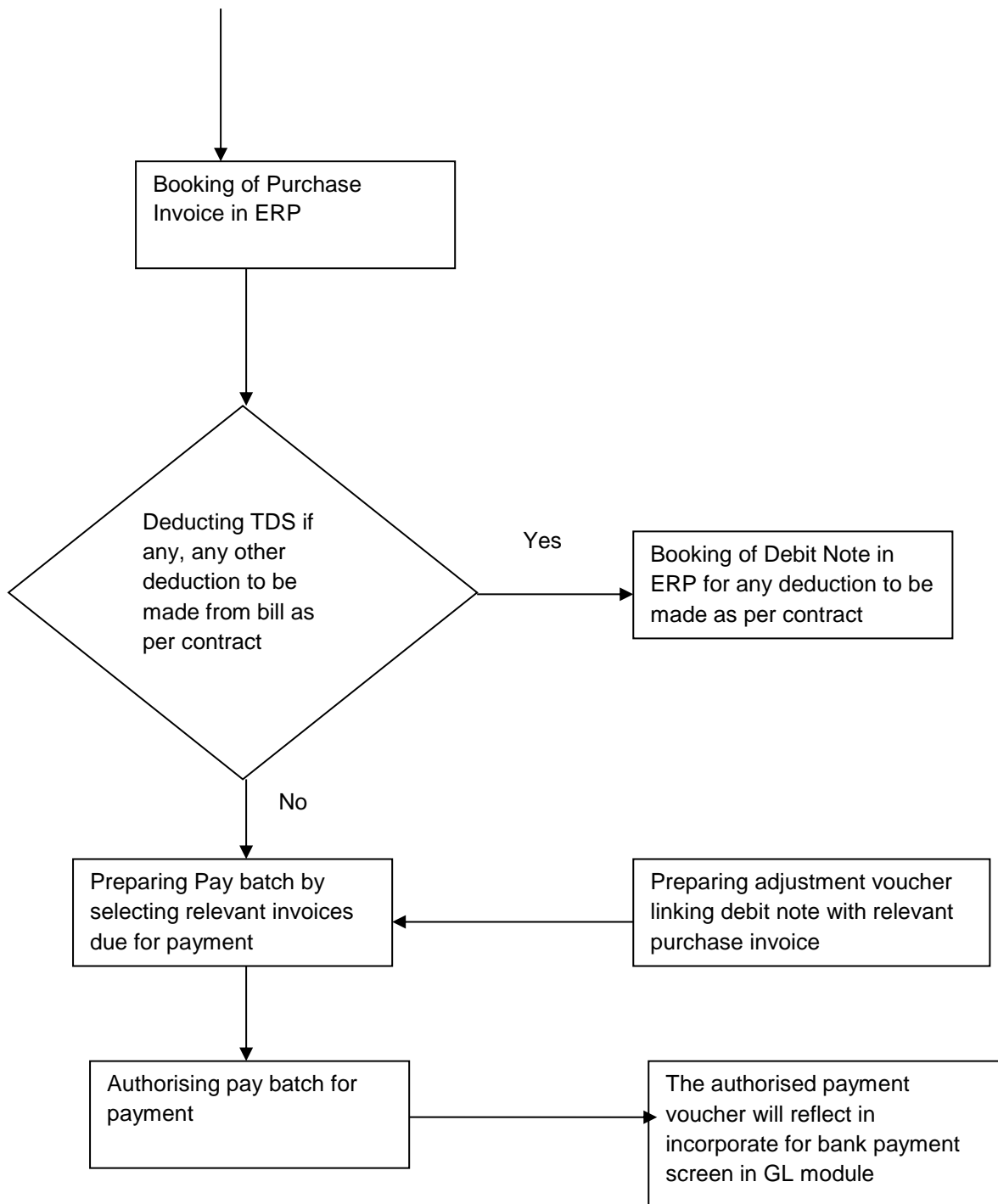
# FLOW CHART OF WORK FLOW IN A&E SECTION.

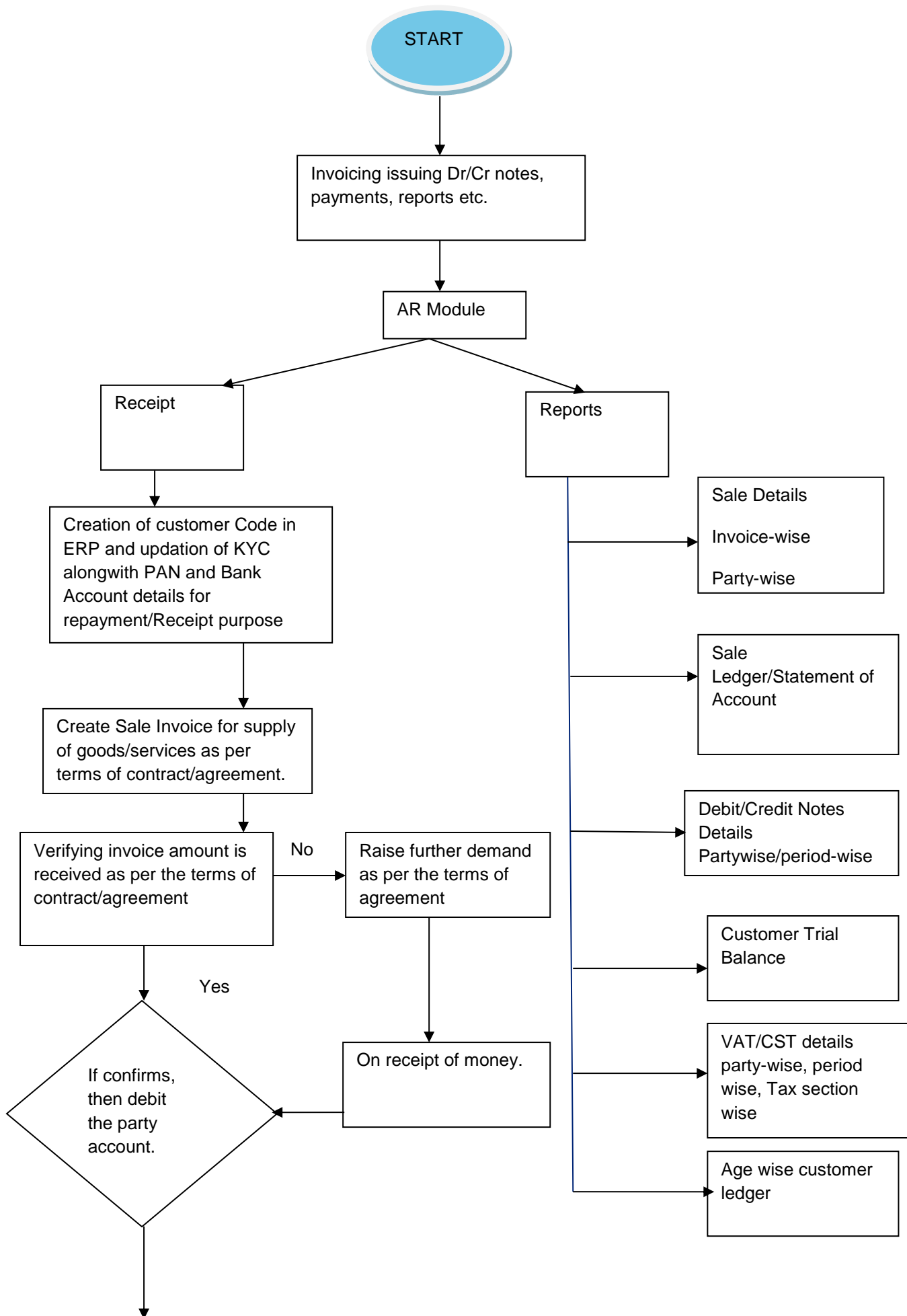
## 5.7 A&E

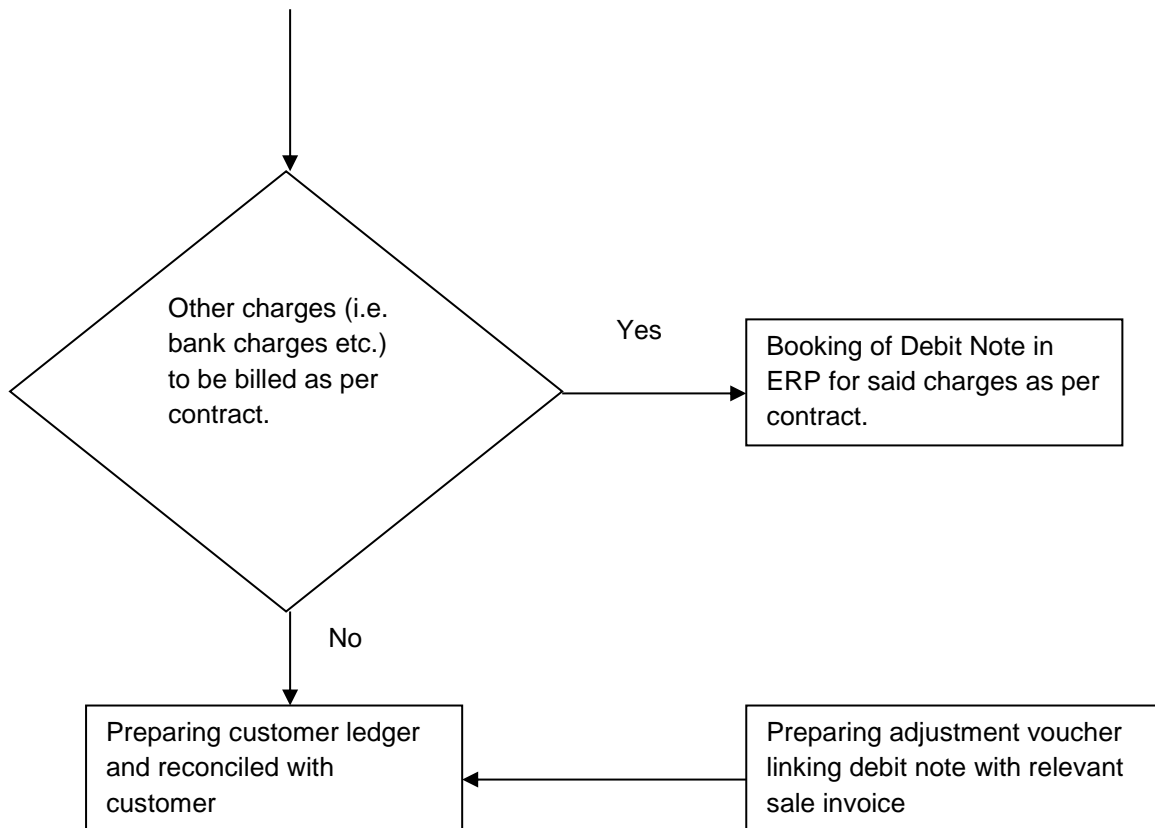


## 5.9 Processing of Invoices









## **6 Minerals**



## 6.1.1 Iron Ore Export

### 6.1.1.1 Process for Contracting

#### 6.1.1.1.1 Description

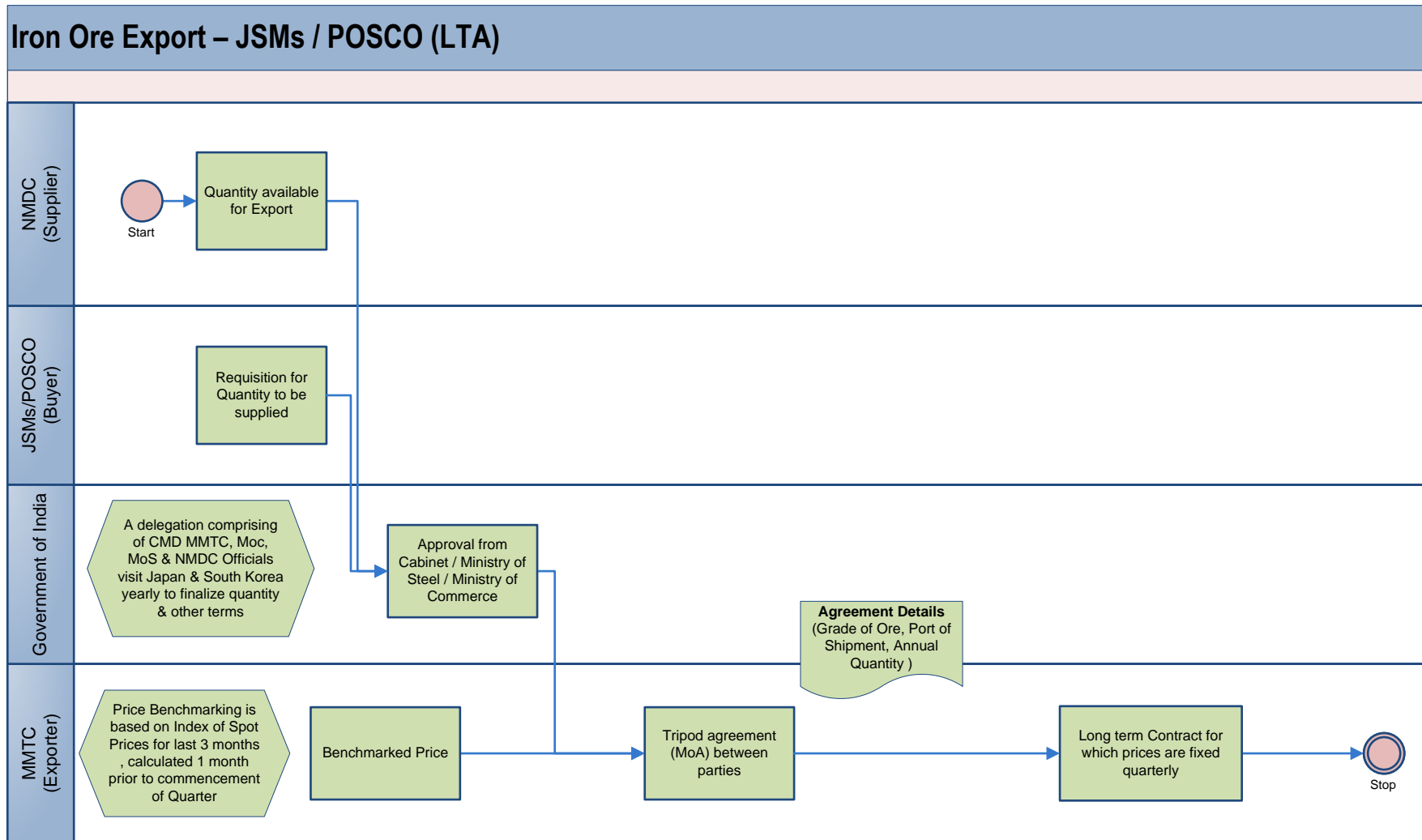
The purpose of this process is to finalize contracting terms for export of Iron Ore by the Iron Ore Sales Division to Japanese Steel Mills (JSMs), POSCO (South Korea) and Chinese buyers under Long Term Agreement and SPOT Contracts respectively

