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

51st ANNUAL REPORT 2013-14

Creating Synergies for Collateral Growth

Board of Directors

D S DHESI
Chairman cum Managing Director

GOVERNMENT NOMINEE DIRECTORS

MADHUSUDAN PRASAD

ANITA AGNIHOTRI
upto 16.06.14

B.P PANDEY
w.e.f. 16.06.14

FUNCTIONAL DIRECTORS

VED PRAKASH
Director (Marketing)

RAJEEV JAIDEVA
Director (Personnel)

M G GUPTA
Director (Finance)

ANAND TRIVEDI
Director (Marketing)

P K. JAIN
Director (Marketing)
w e f 15 05 13

INDEPENDENT DIRECTORS

ANIL RAZDAN
upto 12.07.14

G. S. VEDI
upto 13.07.14

ARUN BALAKRISHNAN
upto 15.07.14

ARVIND KALRA
w.e.f. 1.04.13

RANA SOM
w e f. 17 04 13

N. BALA BASKAR
w e f 22 04 13

SUBAS PANI
w e.f. 7 05.13

S R TAYAL
w.e f. 9 07.13

CONTENTS

Corporate Mission

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

Corporate Objectives

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

MMTC LIMITED
Regd. Office : Core-1, 'SCOPE Complex',7 Institutional Area, Lodhi Road, New Delhi-110003
CIN : L51909DL1963GOI004033

NOTICE

Notice is hereby given that the **51st Annual General Meeting** of the Members of MMTC Limited will be held on Thursday, the **18th September 2014** at 11.30 A.M. at the Weightlifting Auditorium, Sports Authority of India, Gate No. 19, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014, including the audited Balance Sheet of the Company as at March 31, 2014, and Profit & Loss Account for the year ended March 31, 2014 along with the Directors' Report, Statutory Auditors' Report and the Comments thereupon of Comptroller & Auditor General of India.

2. To declare dividend on Equity Share capital for the financial year ended 31st March, 2014.

3. To re-appoint Shri Anand Trivedi, Director (Marketing), who retires by rotation at the AGM as Director (Marketing) of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Director (Marketing).

4. To re-appoint Shri P.K. Jain, Director (Marketing), who retires by rotation at the AGM as Director (Marketing) of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Director (Marketing).

5. To authorize Board of Directors of the company in terms of the provisions of Section 142(1) of Companies Act, 2013 to fix remuneration of the Statutory/Branch Auditors of the Company appointed by Comptroller & Auditor General of India u/s 139(5) of the Companies Act, 2013 for the financial year 2014-15.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT Shri Bhagwati Prasad Pandey (DIN : 01393312) who was appointed as Part Time Govt. Nominee Director w.e.f.16.06.2014, by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the Company, vide Department of Commerce, Ministry of Commerce & Industry communication no. 11/36/2001-FT(M&O) dated 16th June 2014 and by the Board of Directors in circulation on 09th July 2014 as a Part Time Govt. Nominee Director under section 161 of Companies Act 2013, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Part Time Govt. Nominee Director on the terms, conditions and tenure as determined by the President of India from time to time."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 ('the Act') read with Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to amend the Articles of Association of the MMTC Limited, by inserting following new Article 2A after Article 2:

   "2A Wherever in the Companies Act, 2013 ('CA 2013'), it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction(s) only if the Company is so authorized by its Articles, then and in that case by virtue of this Article, the Company is hereby specifically authorized, empowered and entitled to have such right, privilege or authority, to carry out such transaction(s) as have been permitted by the CA 2013 without there being any separate/specific article in that behalf herein provided."

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be deemed necessary or expedient, to give effect to this Resolution."

By Order of the Board
For MMTC Limited

sd/-
(G.Anandanarayanan)
Assistant Company Secretary

Place: New Delhi
Dated: 13.08.2014

GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY - EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING. BLANK PROXY FORM IS ENCLOSED.**

   Pursuant to the provisions of Section 105 of Companies Act, 2013, a person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate

not more than ten percent of the total share capital of the Company carrying voting rights. A member holding not more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable.