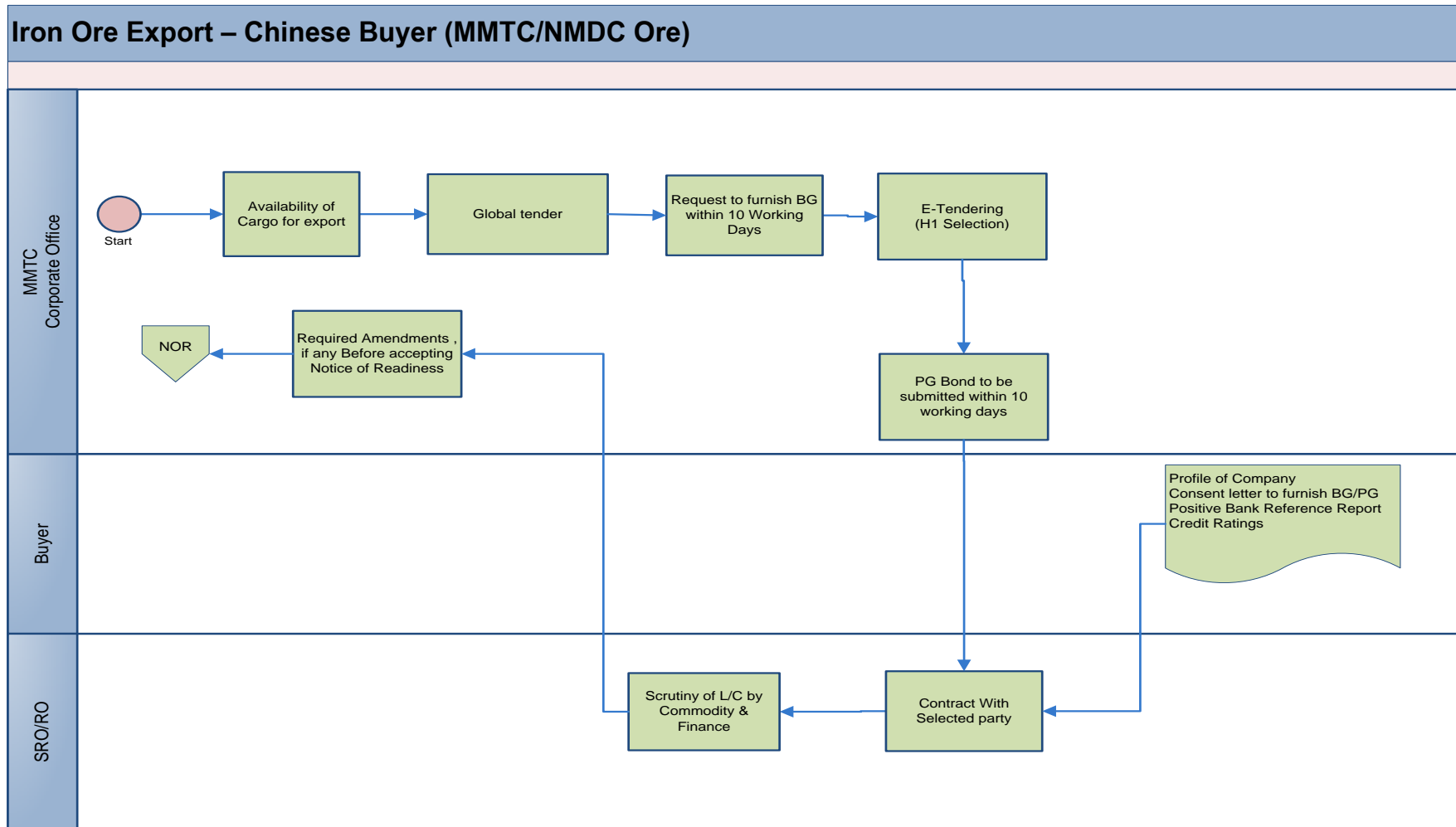
#### 6.1.1.1.2 Process Summary

<b>Name of process</b>	<b>Contracting</b>	
<b>Process Goal</b>		
To finalize the contracting terms, pricing & Quantity details for JSMs & POSCO on long terms basis.		
<b>Process Owner</b>		
Iron Ore Sales Division		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Iron Ore Sales division		<input checked="" type="checkbox"/> Japanese Steel Mills <input checked="" type="checkbox"/> POSCO (South Korea)

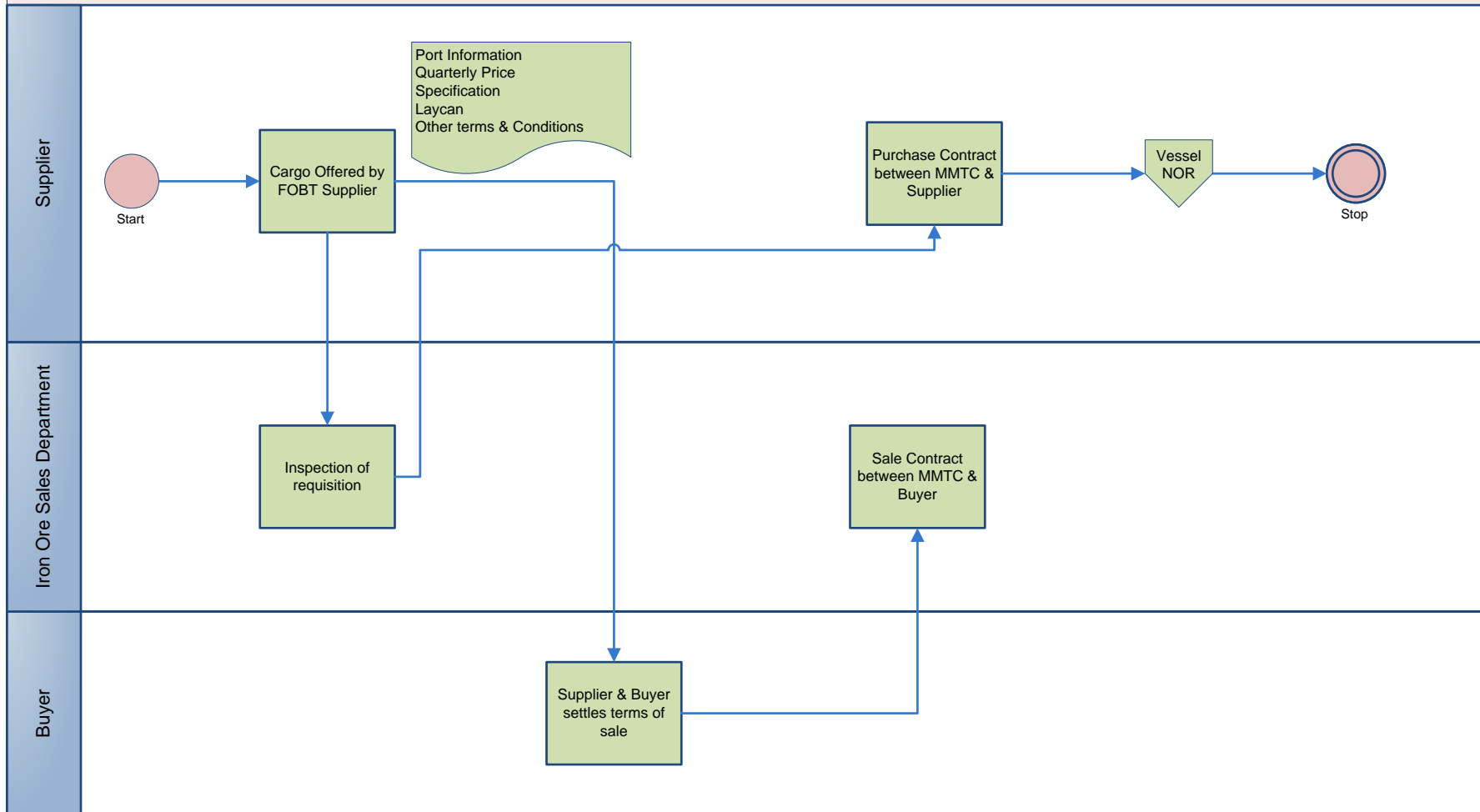
Name of process	Contracting
	<input checked="" type="checkbox"/> NMDC
Process Input	Process Output
<input checked="" type="checkbox"/> Receipt of the approval from the Government <input checked="" type="checkbox"/> Approval of Quantity from NMDC <input checked="" type="checkbox"/> Benchmarked Price (as per International Pricing finalized by MMTC)	<input checked="" type="checkbox"/> Long Term Contract <input checked="" type="checkbox"/> Spot Contracts with Chinese Buyers <input checked="" type="checkbox"/> Quarterly export prices to JSMs & POSCO
Transactional Volume	
<input checked="" type="checkbox"/> Long Term Memoranda of Agreements are entered into between MMTC and the Steel Mills where annual MOAs are entered with the buyers for annual quantities.	
Documentation	Formats
<input checked="" type="checkbox"/> Requisition from Buyer <input checked="" type="checkbox"/> Approval from National Mineral Development Corporation (NMDC) & Government <input checked="" type="checkbox"/> Price Benchmarking by MMTC	<input checked="" type="checkbox"/> Contract <input checked="" type="checkbox"/> Price Benchmarking

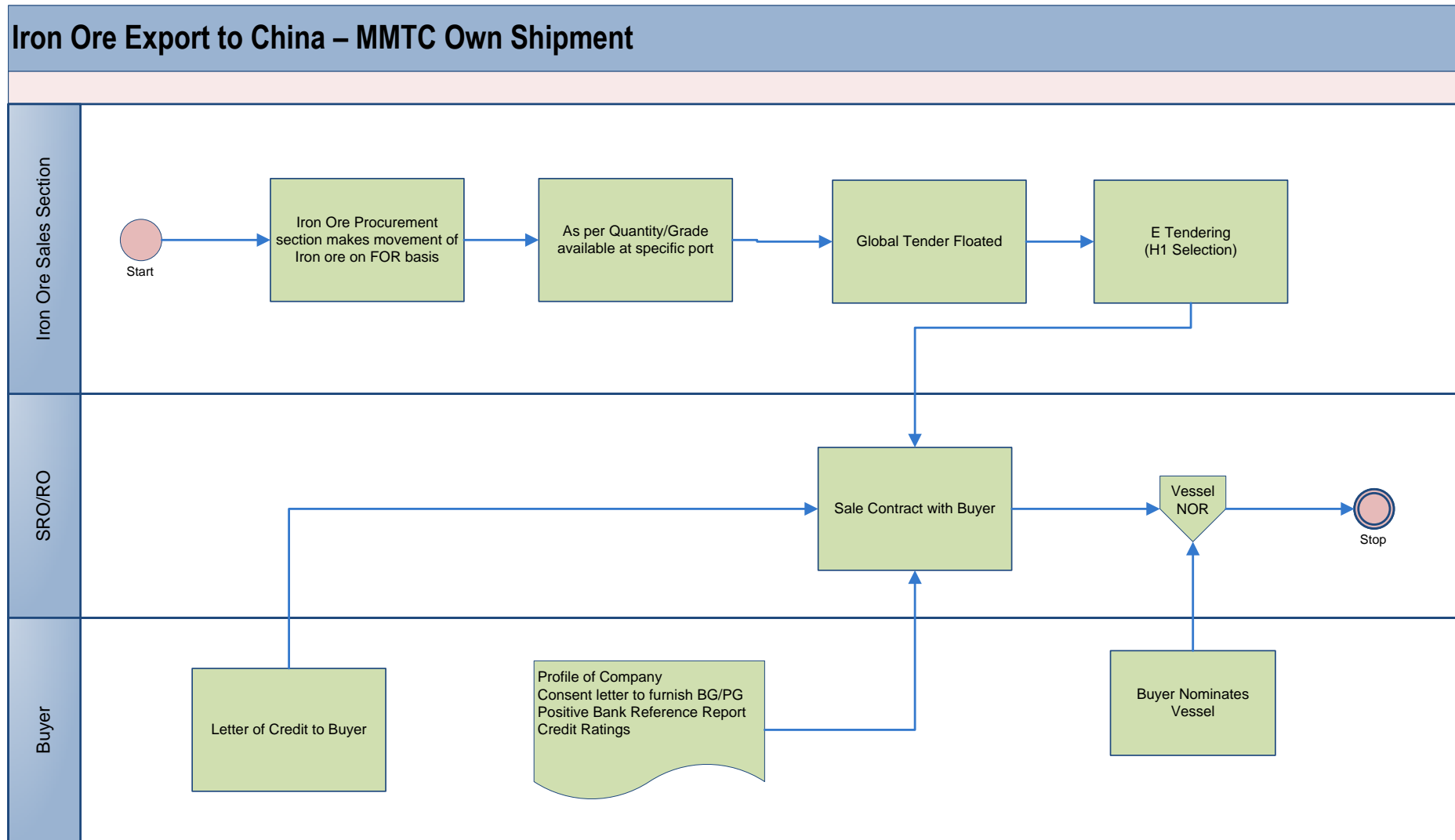
6.1.1.1.3 Process Map

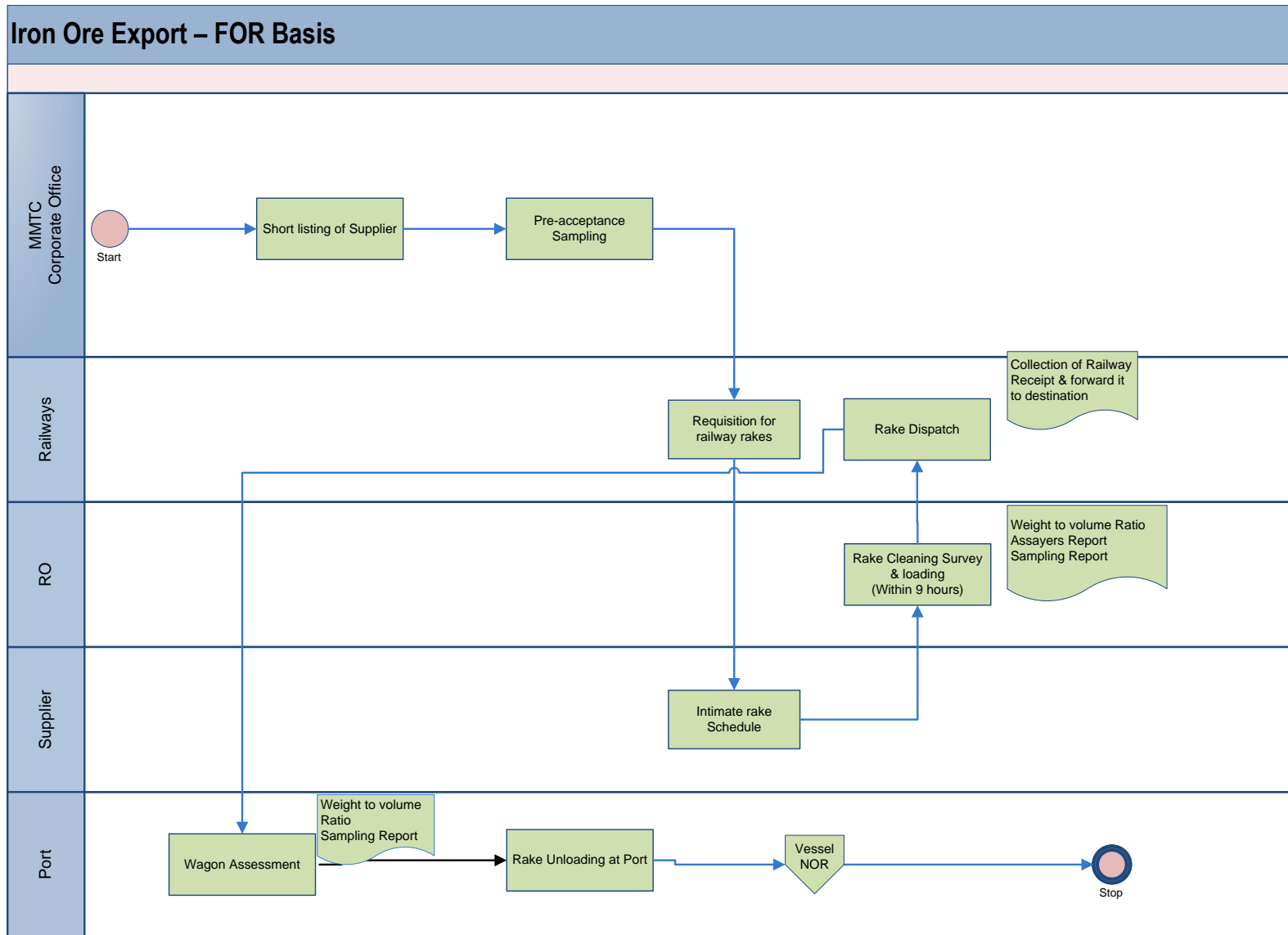




### Iron Ore to Chinese Buyers - FOBT







#### 6.1.1.1.4 Process Description

##### 5) Iron Ore Export – JSMs/POSCO (LTA)

Based on the approvals from Government of India & discussion with NMDC, Long term agreements (LTAs) are signed with JSMs / POSCO for approved range of quantity of various grades proposed to be lifted along with port of shipment. Accordingly annual MOAs are entered with the buyers in which annual quantities are finalized

##### 6) Iron Ore Export – Chinese Buyer (MMTC/NMDC Ore)

As per the availability of Cargo and offer received from NMDC, MMTC invites bids from its empanelled buyers. The prices from the buyers are received through MMTC's e-portal for which registered users are provided with passwords. If price is in line with market price and acceptable to NMDC, contract is finalized with the successful bidder.

##### 7) Iron Ore to Chinese Buyers – Free On Board Trimmed(FOBT) Basis

FOBT Supplier offers cargo for exports with quantity & quality details. MMTC invites bids from its empanelled Buyers and if price is in line with market price and acceptable to supplier, MMTC signs the purchase contract with the supplier & Sale Contract with the overseas buyer respectively.

##### 8) Iron ore Export to China – MMTC's own shipment

Based on the procurement prices declared by CO Iron Ore Procurement Section, concerned RO/SRO circulates the price amongst mine-owners/traders/ prominent suppliers and orders are placed on interested suppliers. For new mine owners who want to register themselves with MMTC, MMTC conducts sampling at mine heads by a nominated assayer. Once quality report submitted by assayer is acceptable to MMTC, suppliers are allowed to commence movement of material and MMTC applies for requisition of railway rakes.

The Regional office appoints assayers to ensure quality as per purchase order. Assayer is responsible also for wagon assessment at the time of loading at loading station. Wagons cleaning, sampling/analysis, wagon assessment to determine weight of the



material, is carried out in the presence of representatives of both supplier and buyer (MMTC). Subsequently, rake loading commences and after loading, rake is dispatched to the destination port. RR is obtained by MMTC and original RR is forwarded to unloading station.

At unloading station, on arrival of the rake, unloading of rake is arranged by MMTC through handling agent / port tippler plant. Concerned RO/SRO of MMTC appoints assayer for quality determination and also for wagon assessment.

As per the availability of quality and grade of Iron Ore at specific port, a global tender is floated by Iron Ore Sales Section at CO. Based on tender evaluation and buyer's financial health, H1 bidder is selected and MMTC signs a sale contract with the same. The Buyer then nominates the vessel and opens performance bank guarantee (as per sale contract) and LC which is scrutinized at RO level. Concerned RO/SRO complete pre/post-shipment formalities neither before accepting NOR of the vessel.

#### 6.1.1.1.5 Process Description

Sr.No.	Process Detail	Responsibility Centre
<b>5.</b>	Iron Ore Export – JSMs/POSCO (LTA)	
<b>5.1.</b>	Based on the guide lines received from the inter-ministerial meeting comprising of officials from Department of Commerce, Ministry of Steel, MMTC and NMDC, a delegation comprising of CMD MMTC, MoC, MoS & NMDC Officials visit Japan & South Korea yearly to finalize quantity & other terms	External to MMTC
<b>5.2.</b>	The buyer , in this case JSMs & POSCO sends a requisition for iron ore via MMTC Limited	JSMs / POSCO
<b>5.3.</b>	NMDC provides approval for the requisite quantity	NMDC

Sr.No.	Process Detail	Responsibility Centre
5.4.	Price Benchmarking is done every quarter which is based on Index of Spot Prices for previous 3 months and is calculated one month prior to commencement of next Quarter and these prices are also confirmed by NMDC	Iron Ore Sales Division & NMDC
5.5.	Tripartite Agreement is signed between the parties with all the terms & conditions Parties are : <ul style="list-style-type: none"> <li>• MMTC as Exporter</li> <li>• NMDC as Supplier</li> <li>• JSMs/POSCO as Buyer</li> </ul>	Iron Ore Sales Division
6.	Iron Ore Export – Chinese Buyer (MMTC/NMDC Ore)	
6.1.	Iron Ore Sales Section ascertains availability of cargo for exports from concerned ROs / NMDC.	
6.2.	E-bid is invited by MMTC from its empanelled buyer using e tendering facility at MMTC portal	Iron Ore Sales Division , System Division
6.3.	Based on tender evaluation , sale contract is signed with the successful bidder provided price is acceptable to MMTC/NMDC.	Iron Ore Sales Division , System Division
7.	Iron Ore to Chinese Buyers – FOBT Basis	
7.1.	FOBT Supplier offers material to MMTC for exports with quality / quantity	FOBT Supplier

Sr.No.	Process Detail	Responsibility Centre
7.2.	MMTC scrutinizes the offer and invite bids from its empanelled buyers using e tendering facility at MMTC portal	Iron Ore Sales Division
7.3.	Based on tender evaluation , sale contract is signed with the successful bidder provided price is acceptable to MMTC and its supplier.	FOBT Supplier
7.4.	MMTC finalizes purchase contract with the Supplier & Sale contract with the Buyer	Concerned RO / Iron Ore sales Division
8.	Iron ore Export to China – MMTC’s own shipment	
8.1.	Based on prices declared by Iron Ore Procurement section, concerned RO/SRO arrange movement of iron ore on FOR basis and quality determination and wagon assessment through assayers	Iron ore Procurement cell
8.2.	At unloading station, unloading of rakes is arranged through handling agents/ port tippler plant. Quality determination and wagon assessment is arranged through assayers.	RO/SRO of MMTC at unloading station
8.3.	Based on the availability of Grade & Quantity of Iron Ore at specific port, MMTC floats a global tender.	Iron Ore Sales Division
8.4.	Based on tender evaluation and the financial health of selected buyer sale contract is signed with the selected buyer	Iron Ore Sales Division
8.5.	Buyer nominates the vessel, opens LC and performance bank guarantee as per contract. LC is scrutinized by respective Regional Office and BG by Corporate office	Buyer / Iron Ore Sales Division

### 6.1.1.2 Process for Shipping Schedule & Nomination of Vessel

#### 6.1.1.2.1 Description

The purpose of this process is to ensure pre-shipment formalities and necessary statutory compliances are followed at the time of vessel loading as per the contract.

#### 6.1.1.2.2 Process Summary

Name of process	Shipping Schedule & Vessel Nomination	
<b>Process Goal</b>		
Pre-shipment formalities are completed and necessary statutory compliances are followed at the time of vessel loading as per the contract.		
<b>Process Owner</b>		
Regional Office		
<b>Primary Actors</b>		<b>Secondary Actors</b>
<input checked="" type="checkbox"/> Regional Office		<input checked="" type="checkbox"/> Sub-Regional Office <input checked="" type="checkbox"/> Customs / Port Authorities <input checked="" type="checkbox"/> Vessel Agent /Master

	<input checked="" type="checkbox"/> Handling agents <input checked="" type="checkbox"/> Surveyors (Samplers, Weight, Assayers )
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Name of process	Pre shipment documentation
<b>Process Goal</b>	
To process & complete all pre-shipment documentation before arrival of vessel	
<b>Process Owner</b>	
Regional / Sub regional office	
Input	Output
<input checked="" type="checkbox"/> Receipt of export duty & Port Charges from supplier <input checked="" type="checkbox"/> Forward cover, if booked	<ol style="list-style-type: none"> <li>1. Generation of GR form</li> <li>2. Shipping Bill</li> <li>3. Proforma Invoice</li> <li>4. Drawl of sample at the time of loading into Vessel/Stuffing into Containers</li> <li>5. TML Certificate from supplier</li> </ol> <p>Date of booking of forward cover, exch rate, period for which FC is booked, amount</p>

<b>Process Details</b>	
<input checked="" type="checkbox"/> On receipt of export duty and Port charges form supplier, regional/ sub regional office processes Performa invoice, shipping bill, GR Form	
<input checked="" type="checkbox"/> Draft Shipping bill and GR Form is prepared by supplier and submitted to MMTC who verifies and signs it for onward submission with Customs authority	
<b>Reporting Requirements</b>	
<ul style="list-style-type: none"><li>• Name of the Buyer</li><li>• Name of vessel</li><li>• Shipping bill No.</li><li>• GR Form No.</li><li>• Date of "Let export order"</li><li>• TML Certificate No.</li><li>• Details of forward cover, date of booking, period for which FC is booked, amount, exch rate.</li></ul>	

Name of process	Serving of NOR
<b>Process Goal</b>	
To accept notice of readiness (NOR)	
<b>Process Owner</b>	
Regional / Sub regional office	
Input	Output
<input checked="" type="checkbox"/> NOR from master of vessel/agent	1. Acceptance of NOR by MMTC
<b>Process Details</b>	
<input checked="" type="checkbox"/> Master/agent of vessel serves notice of readiness to sub regional office as per contract <input checked="" type="checkbox"/> Following documents/conditions are checked before accepting the NOR: <ol style="list-style-type: none"> <li>1. Receipt of Workable LC</li> <li>2. Registration Certificate</li> <li>3. Fitness Certificate &amp; P&amp;I Club Membership</li> <li>4. "Let Export Order" from Customs authority</li> <li>5. Vessel is within laycan</li> <li>6. Any other term as per contract</li> </ol>	

Cargo readiness is ensured

Reporting Requirements

Reports having following details:

- Buyer's name
- Vessel's Name
- NOR date
- Acceptance date
- Any comments or remarks



Name of process		Pre-loading operations
<b>Process Goal</b>		
To complete all loading formalities at port & custom level		
<b>Process Owner</b>		
Regional / Sub regional office		
<b>Input</b>		<b>Output</b>
<input checked="" type="checkbox"/> Daily traffic rotation meetings		1. Finalization of berthing schedule
<b>Process Details</b>		
<input checked="" type="checkbox"/> Port authorities conducts daily traffic meetings with exporters, shipping agents and supplier agents <input checked="" type="checkbox"/> On finalization of berthing schedule, stowage plan and loading sequence is provided to port authorities <input checked="" type="checkbox"/> Loading plan and transit moisture limit are verified for acceptance <input checked="" type="checkbox"/> Hatch inspection by Assayers <input checked="" type="checkbox"/> Initial draft survey by Surveyor		
<b>Reporting Requirements</b>		
<ul style="list-style-type: none"> <li>• Daily progress report</li> <li>• Hatch Inspection Report</li> <li>• Initial Draft Survey Report</li> </ul>		

Name of process	Loading of vessel
<b>Process Goal</b>	
To complete all loading operations as per compliance & contract terms	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Stowage plan	<input checked="" type="checkbox"/> Daily Progress Report <input checked="" type="checkbox"/> Report of sampling agency for quality & quantity <input checked="" type="checkbox"/> Initial draft survey
<b>Process Details</b>	
<input checked="" type="checkbox"/> As per stowage plan and after receipt of Hatch inspection certificate from Assayer, supplier/Port arranges loading of vessel ,duly monitored by surveying agency or owner <input checked="" type="checkbox"/> MMTC monitors loading operations through port office. <input checked="" type="checkbox"/> Mate receipt is obtained from master of the vessel after completion of loading <input checked="" type="checkbox"/> Statement of fact (SOF) is prepared and signed by master of vessel, shipping agent, supplier and MMTC <input checked="" type="checkbox"/> Original Mate Receipt is surrendered and Bill of lading is obtained from agent of vessel	

### Reporting Requirements

Report having details of following:

- Name of the Buyer.
- Vessel's name
- Engaged Quantity
- On board quantity
- Mate receipt No, date & time
- Bill of Lading No.
- Any short loaded quantity for calculation of dead freight

Name of process	Preparation of post shipment documents
<b>Process Goal</b>	
To process & complete all post-shipment formalities before vessel sails	
<b>Process Owner</b>	
Regional / Sub regional office	
Input	Output
<input checked="" type="checkbox"/> Generation of Bill of lading <input checked="" type="checkbox"/> Daily loading report <input checked="" type="checkbox"/> Loading completion <input checked="" type="checkbox"/> Proforma invoice <input checked="" type="checkbox"/> Application to the Chamber of Commerce	<ol style="list-style-type: none"> <li>1. Mate Receipt</li> <li>2. Weight Certificate</li> <li>3. Final draft Survey Report</li> <li>4. Statement of Facts</li> <li>5. Final Shipping bill &amp; GR Form</li> <li>6. Bill of lading (on surrender of original Mate Receipt)</li> <li>7. Quality Certificate</li> <li>8. Certificate of Origin</li> <li>9. Commercial Invoice</li> <li>10. Shipping/Sailing Advice</li> </ol>

	<p><b>11. Sight Draft for drawing payment through LC</b></p> <p><b>12. Short Shipment Notice, if required</b></p> <ul style="list-style-type: none"><li>• No dead freight, no damages certificate</li><li>• Refund claim from Customs/Port authorities for short shipped quantity</li><li>• Lay Days Statement (to calculate dispatch / demurrage), if required as per contract</li><li>• Shut out advice</li></ul>
<b>Reporting Requirements</b>	
<p>Report having details of following:</p> <ul style="list-style-type: none"><li>• Name of the Buyer</li><li>• Vessel's name</li><li>• Engaged Quantity</li><li>• On board quantity</li><li>• Mate receipt No, date &amp; time</li><li>• Bill of Lading No.</li><li>• Sailing Advice</li><li>• Any short loaded quantity for calculation of dead freight</li></ul>	

Name of process	Negotiations of documents for payment through LC
<b>Process Goal</b>	
To get payment from overseas buyer against LC	
<b>Process Owner</b>	
Regional Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Letter to bank for negotiation along with original document as per LC.	<ol style="list-style-type: none"> <li>1. Receipt of Credit advice or acknowledgement of documents from bank</li> <li>2. Credit advice on receipt of payment from opening bank on due date.</li> </ol>
<b>Process Details</b>	
<input checked="" type="checkbox"/> LC negotiations are carried out with banking channels by submitting documents <input checked="" type="checkbox"/> Verification at MMTC office level <input checked="" type="checkbox"/> Submission of documents to negotiating bank & monitoring of reimbursement from opening bank.	
<b>Reporting Requirements</b>	
Report having details of following: <ul style="list-style-type: none"> <li>• LC Number</li> <li>• Date of submission of documents</li> <li>• Amount of LC</li> <li>• LC validity</li> </ul>	

- Exchange rate
- Amount credited in MMTC's CC A/c
- Ammount credited in MMTC's EEFC A/c
- Bank Charges, if any

Name of process	Post Shipments
<b>Process Goal</b>	
To get remittance from bank	
<b>Process Owner</b>	
Regional Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Submission of Invoice, Draft, LC and other shipping documents as per LC to Negotiating bank <input checked="" type="checkbox"/> Appointment of discharge port surveyor by CO	<input checked="" type="checkbox"/> Payment advice from negotiating bank <input checked="" type="checkbox"/> Bank Realization Certificate <input checked="" type="checkbox"/> Refund claim of export duty or payment of additional export duty
<b>Process Details</b>	
<input checked="" type="checkbox"/> After preparation of invoice, RO shall calculate final export duty on the basis of "ACTUAL TRANSACTION VALUE" and make final settlement of export duty with customs authority.	
<input checked="" type="checkbox"/> Additional export duty, if payable is to be intimated to NMDC for arranging payment. In case export duty paid initially is found to be in excess, refund claim shall be filed by RO	

- Opening bank of foreign buyer make remittance to the Negotiating bank
- Amount is credited in MMTC account at RO indicating exchange rate
- Bank Charges are deducted by Bank
- After MMTC has prepared its invoice for overseas supplier, final export duty is recalculated based on actual transaction value. If additional export duty is to be paid, it is released to Customs authorities and if it is found that excess is paid, refund claim is filed.