2. Transfer Books and Register of Members will remain closed from **12th to 18th September 2014** (both days inclusive). The Board of Directors, in its Meeting held on 29th May 2014, has recommended a dividend @ 15% (Re. 0.15 per share of face value Re.1.00 each) on the paid-up equity share capital of the company. The dividend, subject to the provisions of Section 126 of the Companies Act, 2013, if declared at the Annual General Meeting, will be paid in October, 2014 to the Members whose names appear on the Company's Register of Members on 18th September, 2014 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the "beneficial owners" of the shares whose names appear in the Statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on **11th September, 2014.**

3. The relevant explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of Special Businesses, as set out above is annexed hereto

4. Pursuant to Section 124(1) read with Section 124(6) of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund (IEPF) of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.

5. **Members are requested to:**

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

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

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

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

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

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

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

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

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

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

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

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

9. M/s. MCS Ltd. F–65 Okhla Industrial Area, Phase I, New Delhi –110020 have been appointed as Registrar and Transfer Agents for carrying out its entire share related activities viz. Transfer / transmission/ transposition / dematerialisation / rematerialisation / split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfers and allied activities with this agency only.
10. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
11. Electronic copy of the Notice of the 51st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 51st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
12. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its RTA along with relevant Share Certificates.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit PAN to their DP with whom they are maintaining their demat accounts. It has also made mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of transfers and for securities market transactions and off-market/ private transactions involving transfer of shares of listed companies in physical form. Accordingly, members holding shares in physical mode should attach a copy of their PAN Card for every transfer request sent to the Company / RTA.
14. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the Form-SH 13 as prescribed in the Companies (Central Government's) General Rules and Forms, 2013, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may obtain from and send Form-SH 13 in duplicate to RTA of the Company. In case of shares held in dematerialized form, the nomination/ change of address has to be lodged with the respective DP.
15. Members are requested to notify immediately any change in address :

    i) To their DP In respect of shares held in a dematerialized form.

    ii)To the Companies RTA-M/S MCS Ltd. in respect of their physical shares, if any quoting their folio number.
16. Members desirous of getting any information **on any items of business of this Meeting only** are requested to address their queries to the Company Secretary at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
17. Annual listing fee for the year 2014-15 has been paid to all Stock Exchanges wherein shares of the Company are listed.
18. None of the Directors of the Company or Key Managerial Personnel is in any way related with each other.
19. Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.mmtclimited.com for their download. The physical copies of the aforesaid

documents will also be available at the Company's Registered Office in Delhi for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication in this regard, the shareholders may send requests to the Company's investor email id: ganarayanan@mmtclimited.com

20. **Voting through electronic means**

In compliance with provisions of Clause 35B of the Listing Agreement as well as Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 51st Annual General Meeting (AGM) by electronic means. User ID and Password including instructions for e-voting are given overleaf of Proxy form. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at a meeting. Members who have not voted electronically can cast their vote at the venue. NSDL will be facilitating services of e-voting to the Members for casting their vote electronically.

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

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 6

In accordance with communication No 11/36/2011-FT (M&O) dated 16th June 2014 from Department of Commerce, Ministry of Commerce & Industry, Government of India and pursuant to provisions of Section 161 of the Companies Act, 2013, Shri Bhagwati Prasad Pandey, Additional Secretary, MOC&I was appointed as Part Time Director on the Board of MMTC Limited w.e.f. 16th June 2014. Shri Bhagwati Prasad Pandey holds the charge till the conclusion of this AGM. The company has received a notice from a member u/s 160 of Companies Act, 2013 proposing the candidature of Shri Bhagwati Prasad Pandey as Part Time Director of the company.