#### Reporting Requirements

- Buyer's Name
- MMTC's Invoice Value (USD)
- Sale Value (INR)
- Payment received in USD
- Date of realization of payment
- Exchange rate
- Payment received in INR
- Date of Forward Cover, if any
- Amount of forward cover
- Exch rate of forward cover
- Bank Charges
- Difference between Invoice Value and BRC Value, if any



Name of process	Payment to supplier
<b>Process Goal</b>	
To release payment to supplier against their invoice	
<b>Process Owner</b>	
Regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Supplier's Invoice <input checked="" type="checkbox"/> Bank Credit advice	<input checked="" type="checkbox"/> Release of payment.
<b>Process Details</b>	
<input checked="" type="checkbox"/> Supplier raises purchase invoice on MMTC  <input checked="" type="checkbox"/> On the basis of supplier's invoice and MMTC's sale realization, payment is released in INR to supplier after deducting bank charges and other expenses, if any incurred by MMTC on behalf of supplier. Exch gain / loss on forward cover, if any, is to be shared equally between MMTC & NMDC.  <input checked="" type="checkbox"/> Form H is issued to supplier for sales tax	
<b>Reporting Requirements</b>	
Reports should have following details: <ul style="list-style-type: none"> <li>• Name of supplier/foreign buyer</li> </ul>	

- Supplier's Invoice
- Purchase Value (INR)
- Deductions from purchase value
- Amount paid in INR
- Payment advice
- Trading margin (Sale Value – Purchase Value)
- Whether gain / loss on forward cover is settled with supplier (Yes / No)

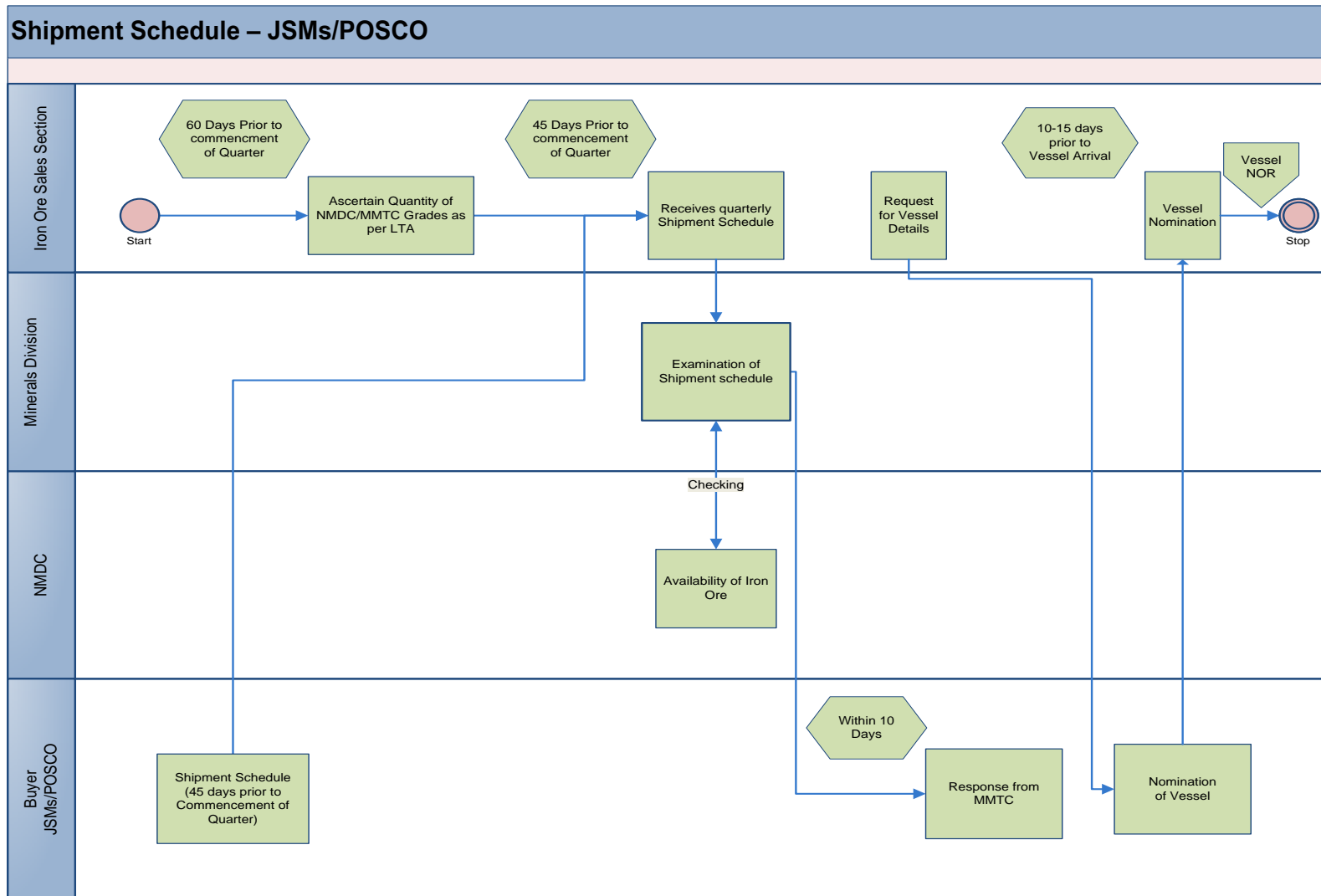
Name of process	Final settlement with Buyer & supplier
<b>Process Goal</b>	
To get final payment from Buyer & release final payment to supplier based on discharge port results	
<b>Process Owner</b>	
Regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Discharge port results <input checked="" type="checkbox"/> Final invoice from buyer	<input checked="" type="checkbox"/> Final invoice of MMTC <input checked="" type="checkbox"/> Debit / credit note <input checked="" type="checkbox"/> Receipt of final payment from buyer or remittance of overdrawn value to buyer <input checked="" type="checkbox"/> Final settlement with NMDC
<b>Process Details</b>	
<input checked="" type="checkbox"/> Based on discharge port results, buyer forwards to MMTC their invoice <input checked="" type="checkbox"/> In case of overdrawn value, MMTC remits the overdrawn value to the buyer and claim the amount from NMDC. <input checked="" type="checkbox"/> In case, value is due to MMTC, MMTC forwards it's invoice to the buyer and on receipt of payment from buyer, NMDC's a/c is settled. <input checked="" type="checkbox"/> On the basis of supplier's invoice and MMTC's sale realization, payment is released in INR to supplier after deducting bank charges and other expenses, if any incurred by MMTC on behalf of supplier.	

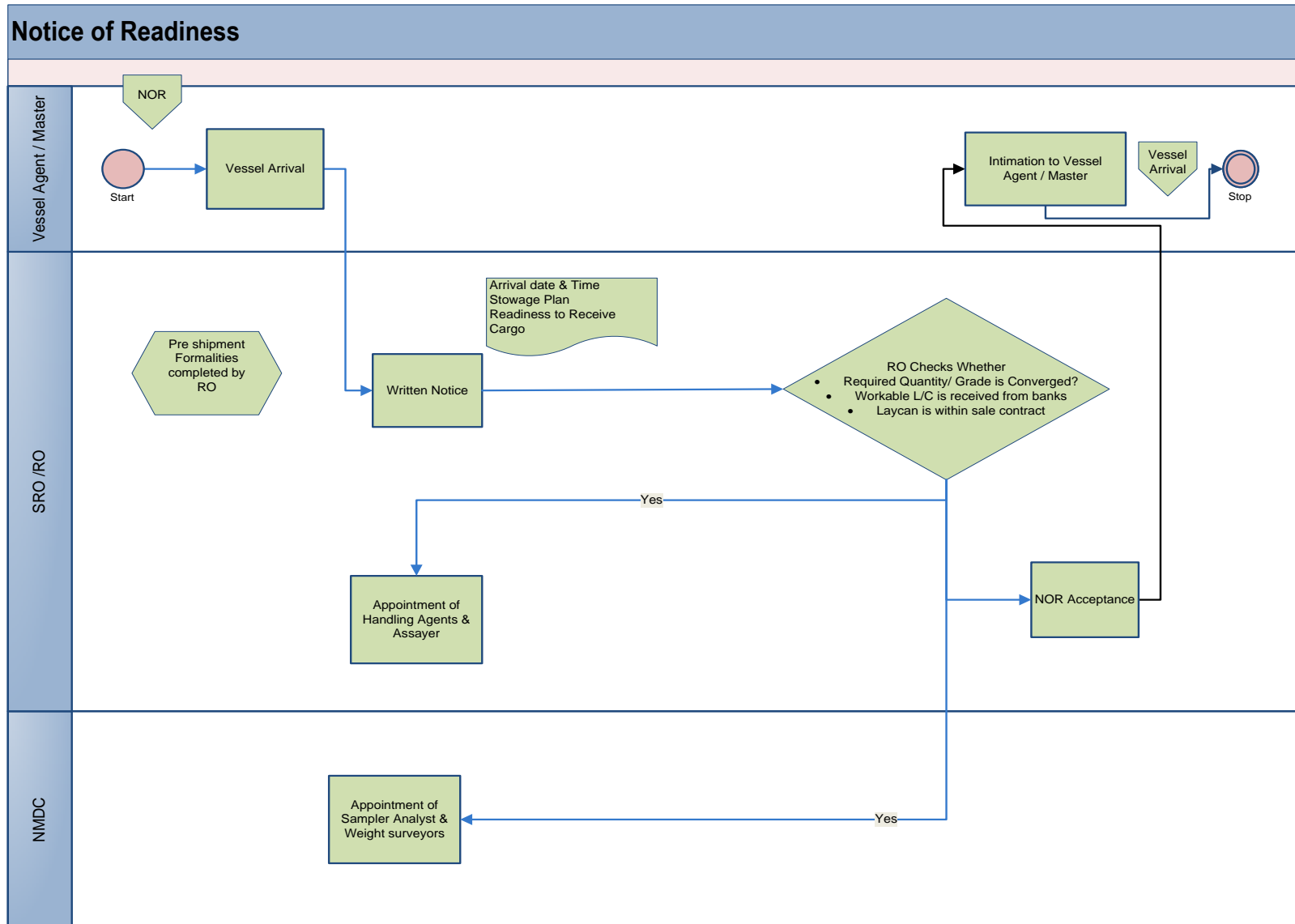
## Reporting Requirements

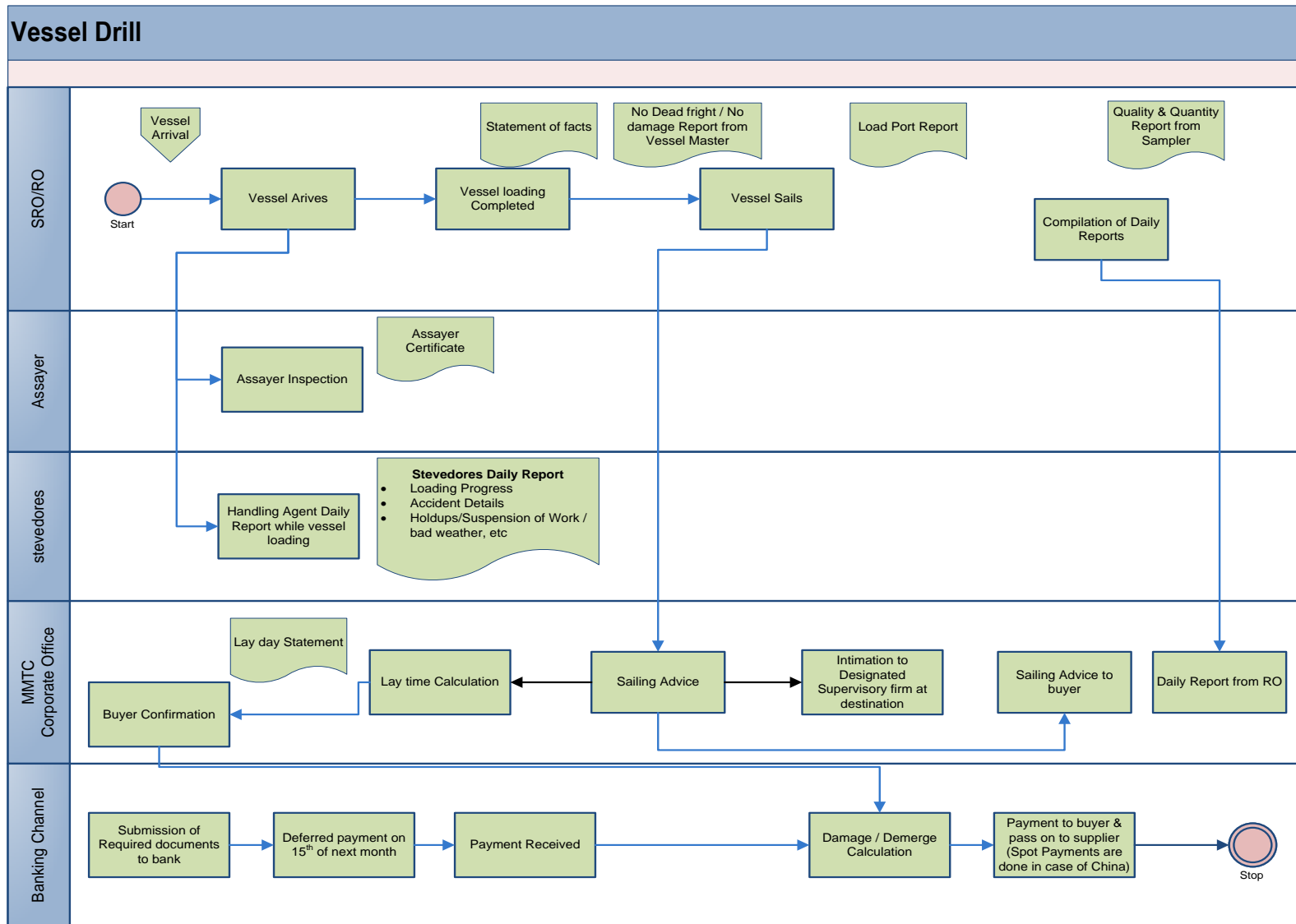
Reports should have following details:

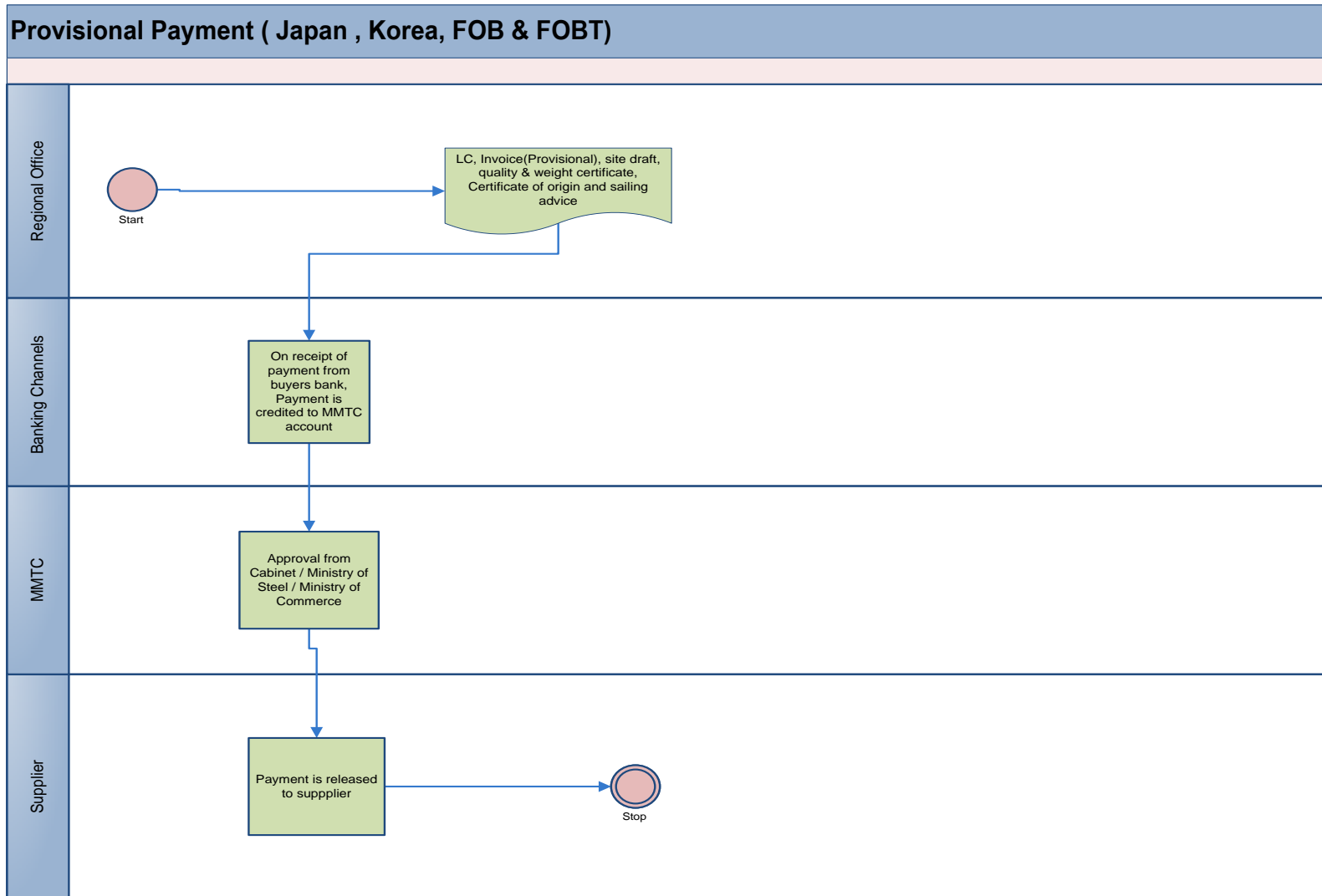
- Name of supplier/foreign buyer
- Supplier's Invoice
- Comparison of discharge port analysis with loadport analysis
- Final 100% invoice value vis a vis provisional value drawn against Lc
- Payment / remittance advice
- Trading margin (Sale Value – Purchase Value) for the vessel