Shri Bhagwati Prasad Pandey, aged 57 years, has held various senior positions in Government of Uttar Pradesh and Government of Uttrakhand. Shri B.P. Pandey belongs to IAS 1983 Batch-Uttarakhand Cadre. He worked as Joint Secretary in Department of Chemicals and CVO in Power Sector. Prior to his appointment as AS & FA, Mr. B.P. Pandey was holding the charge of Additional Chief Secretary to the Government of Uttarakhand.

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

None of the Directors or key managerial personnel of the Company or their relatives except Shri Bhagwati Prasad Pandey to the extent of his appointment as Part Time Director, in any way concerned or interested, financially or otherwise in the above resolution.

Item No.7

The members may please note that the Ministry of Corporate Affairs ('MCA') vide its notifications dated 12.9.2013 and 26.3.2014 has notified many substantive provisions of the Companies Act, 2013 ('the Act'), which governs general working of companies. However, provisions relating to National Company Law Tribunal, compromise, arrangement and amalgamations, winding-up and some other provisions have yet to be notified by the MCA. With the notifications of various Sections of the Act, existing Articles of Association of the Company require alterations and empowerment to the Company to carry out certain transactions in accordance with the provisions of the Act.

It is proposed to amend the existing Articles of Association of MMTC Ltd by inserting an Article No. 2A after the existing Article No.2 of AOA of the company to authorize and empower the Company to carry out certain transactions, as permitted under the Act without there being any separate/specific article in the existing Articles of Association. A copy of the Articles of Association of the Company together with proposed alteration would be available for inspection free of cost by the members at the Registered Office of the Company.

No Director, Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution at Item No.7 for approval of the Members as a Special Resolution.

BRIEF PROFILE OF DIRECTORS SEEKING RE-ELECTION AT THE 51ST AGM

SHRI ANAND TRIVEDI

Shri Anand Trivedi, an alumnus of SRCC, Delhi University has served in the public sector for over 30 years with 16 years of experience in Regional offices of MMTC and 9 years in Corporate office. During his said tenure in MMTC he has handled all the commodities of MMTC's product profile including Fertilizers, Iron ore, Non Ferrous Metals, Coal, Agro, Precious metals & Diamonds at Operational levels and Precious Metals Division at Corporate Level.

SHRI P.K JAIN

Shri P.K Jain, aged 49 years, is a B.E. (Mechanical) and has a wide experience of more than 28 years in International trade. Prior to his appointment as Director (Marketing) in MMTC Ltd. he held the charge of Chief General Manager in PEC Limited and has also served in various capacities in PEC Ltd.

DIRECTORS' REPORT

The Members
MMTC Limited,
New Delhi.

Ladies & Gentlemen,

On behalf of Board of Directors, I have pleasure in presenting 51st Annual Report on the performance of your company for the financial year ended 31st March 2014 along with audited statements of accounts and Statutory Auditor's Report.

RESULTS OF OPERATIONS

Your company, one of the leading trading companies in India, recorded a business turnover of Rs. 250746.31 million during 2013-14 as against the business turnover of Rs.284156.23 million registered last fiscal. This business turnover includes Exports of Rs.41270.27 million, Imports of Rs.187134.51 million and domestic trade of Rs.22341.53 million. The other trade related earnings contributed Rs.1948.78 million. The trading profit earned by your Company stood at Rs.3455.79 million as against Rs.2997.48 million during last fiscal. The Company has reported Net Profit of Rs.186.42 million in the current fiscal compared to net loss of Rs.706.24 million during last year.

The highlights of the Company's performance during 2013-14 are as below: -

(**Rs in Millions**)

	2013-14	2012-13
Sales	**250,746.31**	284,156.23
Other Trade Earnings	**1948.78**	1827.36
Total Revenue from Operations	**252,695.09**	285,983.59
Cost of Sales	**249,239.30**	282,986.11
Trading Profit	**3,455.79**	2,997.48
Add: Dividend and other Income	**845.88**	382.58
Less: Establishment & Administrative Overheads, and exceptional items etc	**2,597.39**	2639.80
Less: Debts/Claims Written off	**10.74**	0.70
Less: Provisions for Doubtful Debts/ Claims/Advances/Investments	**12.74**	62.53
Profit Before Interest, Dep., Prior Period & Taxes	**1,680.80**	677.03
Add: Interest Earned (Net)(Interest earned minus Finance cost)	**707.59**	601.81
Profit Before Dep., Prior Period & Taxes	**2,388.39**	1278.84
Less: Depreciation	**124.22**	119.70
Less: Prior Period Expenes	**15.17**	(6.12)
Profit Before extra ordinary items and Taxes	**2,249.00**	1165.26
Less: Extraordinary item	**2,104.42**	2,443.64
Less: Provision for Current Taxes	**765.48**	167.14
Less: Provision for Deferred Taxes	**(807.32)**	(739.28)
Profit After Taxes	**186.42**	(706.24)
Add: Balance brought forward from the previous year	**6,444.49**	7,257.19
Balance Which the Board has appropriated as under to:		
(I) Proposed Dividend	**150.00**	100.00
(II) Dividend Tax	**25.49**	-
(III) General reserve	**9.40**	-
(IV) Sustainable Development Reserve	**(2.11)**	2.11
(V) Corporate Social Responsibility Reserve	**(4.23)**	4.36
(VI)Research and Development Reserve	**3.54**	-
Leaving a balance to be carried forward	**6,448.82**	6,444.48

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

AWARDS & RANKINGS

Following Awards and Rankings were conferred on your Company during 2013-14:

- CAPEXIL's Highest Export Award for the year 2011-12 for its export achievement in respect of Canalized Agency(Minerals & Ores Sector) - 21st time in a row.

- Certificate of Excellence from the Directorate of Export Promotion and Marketing, Government of Odisha for outstanding performance in the export of Pig Iron under Metallurgy group and in the Export of Iron ore, Chrome Ore & Concentrate under Minerals Group for the year 2010-11.

- Rajbhasha Trophy for FY 2013-14 by Ministry of Commerce. Second prize for excellence in implementation of Official Language Policy

EQUITY SHARE CAPITAL & DIVIDEND

The Board of Directors recommends declaration of dividend @15% on the equity capital of Rs 1,000 million of the Company for the year 2013-14 out of profits of the Company.

OFFER FOR SALE TO EMPLOYEES

In terms of CCEA's approval dated 14.9.2012 and Department of Disinvestment's Communication dated 10.10.2013 and 24.3.2014, Offer for Sale of MMTC's Equity Shares by Government of India to the eligible Employees was successfully concluded and the proceeds amounting to Rs.4,16,80,566 was credited to the account of Government of India. A total of 7,31,238 shares were allotted to 309 employees.

Consequent upon sale of shares from Government of India to the eligible employees, the equity holding of Government of India in MMTC has been reduced to 89.93% from 90%.

RESERVES

A sum of Rs.12,407.78 million was available in the reserves and surplus of your Company as on 1st April, 2013. Your Directors have proposed that Dividend at the rate of 15% be paid out of profits of the Company. Accordingly, an amount of Rs.12,418.70 million was available in "Reserves and Surplus" of your Company as on 31st March, 2014.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo of your Company during 2013-14 has been as under:-

	EARNINGS		**OUTGO**
	Rs. In Million		Rs. In Million
Exports	39,116.58	Imports	161,616.36
Others	89.98	Interest	21.41
		Others	1,050.41
Total	39,206.56	Total	1,62,688.18

SUBSIDIARY COMPANY

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd., Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of US$ 1 million. During the year 2013-14, MTPL achieved business turnover of US$ 369 million. The Profit after tax earned by MTPL during 2013-14 amounted to US$ 0.06 million. The net worth of MTPL stood at US$ 15.51 million as on 31st March 2014. MTPL has so far paid total dividends of US$ 15.04 million as against capital of US$ 1 million contributed by your company.