6.1.1.2.3 Process Map

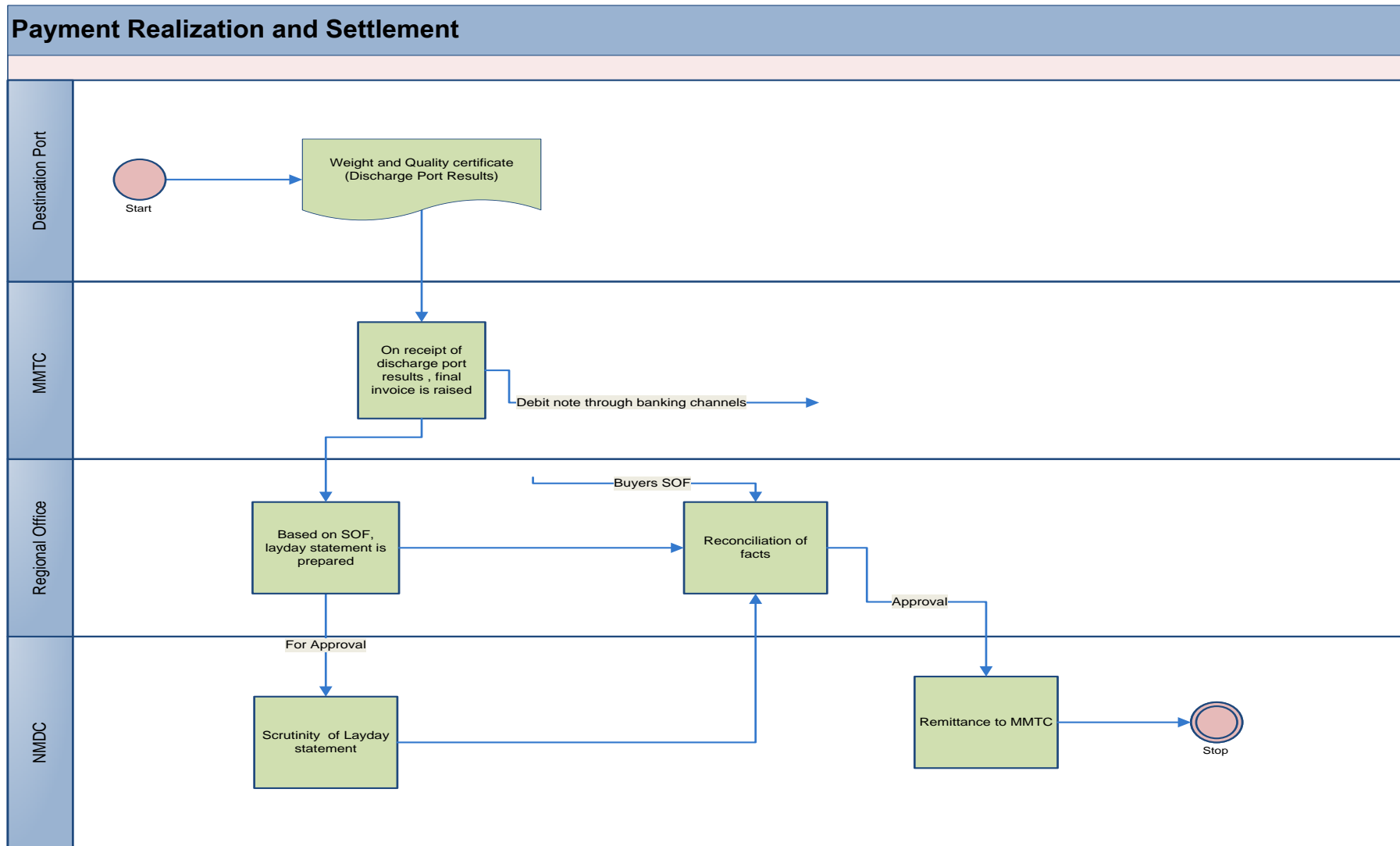












#### **6.1.1.2.4 Process Description**

##### **5) Shipment Schedule**

Iron Ore Sales Section ascertains if the quantity, grade and other parameters of ore as per contract and is available, 60 days prior to commencement of quarter. 45 days ahead of commencement of quarter shipment schedule is examined and shared with all stakeholders i.e. NMDC & the Buyer. MMTC then requests the buyer to respond with the vessel details 10-15 days prior to the vessel arrival.

##### **6) Notice of Readiness**

As soon as the vessel arrives in the vicinity of the port, the vessel agent or master gives a written notice to the SRO/ RO which has the details of arrival date & stowage plan attached with it. The SRO/RO is responsible for completing the pre-shipment formalities beforehand. The RO then ensures the required quantity and grade of ore is converged and a workable Letter of Credit is received from bank. Upon acceptance of the NOR, the same is intimated to the vessel agent/master followed by appointment handling agent & assayer. Simultaneously NMDC appoints sampler analyst & weight surveyors.

##### **7) Vessel Drill / Operations**

Once the vessel arrives on port, an independent assayer performs vessel survey & provides fitness certificate. Handling agents provides daily report of loading operations. Once vessel loading is completed shipping documents like Mate receipt, Bills of Lading etc are obtained and the vessel sails, a sailing advice is generated and forwarded to the corporate office (CO). At the CO, the sailing advice is sent to supervisory firm at destination.

##### **8) Realization of Payment**

To obtain payment from overseas buyer through letter of credit, concerned RO prepares invoice and bill of exchange as per LC and submit all necessary documents with negotiating bank. Negotiating bank checks the documents with reference to LC and claims

reimbursement from the LC opening bank. On receipt of payment from LC opening bank, MMTC's account is credited. Payments to all suppliers (except FOR supplier who are paid based on rake loading result) are released within 3 days of receipt of payment by MMTC from overseas buyers. In case of Japanese export, payment is released on 15<sup>th</sup> of next month of shipment.

When discharge results (Quality and weight certificate) are received from destination port in 60-90 days, final invoice is raised by MMTC and debit note is submitted to banking channels. For dispatch and demurrage settlement, regional office prepares lay day statement based on statement of facts. As per NMDC approvals in consultation with MMTC and buyer final reconciliation is done. If amount is payable, amount is taken from supplier and passed it on to buyer while if it is receivable, buyer credits it to MMTC and it is passed on to the supplier.

#### 6.1.1.2.5 Process Description

Sr.No.	Process Detail	Responsibility Centre
5.	Shipment Schedule	
5.1.	Ascertain the quality / grade of Ore as per LTA contract , 60 days prior to commencement of quarter	Iron Ore Sales Division / NMDC
5.2.	Creation of quarterly Shipment Schedule examination & seeking acceptance from all stakeholders including Regional office, buyer and NMDC, 45 days prior to commencement of quarter	Minerals Division / Iron Ore sales Division
5.3.	MMTC sends request for Vessel Nomination to buyers	Iron Ore Sales Division
5.4.	Buyer nominates Vessel and conveys details to MMTC	Buyer
5.5.	After verifying the details and receipt of FOB supplier's confirmation, nomination is accepted by MMTC.	Supplier/MMTC
5.6.	Buyer opens a LC in favor of MMTC, which is duly checked by concerned RO of MMTC	MMTC

Sr.No.	Process Detail	Responsibility Centre
5.7.	Assayer/Surveyor/Handling agent is appointed by Supplier/MMTC	Supplier/MMTC
6.	Notice for readiness (NOR)	
6.1.	Vessel agent / master gives a written notice to SRO/RO with arrival date & time along with stowage plan	Vessel Master/agent
6.2.	Pre shipment formalities (liaisoning with Customs & Port Authorities )are completed before vessel arrives	SRO/RO
6.3.	Scrutiny of Letter of Credit along with the sale contract & ascertaining convergence of required Quantity/grade of ore	SRO/RO
6.4.	The vessel agent /master is sent an acceptance of Notice of Readiness	SRO/RO
7.	Vessel Drill	
7.1.	On Vessel arrival , assayer conducts vessel inspection & provides assayer certificate for fitness of vessel	Assayer
7.2.	During vessel loading , daily operational incidents & progress is reported which includes loading progress ,daily accidents along with details for holdup, suspension of work, bad weather, etc.	Stevedores
7.3.	Once vessel is loaded , detailed statements of facts is compiled & signed by Master/Vessel's Agent and Shipper/shipper's agent	SRO/RO
7.4.	Before vessel sails , documents like Mate Receipt, Weight Certificate, No dead freight / damage report is obtained by concerned SRO/ RO of MMTC from Master of the vessel	Vessel master/agent
7.5.	Final Sailing advice is prepared & sent to Corporate Office/Buyer	SRO/RO

Sr.No.	Process Detail	Responsibility Centre
7.6.	Concerned SRO/RO obtains all shipping documents like quality certificate, draft survey report, Certificate of Origin and any other document required as per LC. RO prepares invoice and bill of exchange and submit all documents along with LC with negotiating bank for obtaining payment through banking channels	RO
7.7.	After realization of payment by MMTC, MMTC releases payment to its suppliers (NMDC, FOB suppliers as the case may be)	RO
7.8.	Based of Statement of Facts and Sale Contract, Lay Time Calculation is done by RO and forwarded to supplier for their consent. After approval of the supplier, the same is forwarded to the Buyer for confirmation.	RO
7.9.	Sale / Purchase are booked by RO	RO
8.	Final Payment realization	
8.1.	Weight and quality surveys are received from discharge port within 60-90 days	Discharge port surveyor
8.2.	Final invoice is raised after receiving discharge port results and debit note is forwarded to banking channels and payment is obtained	MMTC
8.3.	Final adjustment in Supplier's and Buyer's a/c are made for residual value of shipment	RO
8.4.	Reconciliation of statements is performed and approved	NMDC, buyer and Regional office

### 6.1.2 Export of Chrome Ore, Chrome Concentrate and Manganese Ore on FOB Basis

The Mineral division of MMTC exports Manganese and chrome ore on FOB (free on board) Basis. The Export comprises of series of activities performed by various stakeholders in consultation with each other.

- Chrome Producers meet
- Tendering
- Contracting
- Furnishing of Bank Guarantee(BG)
- Letter of credit(LC) opening
- Vessel Nomination
- Pre-shipment documents Completion
- Serving of Notice of readiness(NOR)
- Pre loading operations
- Loading of vessel
- Preparation of Post shipment documents
- Negotiation of documents for payments
- Realization of payment
- Payment to supplier
- Release of performance guarantee (PG)

<b>Name of process</b>		<b>Chrome producers meet</b>	
<b>Process Goal</b>			
<b>Process Owner</b>			
<b>Input</b>		<b>Output</b>	
<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	
<b>Process Details</b>			
<input checked="" type="checkbox"/>			
<b>Reporting Requirements</b>			
<input checked="" type="checkbox"/>			

<b>Name of process</b>		<b>Tendering</b>	
<b>Process Goal</b>			

To float a tender for export of ore	
<b>Process Owner</b>	
Mineral division, Corporate Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Offer from supplier	<input checked="" type="checkbox"/> Award of tender to H1 bidder
<b>Process Details</b>	
<input checked="" type="checkbox"/> MMTC receives offer from interested supplier with specifications of ore quantity & grade <input checked="" type="checkbox"/> Approval of competent authority is taken for floating a tender for said quantity & grade of ore <input checked="" type="checkbox"/> Tender is published on MMTC and CPP website and is simultaneously published in India trade Journal along with two(2) national daily newspapers (One each in English & Hindi) <input checked="" type="checkbox"/> Minimum 14 day's time is allowed for bidding against the tender. <input checked="" type="checkbox"/> Technical bids are received in physical format while price bids are received via electronic mode <input checked="" type="checkbox"/> As per the tender closing date, bids are scrutinized and validated and tender is awarded to H1 bidder after price is accepted by the supplier and approval from competent authority. The same is notified on the website as well. <input checked="" type="checkbox"/> If only one bid is received, the retendering process is initiated and again if only one bid is received, as per approval from competent authority tender is awarded. <input checked="" type="checkbox"/>	



### Reporting Requirements

Reports having details of tendering process with details of following:

1. Tender Number
2. Bids received
3. Successful bid
4. Grade
5. Successful bidder
6. Quantity awarded
7. Total Value
8. EMD Amount
9. BG Details

<b>Name of process</b>		<b>Contracting</b>	
<b>Process Goal</b>			
To draw a sale contract between buyer & MMTC and a purchase contract between the supplier & MMTC			
<b>Process Owner</b>			
Mineral division, Corporate Office			
<b>Input</b>		<b>Output</b>	
<input checked="" type="checkbox"/> Award of contract		<input checked="" type="checkbox"/> Signing of sale and purchase contract <input checked="" type="checkbox"/> Copies of contract forwarded to all stakeholders <ol style="list-style-type: none"> <li>1. Sale Contract to buyer</li> <li>2. Sale and purchase contract to supplier</li> <li>3. Sale and purchase contract to concerned regional office</li> </ol>	
<b>Process Details</b>			
<input checked="" type="checkbox"/> Sale contract is drawn between MMTC and H1 Bidder while purchase contract is drawn between MMTC and supplier and forwarded to Buyer and supplier for signature.			
<input checked="" type="checkbox"/> After contracts are duly signed and verified by MMTC, copies of contracts are forwarded to all concerned.			