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

Pursuant to the provisions of Section 129 of the Companies Act, 2013, the audited financial statements of MTPL together with Director's Report & Auditor's Report are attached herewith.

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

Your company has set up Neelachal Ispat Nigam Limited (NINL) - an iron & steel plant of 1.1 million tonnes capacity, 0.8 million tonne coke oven and by product unit with captive power plant, jointly with Govt. of Orissa and others. The project has been granted Iron ore mining lease with an estimated reserves of 110 million tonnes. The phase-II of the Project for production of steel, with Basic Oxygen Furnace, Oxygen Plant and SMS got commissioned in March 2013 and Steel Billets Production also started. During the year 2013-14, NINL achieved a sales turnover of Rs.15481.92 million and loss of Rs.1,472.17 million due to recession in the economy and steel sector in particular. With the stabilization of steel making facility and starting of iron ore mining by end of this financial year, NINL's performance is expected to improve substantially.

Projects/ Joint Ventures

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

(i) Your company had promoted a Commodity Exchange under the name and style of "Indian Commodity Exchange Limited" which commenced operations in November, 2009. The said exchange has reported a net loss of Rs.89.84 million for the year 2013-14 as against a net loss of Rs.102.60 million during 2012-13. This is because of extremely competitive environment in the commodity exchange market place in the country.

(ii) Your company has participated in the equity of a Currency Futures Exchange under the name and style of "United Stock Exchange of India Ltd." The said Currency Futures Exchange which commenced its operations in September, 2010 has reported a loss of Rs.39.30 million for the year 2013-14 as against a net profit of Rs.4.64 million during 2012-13.

(iii) Your company has joined hands with an international producer as a joint venture partner for setting up a gold/silver medallion manufacturing unit, which would also include a gold refinery as an integral part, under the name and style of "MMTC-PAMP India Private Limited". The said medallion manufacturing unit which commenced commercial production in April, 2011 has reported a net profit of Rs.737.45 million for the year 2013-14 and has declared 30% dividend. During the fiscal, MPIPL has been accredited as "Good Delivery" Refinery for Silver from LBMA, achieving the coveted status of First and Only Refinery having such status in India.

(iv) For effective marketing of the finished products from above unit, as well as jewellery from other sources, your company has set up, in partnership with a leading Indian company, a chain of retail stores at various cities in India for medallions, jewellery and its homegrown brand of 'SANCHI' silverware. Towards this end, a JV Company was promoted under the name and style of "MMTC-Gitanjali Limited" and 8 retail outlets are presently functioning. MMTC-Gitanjali Limited has reported a net loss of Rs.7.86 million for the year 2013-14 as against net profit of Rs.3.52 million during 2012-13.

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

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

(vii) For exploring opportunity for investment in mines, your Company has set up a joint venture company with M/s. TATA Steel Ltd. under the name and style of TM Mining Ltd.(TMML) for mining exploration and allied activities. Efforts are on to identify suitable projects to work on.

(viii) To facilitate promotion of two-way trade, the SPV promoted by your Company in association with IL&FS has been allotted land to set up International Cargo hub at Haldia and Free Trade and Warehousing Zone at Kandla on lines similar to Special Economic Zone. The SPV promoted by MMTC has been allotted 75 acres of land at Kandla to set up a Free Trade Warehousing Zone(FTWZ). Development of Phase-1 of Kandla FTWZ Project is currently in progress. 200 acres of land have also been allotted to the SPV at Haldia to set up an International Cargo Hub outside the purview of SEZ Act, as per State Government policy. Construction of Compound Wall to secure physical possession of the land for the Haldia project has since started. Process for selection of a Consultant for preparation of Business Plan/Detailed Project Report for the Haldia Project has also been initiated.