1. Sale Contract to buyer
2. Sale and purchase contract to supplier
3. Sale and purchase contract to concerned regional office

As per the contract, performance guarantee is submitted by the buyer and concerned regional office starts ground level work

#### **Reporting Requirements**

Reports having details of contracting process with details of following:

1. Contract Number
2. Name of the Buyer
3. Name of the Supplier
4. Contracted Quantity
5. Grade
6. Unit price
7. Total value
8. Shipment period
9. EMD Details of successful bidder

Name of process		Furnishing of Bank Guarantee	
<b>Process Goal</b>			
To establish performance guarantee by the buyer through Indian bank			
<b>Process Owner</b>			
Mineral division, Corporate Office			
<b>Input</b>		<b>Output</b>	
<input checked="" type="checkbox"/> Intimation to buyer <input checked="" type="checkbox"/> Sale Contract		1. Receipt of BG 2. Confirmation of BG with issuing bank 3. Copy of BG is forwarded to concerned regional office	
<b>Process Details</b>			
<input checked="" type="checkbox"/> MMTC intimates the buyer regarding the amount of BG needs to be furnished within 10 working days in terms of sale contract <input checked="" type="checkbox"/> Buyer establishes BG through Indian bank <input checked="" type="checkbox"/> Once confirmation is received with the issuing bank , A copy of BG is sent to concerned regional office <input checked="" type="checkbox"/> In case the contract obligations are not fulfilled, BG is invoked			
<b>Reporting Requirements (BG Register Reports having following details)</b>			
1. BG No 2. BG issuing date 3. BG amount USD 4. Issuing Bank/branch 5. BG Confirming branch 6. Purpose(EMD or PBG)			

- 7. Valid till date
- 8. Claim period
- 9. Last date of shipment
- 10. Weekly review by Commodity & Finance officer

Name of process		LC opening
<b>Process Goal</b>		
To open letter of credit by the buyer as per contracting terms		
<b>Process Owner</b>		
Regional office		
<b>Input</b>		<b>Output</b>
<input checked="" type="checkbox"/> Buyer's application for LC		1. Letter of credit
<b>Process Details</b>		
<input checked="" type="checkbox"/> Buyer establishes letter of credit as per contract terms in favor of MMTC Limited at regional office <input checked="" type="checkbox"/> The buyer shall ensure workable LC at least two days before vessel's arrival <input checked="" type="checkbox"/> Verification of Letter of credit, In case of LC is not workable and amendments are required, buyer is contacted and necessary amendments are made by the buyer		

Reporting Requirements
Report having details of following: <ol style="list-style-type: none"> <li>1. Contract No</li> <li>2. LC Number</li> <li>3. Value</li> <li>4. Validity</li> <li>5. Name of the party</li> <li>6. Any discrepancy</li> </ol>

Name of process	Vessel Nomination
<b>Process Goal</b>	
To receive nomination of vessel by the buyer	
<b>Process Owner</b>	
Mineral division, Regional Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Nomination of vessel from buyer	1. Acceptance of vessel
<b>Process Details</b>	
<input checked="" type="checkbox"/> Buyer nominates a vessel and sends the information to Regional office	
<input checked="" type="checkbox"/> Regional office forwards the vessel details to supplier for confirmation & acceptance	

<input checked="" type="checkbox"/> After receipt from supplier for acceptance of same, Regional office of MMTC intimates buyer about acceptance of nominated vessel  <input checked="" type="checkbox"/>
<b>Reporting Requirements</b>
Report having details of following: <ol style="list-style-type: none"> <li>1. Vessel Name</li> <li>2. ETA</li> <li>3. Engagement qty <math>\pm 10\%</math></li> <li>4. Grade for loading</li> <li>5. Laycan period</li> <li>6. Contract number</li> <li>7. LC No.</li> <li>8. Stowage Plan</li> </ol>

<b>Name of process</b>	<b>Pre shipment documentation</b>
<b>Process Goal</b>	
To process & complete all pre-shipment documentation before arrival of vessel	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>

<input checked="" type="checkbox"/> Receipt of export duty from supplier/buyer	<ol style="list-style-type: none"> <li>1. Generation of GR form</li> <li>2. Shipping Bill</li> <li>3. Proforma Invoice</li> <li>4. Drawl of sample at the time of loading into Vessel/Stuffing into Containers</li> <li>5. TML Certificate from supplier</li> </ol>
<b>Process Details</b>	
<input checked="" type="checkbox"/> On receipt of export duty form supplier or buyer, regional/ sub regional office processes Performa invoice, shipping bill, GR Form  <input checked="" type="checkbox"/> Draft Shipping bill and GR Form is prepared by supplier and submitted to MMTC (SRO) who verifies and signs it for onward submission with Customs authority	
<b>Reporting Requirements</b>	
<ul style="list-style-type: none"> <li>• Contract No.</li> <li>• Name of the Buyer</li> <li>• Name of the Supplier</li> <li>• Name of vessel</li> <li>• Advance received from Buyer / Supplier for payment of export duty</li> <li>• Amount of export duty paid</li> <li>• Shipping bill No.</li> <li>• GR Form No.</li> <li>• Date of “Let export order”</li> <li>• TML Certificate No.</li> </ul>	



Name of process	Serving of NOR
<b>Process Goal</b>	
To accept notice of readiness (NOR)	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> NOR from master of vessel/agent	1. Acceptance of NOR by MMTC
<b>Process Details</b>	
<input checked="" type="checkbox"/> Master/agent of vessel serves notice of readiness to sub regional office <ol style="list-style-type: none"> <li>1. 10 days before arrival</li> <li>2. 48 hrs. before arrival</li> <li>3. 24 hrs. before arrival to lighthouse</li> </ol> <input checked="" type="checkbox"/> Following documents/conditions are checked before accepting the NOR: <ol style="list-style-type: none"> <li>1. Receipt of Workable LC</li> <li>2. Registration Certificate</li> <li>3. Fitness Certificate &amp; P&amp;I Club Membership</li> <li>4. "Let Export Order" from Customs authority</li> </ol>	

**5. Vessel is within laycan**

- Based on all the above mentioned conditions, NOR Acceptance is obtained from associate supplier and thereafter NOR acceptance is provided to vessel master
- Cargo readiness is ensured
- If documentation is not completed, conditional acceptance is provided which will be taken into consideration while calculation of detention charges

**Reporting Requirements**

Reports having following details:

- Contract No
- Vessel's Name
- NOR date & time
- Acceptance date and time
- Reason for not accepting the NOR from the time NOR is tendered
- Any comments or remarks

Name of process	Pre-loading operations
<b>Process Goal</b>	
To complete all loading formalities at port & custom level	
<b>Process Owner</b>	
Regional / Sub regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Daily traffic rotation meetings	1. Finalization of berthing schedule
<b>Process Details</b>	
<input checked="" type="checkbox"/> Port authorities conducts daily traffic meetings with exporters, shipping agents and supplier agents <input checked="" type="checkbox"/> On finalization of berthing schedule, stowage plan is provided to port authorities <input checked="" type="checkbox"/> Loading plan and transit moisture limit are verified for acceptance <input checked="" type="checkbox"/> Hatch inspection by Assayers appointed by Seller <input checked="" type="checkbox"/> Initial draft survey by Surveyor appointed by Seller <input checked="" type="checkbox"/> If vessel is not ready – master/agent is asked to issue fresh NOR	
<b>Reporting Requirements</b>	

- Daily progress report
- Hatch Inspection Report
- Initial Draft Survey Report

Name of process		Loading of vessel	
<b>Process Goal</b>			
To complete all loading operations as per compliance & contract terms			
<b>Process Owner</b>			
Regional / Sub regional office			
<b>Input</b>		<b>Output</b>	
<input checked="" type="checkbox"/> Stowage plan		<input checked="" type="checkbox"/> Daily Progress Report <input checked="" type="checkbox"/> Initial draft survey	
<b>Process Details</b>			
<input checked="" type="checkbox"/> As per stowage plan and after receipt of Hatch inspection certificate from Assayer, supplier does the loading of vessel ,duly monitored by surveying agency or owner			
<input checked="" type="checkbox"/> MMTC monitors loading operations through port office.			

- Mate receipt is obtained from master of the vessel after completion of loading
- Statement of fact (SOF) is prepared and signed by master of vessel, shipping agent, supplier and MMTC
- Original Mate Receipt is surrendered and Bill of lading is obtained from agent of vessel

### Reporting Requirements

Report having details of following:

- Contract No.
- Vessel's name
- Engaged Quantity
- On board quantity
- Mate receipt No, date & time
- Bill of Lading No.
- Any short loaded quantity for calculation of dead freight

Name of process	Preparation of post shipment documents
<b>Process Goal</b>	
To process & complete all post-shipment formalities before vessel sails	
<b>Process Owner</b>	
Regional / Sub regional office	
Input	Output
<input checked="" type="checkbox"/> Generation of Bill of lading <input checked="" type="checkbox"/> Daily loading report <input checked="" type="checkbox"/> Loading completion	<ol style="list-style-type: none"> <li>1. Mate Receipt</li> <li>2. Weight Certificate</li> <li>3. Final draft Survey Report</li> <li>4. Statement of Facts</li> <li>5. Final Shipping bill</li> <li>6. Bill of lading (on surrender of original Mate Receipt)</li> <li>7. Quality Certificate</li> <li>8. Certificate of Origin</li> <li>9. Commercial Invoice</li> <li>10. Shipping Advice</li> </ol>

	<p><b>11.</b> Sight Draft for drawing payment through LC</p> <p><b>12.</b> Short Shipment Notice, if required</p> <ul style="list-style-type: none"> <li>• No dead freight, no damages certificate</li> <li>• Refund claim from Customs/Port authorities for short shipped quantity</li> <li>• Lay Days Statement (to calculate dispatch / demurrage), if required as per contract</li> </ul>
<b>Process Details</b>	
<ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> All post shipment documents are prepared &amp; complied in terms of LC and contract</li> <li><input checked="" type="checkbox"/> Certificate of Origin issued by Chamber of Commerce &amp; Industries, Quality Certificate, Weight certificate or Draft survey report issued by assayers, SOF signed by master of vessel, shipping agent, MMTC port office.</li> <li><input checked="" type="checkbox"/> Copy outputs as shown above.</li> <li><input checked="" type="checkbox"/> Commercial invoice against LC</li> <li><input checked="" type="checkbox"/> Bill of lading signed by mater of vessel or their behalf of vessel's Agent.</li> </ul>	
<b>Reporting Requirements</b>	
<ol style="list-style-type: none"> <li>1. Contract No.</li> <li>2. Name of Vessel</li> </ol>	

3. Bill of lading No.
4. Commercial invoice No., date & time
5. Weight Certificate No., date & time
6. Quality Certificate No., date & time
7. Certificate of Origin No., date & time
8. Shipping Advice date, value



Name of process	Negotiations of documents for payment through LC
<b>Process Goal</b>	
To get payment from overseas buyer against LC	
<b>Process Owner</b>	
Regional Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Completion of post shipment documents	1. Submission of Invoice, Draft and other shipping documents, as per LC with negotiating bank
<b>Process Details</b>	
<input checked="" type="checkbox"/> LC negotiations are carried out with banking channels with banking channels by submitting documents	
<input checked="" type="checkbox"/> Verification is done by negotiating bank & opening bank.	
<b>Reporting Requirements</b>	
Report having details of following: <ul style="list-style-type: none"> <li>• LC Number</li> <li>• Date of submission of documents</li> <li>• Amount of LC</li> <li>• LC validity</li> </ul>	

Name of process	Realization of payments
<b>Process Goal</b>	
To get remittance from bank	
<b>Process Owner</b>	
Regional Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> After submission of Invoice, Draft, LC and other shipping documents as per LC to Negotiating bank	<input checked="" type="checkbox"/> Payment advice from negotiating bank <input checked="" type="checkbox"/> Bank Realization Certificate <input checked="" type="checkbox"/> Refund claim of export duty or payment of additional export duty
<b>Process Details</b>	
<input checked="" type="checkbox"/> After preparation of invoice, RO shall calculate final export duty on the basis of "ACTUAL TRANSACTION VALUE" and make final settlement of export duty with customs authority. <input checked="" type="checkbox"/> Additional export duty, if paid shall be recovered from suppliers. In case export duty paid initially is found to be in excess, refund claim shall be filed by RO <input checked="" type="checkbox"/> Opening bank of foreign buyer make remittance to the Negotiating bank	

- Amount is credited in MMTC account at RO indicating exchange rate
- Bank Charges are deducted by Bank
- After MMTC has prepared its invoice for overseas supplier, final export duty is e recalculated based on actual transaction value. If additional export duty is to be paid, it is released to Customs authorities and if it is found that excess is paid, refund claim is filed.

### Reporting Requirements

- Contract Number
- Buyer's Name
- MMTC's Invoice Value (USD)
- Sale Value (INR)
- Payment received in USD
- Date of realization of payment
- Exchange rate
- Payment received in INR
- Bank Charges
- Difference between Invoice Value and BRC Value, if any

Name of process	Payment to supplier
<b>Process Goal</b>	
To release payment to supplier against raised invoice	
<b>Process Owner</b>	
Regional office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Supplier's Invoice	<input checked="" type="checkbox"/> Acknowledgement of payment by Supplier / Bank's Report
<b>Process Details</b>	
<input checked="" type="checkbox"/> Supplier raises purchase invoice to MMTC <input checked="" type="checkbox"/> On the basis of supplier's invoice and MMTC's sale realization, payment is released in INR to supplier after deducting bank charges and other expenses, if any incurred by MMTC on behalf of supplier <input checked="" type="checkbox"/> Form H is issued to supplier for sales tax	
<b>Reporting Requirements</b>	
Reports should have following details: <ul style="list-style-type: none"> <li>• Contract Number</li> <li>• Name of supplier/foreign buyer</li> <li>• Supplier's Invoice</li> <li>• Purchase Value (INR)</li> </ul>	

- Deductions from purchase value
- Amount paid in INR
- Payment advice
- Trading margin (Sale Value – Purchase Value)
- PG Number

Name of process	Release of PG
<b>Process Goal</b>	
To release PG submitted against payment realized	
<b>Process Owner</b>	
Mineral Division, Corporate Office	
<b>Input</b>	<b>Output</b>
<input checked="" type="checkbox"/> Bank Realization Certificate <input checked="" type="checkbox"/> Bills of Lading <input checked="" type="checkbox"/> No Dues Certificate from RO	<input checked="" type="checkbox"/> Letter to Bank for cancellation of BG
<b>Process Details</b>	
<input checked="" type="checkbox"/> After satisfactory performance of sale contract by buyer, approval of competent authority is obtained for cancellation of BG. Letter is issued to bank for cancellation of BG. <input checked="" type="checkbox"/> In case the buyer fails to fulfill contractual obligation, PBG is invoked	
<b>Reporting Requirements</b>	
Reports should have following details: <ul style="list-style-type: none"> <li>• Purchase contract Number</li> <li>• Sale Value</li> </ul>	

- Amount Realized
- Date of realization of payment
- Purchase Contract
- Purchase value
- Deductions made from supplier
- Amount paid to supplier
- Balance {Sale Value in USD - Amount Realized in USD), if any

## CHROME/MANGANESE EXPORT

1. Receipt of offer from back-up supplier.
2. Floating of global e-tender with advertisement in one English and one Hindi newspapers
3. Intimation to prospective bidders through e-mail.
4. Opening of tender and evaluation of bids
5. In case of single bid, re-tender or FMCOD approval for single bid acceptance
6. In case of more than one qualified bidder, confirmation of H1 bid from back-up supplier.
7. Approval of CMD/FMCOD to confirm the transaction to H1 bidder and sign contracts
8. Confirmation to H1 bidder for acceptance of their bid.
9. Signing of sale and purchase contracts with overseas buyer and back-up supplier, respectively
10. Forwarding of signed contracts to concerned Region for execution.
11. Post facto approval in case contract value more than Rs. 15 crs and earlier obtained from CMD subject to post facto approval from FMCOD
11. Receipt of PG/advance export duty and L/C from overseas buyer.

12. Acceptance of vessel nominated by overseas buyer.
13. Preparation and submission of shipping documents to Customs.
14. Deposit of applicable custom duty and other charges after generation of TR-6 challan
15. Let Export Orders by Customs.
16. Loading of cargo/containers onto the vessel.
17. Collection of B/L, analysis report and certificate of origin.
18. Preparation of invoice and submission of documents to bank for negotiation.
19. After realization of export proceeds, payment to back-up supplier.
20. Issue of Form 'H' and Disclaimer Certificate to back-up supplier

IMPORT OF LIMESTONE (NINL A/c or MMTC's)

1. Receipt of indent from NINL.
2. Floating of global e-tender.
3. Opening and evaluation of tender.
4. Negotiation with L1 bidder.
5. Acceptance of L1 bid from NINL.
6. After approval, signing of contract with L1 bidder.
7. Application to MOC for their recommendation to Ministry of Shipping for issue of NOC for C&F import.
8. Issue of waiver by Ministry of Shipping



8. Issue of L/C by MMTC.
9. Acceptance of vessel nominated by overseas supplier
10. After receipt of shipment advice, arranging transit/marine insurance in case of C&F shipment.
11. Receipt of a non-negotiable set of documents through e-mail
12. Receipt of documents through banking channel
11. Sale of cargo on highseas to NINL.
12. Debiting of NINL's account with cost of goods and MMTC's trade margin
13. In case of discharge in MMTC account, obtaining Storage-cum-Trading Licence, appointment of CHA and arranging a plot at port
14. Filing of bill of entry, payment of duty and storage of cargo at designated plot. Arranging storage insurance.