(ix) Your company has been allotted a coal mine in the Jharkhand State having estimated reserves of about 251.18 million tonnes classified with proved category. Prospecting license for the same has since been issued by the concerned authorities and the pre-feasibility study completed. The drilling/exploration work in conformity with Govt of India norms has since been completed in April, 2013 and the final Geological Report has been prepared. Your Company has signed an MOU with M/s Singareni Collieries Ltd, (A Govt of India Enterprise) for joint mining of coal from the said coal block. The coal block allocated to MMTC is overlapping with the CBM block allocated to ONGC which is being sorted out in consultation with Ministry of Coal, Ministry of Petroleum and Natural Gas and jointly with ONGC/SECL etc. Work for preparation of mining plan & Project Report has been given to M/s. SCCL.

INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

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

The aggregate manpower of the company as on 31st March, 2014 stood at 1530, excluding Board level executives, comprising of 567 Officers and 963 staff. This includes 12 officers, 131 staff / workers of erstwhile Mica Trading Company Ltd., which had been merged with your company pursuant to the orders of BIFR. While the composite representation of the total manpower consisted of women employees representing 20.26% (310 employees) of the total manpower, the representation of SC, ST, OBC & persons with disabilities (PWD) was to the extent of 21.56% (330 employees), 8.49% (130 employees), 8.69% (133 employees) and 2.02% (31 employees) respectively. During the year 21officers were inducted through campus recruitment. Presidential Directives on reservations for SCs, STs, OBCs and PWD in services were followed fully in recruitment and promotion.

With the objective of further enhancing / upgrading the skills of employees in the constantly changing business scenario, 806 employees were imparted training during the year in different spheres of company's activities. This was done through programmes organized both with in-house expertise as well as external resources from renowned institutions / organizations. The employees deputed for training included 125 employees belonging to SC, 55 to ST and 187 women employees. In terms of man-days such training works out to 1995 training man-days during the year 2013-14.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company is committed to uphold Official Language Policy of the Government. During the year 2013-14 your company consistently strived to adhere and implement the Official Language Policy to meet the targets given in the annual programme issued by the Department of Official Language, Ministry of Home Affairs, Govt. of India. Towards this and to promote usage of the Official Language by employees of the company, several programs in the form of Hindi Workshops, Hindi Seminars, Hindi Day/Week/Fortnight were organized at the Corporate Office and Regional Offices.

During the year, the Company had the privilege of interacting with the Parliamentary Committee on Official Languages, which inspected your company's Mumbai Regional Office and expressed satisfaction with regard to Implementation of Official Language Policy in the Organization. During the year, the Company was awarded the Second Prize in the form of Rajbhasha Trophy for excellence in implementation of Official Language Policy in the Company by Ministry of Commerce.

VIGILANCE

Continuing to foster the goodwill & confidence stemming from value based business practices and strengthening the Company as a professionally managed, globally competitive & internationally reputed organization, the vigilance group of your company carried further its focus on preventive vigilance. During the period under review, a total number of 13 cases (involving 47 officials) were dealt by Vigilance Division. Five fresh cases(involving 21 officials) were added to the opening tally of 9 cases. Progress of vigilance work/disciplinary cases is being reviewed regularly by the Board of Directors. During the period under review, 60 vigilance and 19 non-vigilance inspection reports were received from VOs posted at various regional offices of MMTC. Corporate Risk Management Policy has been implemented. During the period under reference, Vigilance Division processed 36 complaints out of which 18 complaints have been disposed of and action on the remaining 18 complaints is in progress.

Your Company has filed a suit in the Hon'ble Mumbai High Court against National Spot Exchange Limited, Financial Technologies and others for recovery of Rs.227 crores on account of unsettled transactions which took place on the platform of NSEL during 2013-14. An amount of Rs.14.23 crores has been realized by your Company from weekly payments disbursed by NSEL since August, 2013. Your Company has also filed a criminal complaint against NSEL with Economic Offence Wing, Delhi Police & CBI Mumbai have registered a regular case in July 2014 where investigation is in progress. As per reports EOW, Mumbai Police has attached properties of defaulters valuing Rs.5100 crores under Maharashtra Protection of Interest of depositors act and the court has permitted auction of the properties. NSEL is also under investigation by Enforcement Directorate, Income Tax Department, Ministry of Corporate Affairs and Forward Market Commission. Along with the 13000 other investors, with total dues of Rs.5600 crores, your Company is hopeful of realizing its dues through liquidation of the defaulters' properties attached by the investigating agencies.

During the year under report Vigilance group of your Company was also instrumental in organizing "Vigilance Awareness Week" in various offices of MMTC from 29.10.2013 to 02.11.2013. The theme for the week was "Promoting Good Governance-Positive Contribution of Vigilance".

New initiatives undertaken by Vigilance Division include scheduling the workshops/training programmes for vigilance & non-vigilance officers on zonal basis, ERP system up-gradation work for plugging the gaps in existing ERP Module, issuing instructions to all regional heads reiterating the provisions of MMTC Bullion Drill pertaining to KYC norms with regard to verification of new bullion customer/their credentials/financial standing and also emphasizing the need for obtaining adequate financial security etc.

INTEGRITY PACT

During the year, Integrity Pact has been implemented in the Company to promote transparency/equity amongst the bidders so as to plug possibility of corrupt practices. Integrity Pact is being implemented as part of series of steps taken by Central Vigilance Commission for ensuring transparency, equity and competitiveness in public procurement. Shri Bijoy Chatterjee, IAS (retd.) has been appointed to function as Independent External Monitor(IEM).

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT

As a truly responsible enterprise, your Company has always been committed to discharge its social responsibility in the best possible way. Various initiatives have been taken for the benefit of society and the environment since 2006-2007. With a view to address the CSR issues, your Company had revised its Corporate Social Responsibility Policy in line with the Guidelines issued by Department of Public Enterprises, Govt. of India. In terms of the prevailing CSR guidelines, there being no profits for the year 2012-13, no funds were earmarked for CSR/SD projects. However, the unutilized amounts of previous years carried forward to the financial year 2013-14 were used for undertaking CSR & SD Projects in the area of livelihood creation for increasing employability and employment generation in Jajpur District, Odisha, and installation of energy efficient lighting system in MMTC premises at Delhi.

Your Company is a member of the Global Compact Network, India and apart from undertaking CSR/SD initiatives in line with the Global Compact Principles, it also submits its Communication on Progress(COP) to UN Global Compact every year.

CORPORATE GOVERNANCE

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

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

CODE OF CONDUCT

Pursuant to Clause 49 (I)(D) of the Listing Agreement signed with Stock Exchanges, a detailed Code of Conduct for Board Members and Senior Management Personnel has been laid down and hoisted on the website of your company. All Board Members and Senior Management Personnel, except one General Manager(under suspension) on the regular rolls of the Company as on 31st March, 2014, to whom the said Code is applicable, have affirmed compliance of the same for the period ended 31st March, 2014.

PRESIDENTIAL DIRECTIVES

Pursuant to Article 136 of Articles of Association of MMTC Limited, during the year 2013-14, the Company received a Presidential Directive vide Communication dated 28.9.2013 from Department of Commerce, Ministry of Commerce & Industry directing Shri Ved Prakash, the senior most Functional Director of MMTC Ltd. to act as Chairman at the AGM held on 30.9.2013 in the absence of Shri D.S. Dhesi, CMD.

BUSINESS RESPONSIBILITY REPORT

In accordance with the directives of SEBI and provisions of Clause 55 of Listing Agreement signed with stock exchanges, based on the list of top 100 companies given by BSE, your Company has prepared the Business Responsibility Report for inclusion in the Annual Report for the year 2013-14. The framework and principles suggested by SEBI to assess compliance with environment, social and governance norms pertain to Corporate Social Responsibility and Sustainable Development activities of the Company. The Business Responsibility Report of your Company is annexed herewith and forms part of the Annual Report.

PUBLIC DEPOSIT SCHEME

As on 1st April 2013, there were no outstanding public deposits and the company did not invite/ accept any public deposit during the year ended 31st March, 2014.