Domestic purchase of limestone (a/c NINL)

1. Receipt of indent from NINL.
2. Floating of e-tender.
3. Opening and evaluation of tender
4. L1 price confirmation from NINL.
5. Negotiation with L1 bidder if price not acceptable to NINL.
6. Acceptance of L1 bid from NINL.
7. Approval from CA to sign contract with L1 bidder

8. Receipt of PG from L1 supplier and signing of contract
  8. Payment of railway freight by NINL
  9. Supervision of loading at loading point for purchase on FOR basis.
  10. Sale of cargo to NINL through endorsement of RR's.
  11. Debiting of NINL account for value of cargo and MMTC trade margin.
- (i) Domestic purchase of Dolomite (a/c NINL)
1. Receipt of indent from NINL.
  2. Floating of e-tender.
  3. Opening and evaluation of tender
  4. L1 price confirmation from NINL
  5. Negotiation with L1 bidder if price not acceptable to NINL
  6. Get confirmation for acceptance of negotiated L1 price
  7. In case of award of contract on 70:30 basis, getting confirmation from L-2 bidder to match L1 price
  8. Approval from CA to sign contract with L1 bidder or L1 & L2 bidder in case allocation on 70:30 basis
  9. After approval, receipt of PG and signing of contracts
  10. Indent placement on supplier.
  11. Payment of railway freight by NINL
  12. Supervision of loading at loading point for purchase on FOR basis.
  13. Sale of cargo to NINL through endorsement of RR's.
  14. Debiting of NINL account for value of cargo and MMTC trade margin.
- (ii) **Purchase of dolomite from BSLC (a PSU)**
1. Preliminary discussions between MMTC and BSLC
  2. Sample testing in NINL lab
  3. After acceptance about quality, negotiation of terms of contract on the basis of MOU signed between BSLC and SAIL
  4. Acceptance of terms of contract, quantity and price by NINL
  4. Signing of MOU between MMTC and BSLC for total quantity to be purchased in a year

5. After receipt of indent from NINL, placement of indent by MMTC on NINL
6. Payment of railway freight by NINL
7. Inspection and loading of rake for purchase on FOR basis.
8. Sale of cargo to NINL through endorsement of RR's.
9. Debiting of NINL account for value of cargo and MMTC trade margin.

Domestic purchase of Quartzite (a/c NINL)

1. Receipt of indent from NINL.
2. Floating of e-tender.
3. Opening and evaluation of tender
4. L1 price confirmation from NINL.
5. Negotiation with L1 bidder if price not acceptable to NINL.
6. Acceptance of L1 price bid from NINL
7. Approval from CA to sign contract with L1 bidder
8. Receipt of PG from L1 supplier and signing of contract
8. Sale of cargo to NINL through endorsement of LRs.
9. Debiting of NINL account for value of cargo and MMTC trade margin.

## 7 General Trading

### 7.1.1 Process for Import/Export and Domestic trade in General Trade Division

#### Description

The purpose of this process is to select a buyer / supplier for General Trade Commodities.

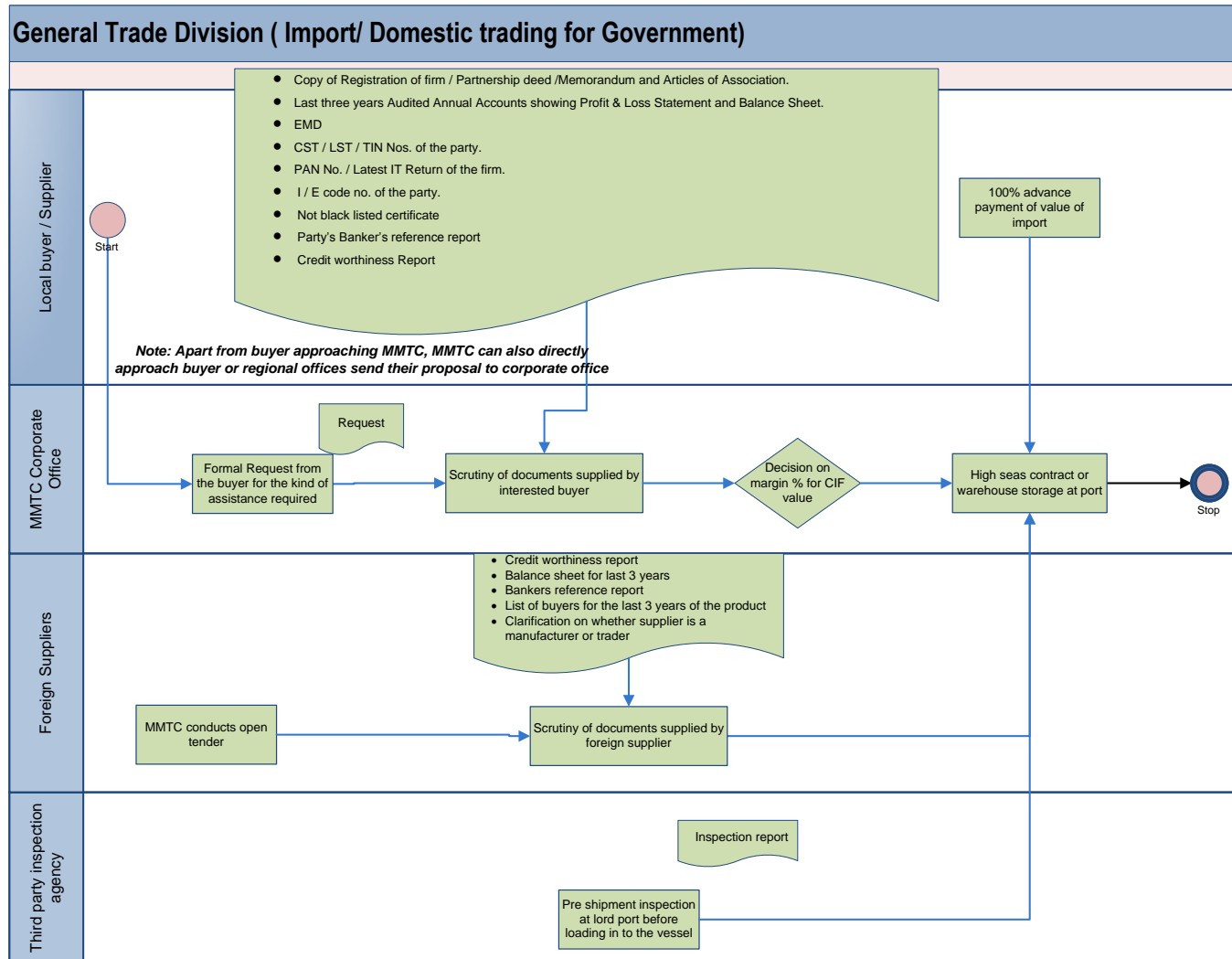
#### Process Summary

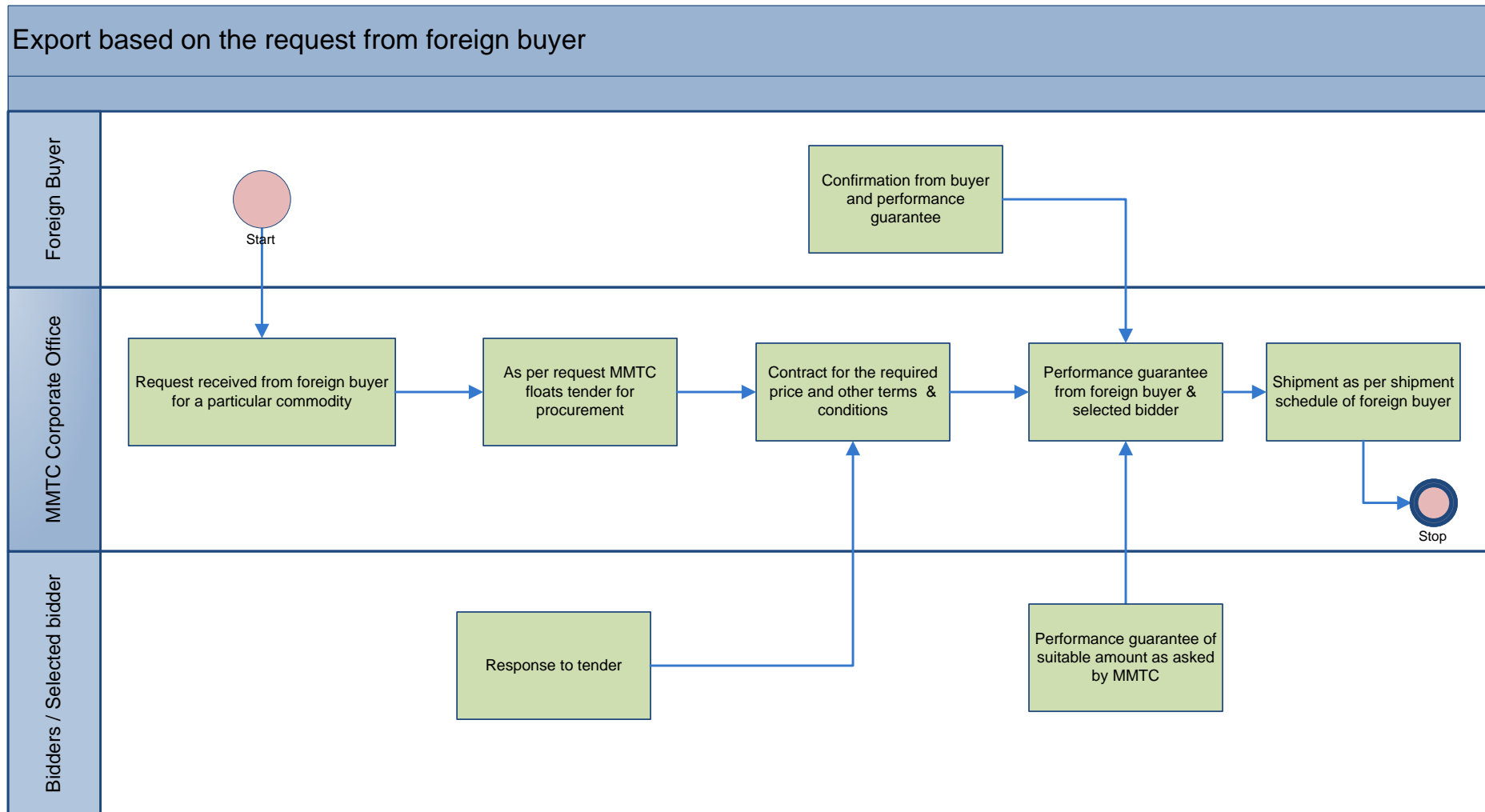
<b>Name of process</b>	<b>Contracting</b>
<b>Process Goal</b>	
To select a Buyer / Supplier for general trade commodities.	
<b>Process Owner</b>	
General Trade Division	
<b>Primary Actors</b>	<b>Secondary Actors</b>
<input checked="" type="checkbox"/> General Trade division	<input checked="" type="checkbox"/> Interested Buyer/ Agency <input checked="" type="checkbox"/> Local & foreign supplier <input checked="" type="checkbox"/> Third party Inspection agency <input checked="" type="checkbox"/> Finance division

Name of process	Contracting
	<input checked="" type="checkbox"/> Insurance agency <input checked="" type="checkbox"/> Warehouse agency <input checked="" type="checkbox"/> Credit rating agency <input checked="" type="checkbox"/> Clearing and handling agents (CHA)
Process Input	Process Output
<input checked="" type="checkbox"/> Formal request from interested Buyer. <input checked="" type="checkbox"/> For domestic trade the requisition from any Government agency or through open tender or from any manufactures / traders/ vendors	<input checked="" type="checkbox"/> Contract between MMTC and Foreign buyer/ supplier <input checked="" type="checkbox"/> Contract between MMTC and the local buyer/supplier. <input checked="" type="checkbox"/> For Domestic trade between MMTC and Government agency/private trader the contract shall be drawn between MMTC and the supplier/trader. <input checked="" type="checkbox"/> In case of direct supply to the government department the contract may also be drawn between MMTC and Government agency.
Transactional Volume	
<input checked="" type="checkbox"/> No definite frequency	
Documentation	Formats
<input checked="" type="checkbox"/> Proposal from interested buyer/supplier	

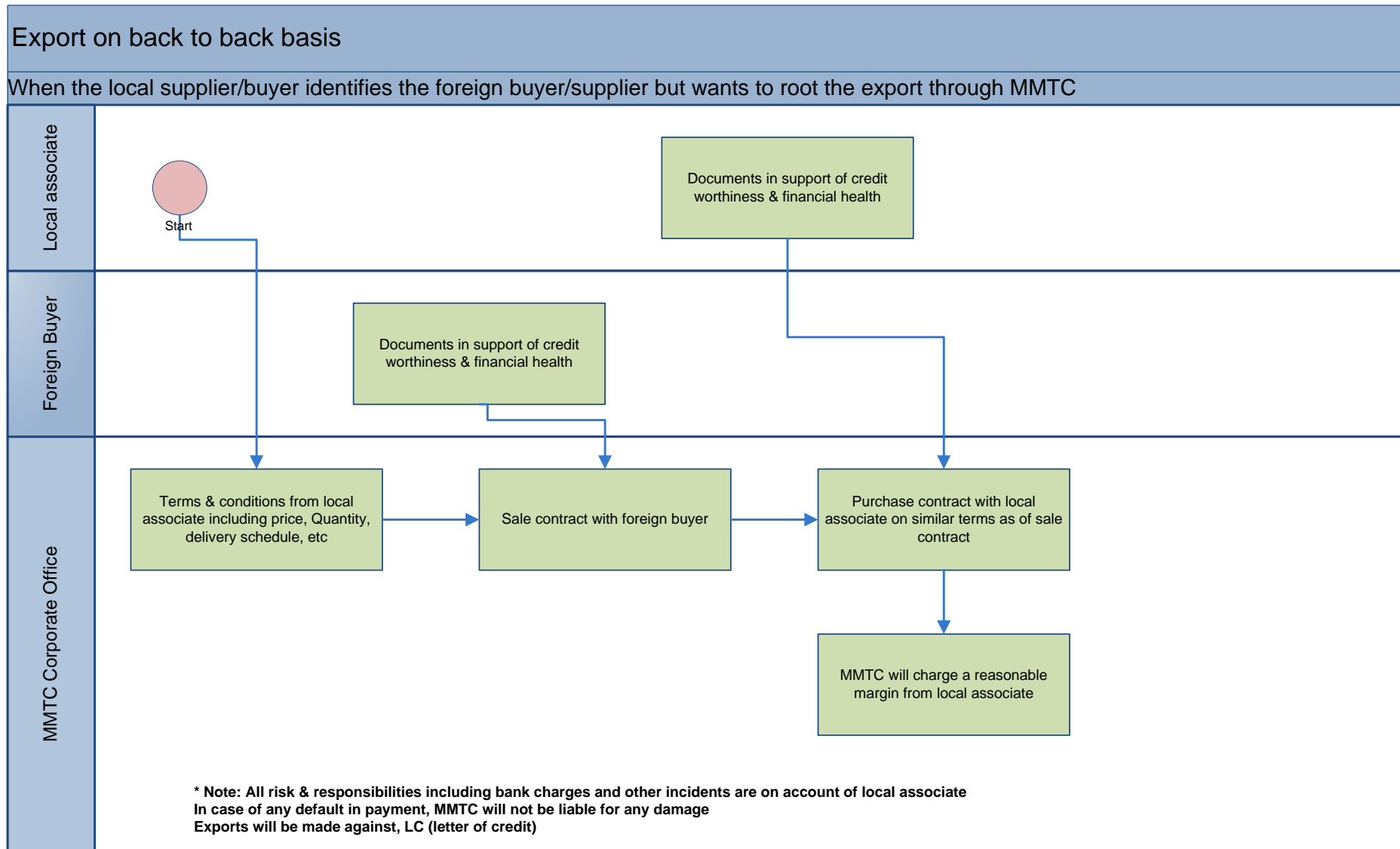
Name of process	Contracting
<ul style="list-style-type: none"><li><input checked="" type="checkbox"/> Company profile of interested buyer/supplier</li><li><input checked="" type="checkbox"/> Supporting documents for credit worthiness and credit rating.</li><li><input checked="" type="checkbox"/> Inspection report at load port/discharge for the cargo.</li><li><input checked="" type="checkbox"/> Inspection through reputed third party agency before supply to government agency/other buyers in case of domestic trading.</li></ul>	

Process Map









### **Process Description**

The general trade division performs import/export/domestic trade of commodities which is not covered as part of minerals, agro, coal and hydrocarbons or precious metals groups. Such commodities may be resins, petrochemicals, security items, gypsum, clinker, cement, cotton, wool, yarn, naphtha, bitumen, pharmaceutical, machinery, transformer, timber, engineering products, services, iron & steel items, minerals not being exported / imported by Minerals division, other fertilizers, other agro items, etc.

In case of domestic trading, if any government agency makes a request for a particular commodity MMTC finds through tender process a suitable backup supplier and gets into contract with the eligible supplier.

Usually MMTC does a high seas contract with the buyer or it is stored in CWC/SWC or any Government agencies warehouse at the port or nearby place. EMD, MMTC trading margin shall be decided on case to case basis subject to approval of competent authority.

In case of general trade involving foreign supplier, MMTC conducts an open tender and after due diligence of the supplier based on scrutiny of their creditworthiness, banker's reference report, past record, etc., It gets into a contract with them.

MMTC's General Trade Division at Corporate office has to examine the proposal forwarded by RO with approval of Regional head, concurrence of finance head and approved by Risk Management Committee of the concerned RO on the basis of documents submitted by the buyer or through ROs.

General trade division ensures that the forex cover in respect of import and export commodities is taken in consultation with the local associates to hedge the risk of exchange fluctuations.

While entering in to the above transactions, General trade division ensures compliance of all the instructions issued by Finance & Accounts Division, Corporate Office from time to time.

In case of exports, MMTC does export on the request of foreign buyer or on the back to back basis where the local supplier/buyer identifies the foreign buyer/supplier but wants to route the export through MMTC.

On request from foreign buyer

Based on the request, MMTC floats a tender for procurement. Upon receipt of response and selection of bidder, contract for price and other terms & conditions is signed. On confirmation from the buyer MMTC ask for a PG of suitable amount selected bidder. The same is also taken from foreign buyer. Based on shipment schedule from foreign buyer, shipment is done.

Back to back basis

MMTC receive s terms & conditions from local associate including price, quality delivery schedule, etc. MMTC gets into sale contract with foreign buyer accordingly. Purchase contract with local associate is signed on similar terms as of sale contracts. All risk & responsibilities including back charges or other incidents are on the account of local associate. MMTC charges a reasonable margin from local associate. In case of any default in payment , MMTC is not liable for any damage.

Sr.No.	Process Detail	Responsibility Centre
2.	Process of import of general trade commodities	
	Domestic Trading for Government / Import	
2.1.	Formal Request is made for a particular commodity to MMTC corporate office or Regional office	Government Agency /Local supplier or buyer
2.2.	Proposal is examined by RO or CO and finance concurrence and approval of competent authority is obtained before taking any decision	MMTC's General Trade Division, RO or CO
2.3.	Decision on margin	MMTC's General Trade Division, RO or CO
2.4.	MMTC floats an open tender to find out the supplier	MMTC's General Trade Division, CO or RO
2.5.	Successful bidder is determined through fair and transparent process and if price is acceptable, sale contract with local buyer and purchase contract with overseas supplier is signed on back to back basis.	MMTC's General Trade Division, CO or RO
2.6.	Local Buyer deposits the margin money / EMD before contracts are signed by MMTC. Signed contracts are	
2.7.	Pre shipment inspection at port before loading in to the vessel	Third party inspection agency
2.8.	High seas contract or warehouse storage at port	All stakeholders concerned
2.9.	Payment is arranged in f/o overseas supplier as per contract	RO or CO
2.10.	If sale is on HSS basis, 100% shipment value is collected from Local Buyer	RO
2.11.	Purchase and Sales are booked	RO
2.12.	Settlement of Local Customer's A/c	RO

Sr.No.	Process Detail	Responsibility Centre
2.13.	Reconciliation of Key Accounts (Vendor's A/c, Customer's A/c, Sales, Purchase, Gain / Loss in Exchange etc)	RO
2.14.	If Sale is not on HSS, RO to arrange clearance of goods by paying customs duty	RO
2.15.	RO to arrange storage in CWC/SWC and appointment of protecting agent	RO
2.16.	Periodical payment of godown rent	RO
2.17.	Deliver the goods to local buyer on receipt of 100% sale value alongwith all cost and interest as per sale contract.	RO
2.18.	Payment to CHA and protecting agent as per contractual terms	RO
2.19.	Settlement of dispatch – demurrage with overseas supplier	RO
2.20.	Settlement of Customer's Account	RO
2.21.	Reconciliation of Key Accounts (Vendor's A/c, Customer's A/c, Sales, Purchase, Gain / Loss in Exchange etc)	RO

### 7.1.2 Red Sanders Export

S No	Process Details	Responsibility Centre
1	CO GT Divn Pursue DRI and obtains allocation of Red Sanders from DRI	CO GT Divn
2	DRI Allocates quantity to Projects Divn at CO	DRI
3	CO forwards to concerned RO(s) the details of qty allocated by DRI	CO GT Divn
4	RO to arrange grading through grader	RO
5	Payment is released to grader on receipt of his invoice and on satisfactory completion of his work	RO
6	After grading is completed, CO GT Divn obtains DRI approval for floating global tender	CO GT Divn
7	Interested parties remits EMD and Cost of Tender Form to RO	Bidders
8	Successful bidder is selected through fair and transparent system and approval of DRI is obtained	CO GT Divn
9	LOA and Sale contracts are issued to successful bidders as per approval of DRI and copy of same is endorsed to RO	CO GT Divn

10	Buyers remits advance and PG Amount as per LOA/Contract to concerned RO of MMTC	Buyer
11	Applicable TCS is deposited by RO	
12	Buyer registers themselves with NBA	RO
13	RO deposits required amount with NBA and arrange clearance	RO
14	RO Files application for Export Licence from DGFT and MOEF Clearance	RO
15	After all clearance is in hand, Buyer is informed to deposit the balance shipment value and arrange shipment	RO
16	Buyer remits the balance shipment value to MMTC	Buyer
17	RO Deposits the applicable TCS	RO
18	Buyer arranges containers for stuffing of Red Sanders	Buyer
19	Containers are stuffed by CHA appointed by MMTC	CHA
20	CHA complete the pre-shipment formalities for shipment of goods	CHA
21	CHA obtains "Received for Shipment" BL from shipping line after containers are stuffed	CHA
22	CHA arranges movement of stuffed containers to loading port under security arranged by MMTC	CHA
23	CHA gets endorsement on BL -( "Shipped on Board") after loading of stuffed containers on board the vessel	CHA
24	RO Collects post shipment documents through CHA	RO
25	Sales / Purchase is booked by RO	RO
26	Payment is released to the CHA on receipt of their invoice and satisfactory completion of their work	RO
27	Invoice is raised on Buyer	RO
28	Necessary documents, as per contractual terms are provided to the Buyer by MMTC	RO
29	Clearance of DRI is obtained for releasing payment to Concerned Commissioner of Customs against the qty exported	RO/CO
30	Payment is released to Concerned Commissioner of Customs by MMTC	RO
31	Buyer's account is settled	RO
32	Key Accounts are reconciled	RO

## 8 NFM

### 8.1 Business Process Description For NFM Division

1	NFM Division undertakes two kinds of sales: 1) High Seas Sale 2) Ex godown Sales. In a single shipment, different lots may be imported for sale under either of these modes.
2	NFM Division primarily uses two payment methods to make remittance to overseas suppliers: 1) Cash Against Documents 2) Buyers Credit. In a single shipment, different lots may be imported under either of these payment modes.
3	At places where the process description differs for each mode of payment mode or mode of payment, the description of the relevant mode is given as a sub-point. For ex: At sr. no. 3.04, if the mode of sale is High Seas then the process at 3.04a is followed and if the mode of sale is ex-godown then the process at sr. no. 3.04b is followed.

Sr.No.	Process Detail	Responsibility Centre
<b>1.</b>	Buyer Registration	
<b>1.01</b>	The Buyer applies to register with the concerned regional office (if not already registered) by submitting the requisite documents.	Buyer
<b>1.02</b>	Concerned Regional Office registers the buyer after scrutinizing the documents and obtaining approval from competent authority	Regional/Sub-Regional office – NFM division
<b>2.</b>	Query from buyer	
<b>2.01</b>	Buyer sends a query to RO/SRO with specifications. Minimum quantity for a query varies. Sometimes, minimum quantity can be less than 1 MT	Buyer
<b>2.02</b>	RO/SRO forwards the query to CO	Regional/Sub-Regional & Corporate office – NFM division
<b>2.03</b>	CO after evaluating the query floats a tender inquiry among empanelled suppliers. NFM Division finalizes the L-1 offer(s) from the overseas supplier after evaluating the techno-commercial terms and price bid.	Corporate office – NFM division
<b>2.04</b>	CO provides the offer to the RO(s) / SRO(s) with detailed terms and conditions base on the offer from overseas supplier.	Corporate office – NFM division

<b>2.05</b>	RO/SRO responds to the buyer along with the terms and conditions received from the CO	Regional/Sub-Regional office – NFM division
<b>3.</b>	Import and sale of NFM	
<b>3.01 a</b>	<b>[High Seas Sale Case]:</b> Buyer gives their acceptance on the response and terms and conditions sometimes in TOTO/ sometimes with counter terms and after terms are agreed between MMTC and customers, customers deposits EMD (in maximum two phases) at the RO/SRO. However, no EMD is collected from PSU/Government sector customers.	Buyer
<b>3.01 b</b>	<b>[Ex godown Sale]:</b> Some or all of the quantity in each shipment could be imported for MMTCs own stock (for ex-godown sales). In such cases, the respective RO/SRO places an indent on CO for the required quantity. No EMD is collected in such cases.	Regional/Sub-Regional office – NFM division
<b>3.02</b>	Once the acceptance and EMD is received by the RO/SRO, the RO/SRO forwards the order to the CO.	Regional/Sub-Regional office – NFM division
<b>3.03</b>	The CO consolidates various orders received from different RO/ SRO and takes an internal approval for import from competent authority. Once the approval is received, CO signs a contract with supplier for supply of the goods.	Corporate office – NFM division
<b>3.04a</b>	<b>[High Seas Sale Case]:</b> Once the order is placed on the overseas supplier, if the material is offered with a quotational period,, the buyer(s) can price the material within the quotational period as mentioned in the agreed terms as well as in the import contract.	Corporate office – NFM division
<b>3.04b</b>	<b>[Ex godown Sale]:</b> In case of material imported for ex-godown sale, the pricing is done by Corporate Office	Regional/Sub-Regional office – NFM division
<b>3.05</b>	After the buyer fixes/accepts the price, the RO/SRO prepares proforma invoice based on provisional USD/INR exchange rate (premium + basic+ MMTC markup) and the high seas sale contract and sends it to the Buyers. No proforma invoice is issued in case of Buyers Credit payment.	Regional/Sub-Regional office – NFM division
<b>3.06a</b>	<b>[CAD Payment Case]:</b> Supplier sends copies of Bill of lading, invoices and other documents to MMTC CO. All original shipping documents are presented by supplier through the bank nominated by RO/SRO.	Supplier



<b>3.06b</b>	<b>[Buyers Credit Payment Case]:</b> Supplier sends copies of Bill of lading, invoices and other documents to MMTC CO. All original shipping documents are presented by supplier through the bank nominated by RO.	Supplier
<b>3.07a</b>	<b>[CAD Payment Case]:</b> RO/SRO remits the payment to the suppliers through bank on receipt of complete shipment documents	RO/SRO– NFM division & Associated Finance
<b>3.07b</b>	<b>[Buyers Credit Payment Case]:</b> Bank remits payment to the supplier.	Bank
<b>3.08a</b>	<b>[CAD Payment Case]:</b> Sale invoice is generated by respective RO/SRO through Associate Finance, it is sent by RO/SRO to the respective buyer.	Regional/Sub-Regional office – NFM division & Associate finance
<b>3.08b</b>	<b>[Buyers Credit Payment Case]:</b> Buyers credit is availed and Forex cover is taken for the requisite number of days. The details of Buyer's Credit are informed to Customer. The spot rate and all other banking charges are finalized.	Regional/Sub-Regional office – NFM division & Associate finance
<b>3.09a</b>	<b>[CAD Payment Case]:</b> On receipt of value of goods, the High see sale agreement signed between MMTC and buyer. The import documents are endorsed by RO/SRO and handed over to respective buyer. Adjustment of amount for difference between exchange rate at actual and provisional exchange rate done through Debit/Credit note. Differential amount is settled with the customer before release of BG /EMD/Security	Regional/Sub-Regional office – NFM division
<b>3.09b</b>	<b>[Buyers Credit Payment Case]:</b> After Customer submits security in the form of B/G, L/C or any other form of Financial guarantee, the High see sale agreement signed between MMTC and buyer. The import documents are endorsed by RO/SRO and handed over to respective buyer.	Buyer Regional/Sub-Regional office – NFM division
<b>3.10 a</b>	<b>[High Seas Sale Case]:</b> Goods arrive at the port and the receiving customers of RO/SRO receive the entire consignment.	Regional/Sub-Regional office – NFM division
<b>3.10 b</b>	<b>[Ex godown Sale]:</b> In case of material imported for ex-godown sale, MMTC files bill of entry and pays Customs duty and after getting clearance from customs the material is cleared from port	Regional/Sub-Regional office – NFM division
<b>3.11</b>	At the time of maturity of Buyer's Credit, final amount is determined by respective RO/SRO through Associate Finance, it is sent by RO/SRO to the respective buyer for payment.	Regional/Sub-Regional office – NFM division & Associated finance

<b>3.12</b>	On date of maturity of buyer's credit, payment is received from the buyer. In case buyer wants extension of buyer's credit the same is taken up with the concerned bank.	Regional/Sub-Regional office – NFM division and Corporate office – Associate Finance of NFM division
<b>3.13</b>	On date of maturity of buyer's credit, approval is sought from Competent Authority to remit the payment to bank and after approval payment is remitted to the bank via Banking Division, CO	Corporate office – Associate Finance of NFM division and Banking Division
<b>4</b>	Ex-godown sale of NFM	
<b>4.01</b>	Customs duty is paid and after getting clearance from customs the material is cleared from port	Regional/Sub-Regional office – NFM division
<b>4.02</b>	The material cleared from customs or transferred from other warehouse is taken to the godown of the regional/sub regional office and insurance cover for transit and godown is taken	Regional/Sub-Regional office – NFM division
<b>4.03</b>	Regional/Sub-Regional office sends the details of costs associated with clearing the material to C.O and seeks a minimum ex-godown selling price for the consignment from C.O. The receiving RO/SRO sometimes have to stock transfer some quantity to other RO/SRO under instruction of CO. Cost of the transferred quantity is also transferred to the respective RO/SRO (who had placed the order)	Regional/Sub-Regional office – NFM division
<b>4.04</b>	Price circular is declared	Corporate office – NFM division
<b>4.05</b>	Offers sent to customers of Regional/sub-regional office	Regional/Sub-Regional office – NFM division
<b>4.06</b>	Customer accepts the offer of regional/sub-regional office and submits full payment	Buyer
<b>4.07</b>	Delivery Order issued after receipt of full payment from customer	Regional/Sub-Regional office – NFM division
<b>4.08</b>	Customers lifts the material from godown of regional/sub-regional office after receiving Delivery Order	Buyer
<b>5</b>	New supplier registration	
<b>5.01</b>	An unregistered overseas supplier applies for registration with MMTC along with the required supporting documents at CO	Supplier

<b>5.02</b>	CO scrutinizes the application and determines whether it is satisfactory and in line with the empanelment criteria. If documents are not satisfactory, then the overseas supplier is asked to submit the correct documents. If documents are satisfactory, NFM Division requests the concerned Finance Division at CO for obtaining DNB report.	Corporate office – NFM division
<b>5.03</b>	DNB report is arranged by concerned department at CO and is examined at the CO.	Corporate office – F&A division
<b>5.04</b>	If the DNB report is satisfactory, NFM Division, Corporate Office approves the registration	Corporate office – NFM division