STATUTORY AUDITOR'S REPORT

The report of Statutory Auditors for the year 2013-14 alongwith Management's reply to the observations of the Statutory Auditors is annexed herewith.

COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The comments of Comptroller & Auditor General of India(C&AG) under section 619(4) of the Companies Act, 1956 on the accounts of the Company for the year ended 31.03.2014 are yet to be received and the same alongwith Management's reply thereon, if any shall be placed on the table at the Annual General Meeting.

CONSERVATION OF ENERGY

During the year 2013-14, there was no activity in Mica group of your company. Pursuant to Section 217(i)(e) of the Companies Act, 1956, a statement on conservation of energy is annexed to this report.

PARTICULARS OF EMPLOYEES

Pursuant to provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, it is stated that there were no employees who were in receipt of remuneration exceeding Rs.60 lakhs per annum or Rs. 5.00 lakhs per month during the year 2013-14.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended 31.3.2014;
iii) That the Directors have taken a proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv) That the Directors have prepared the annual accounts on ongoing concern basis.

BOARD OF DIRECTORS

Following are the changes in the Board of Directors of your company since 1st April 2013: -

- Shri Arvind Kalra took over the charge of Part Time Non-Official(Independent)Director on the Board of MMTC w.e.f. 1st April, 2013.
- Shri Rana Som took over the charge of Part Time Non-Official(Independent)Director on the Board of MMTC w.e.f. 17th April, 2013.
- Shri N. Bala Baskar took over the charge of Part Time Non-Official(Independent) Director on the Board of MMTC w.e.f. 22nd April 2013.
- Dr. Subas Pani took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 7th May, 2013.
- Shri P.K. Jain took over the charge of Director(Marketing) on the Board of MMTC w.e.f. 15th May, 2013.
- Shri Skand Ranjan Tayal took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 9th July 2013.
- Smt. Anita Agnihotri, AS&FA, Department of Commerce, Ministry of Commerce & Industry relinquished the charge of Part Time Director on the Board of MMTC on 16th June, 2014.
- Shri Bhagwati Prasad Pandey, AS&FA, Department of Commerce, Ministry of Commerce & Industry took charge of Part Time Director on the Board of MMTC vice Smt. Anita Agnihotri w.e.f. 16th June, 2014.
- Shri Anil Razdan relinquished the charge of Part Time Non Official(Independent) Director on 12th July,2014.
- Shri G.S. Vedi relinquished the charge of Part Time Non Official(Independent) Director on 13th July, 2014.
- Shri Arun Balakrishnan relinquished the charge of Part Time Non Official(Independent) Director on 15th July 2014

The Board places on record its deep appreciation for the commendable services and the contributions made by Smt. Anita Agnihotri, Shri Anil Razdan, Shri G.S. Vedi and Shri Arun Balakrishnan and also welcomes Shri B.P. Pandey and expresses its confidence that the Company shall immensely benefit from his rich and varied experience.

In terms of provisions of Article 87(4)(A) of Articles of Association of the Company regarding rotational retirement of Directors, Shri P.K. Jain, Director(Marketing) and Shri Anand Trivedi, Director(Marketing) shall retire at the AGM and, being eligible, have offered themselves for reappointment.

ACKNOWLEDGEMENTS

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

By the Order of the Board

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

Dated: 13.08.2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2013-14

Overview of global trade and developments

The IMF World Economic Outlook(WEO), released in January 2014, highlights that global economic activity has picked up during the second half of 2013 with expectation of further improvement in 2014-15. The outlook has projected world growth at 3.7% in 2014 and by 3.9% in 2015. It also mentions that recovery in global economy will be supported by improvement in the advanced economies as final demand in advanced economies has expanded with higher inventory demand. On the other hand financial condition in emerging markets has remained tight with equity prices not fully recovered and some currencies under pressure after US tapering announcement in May 2013.

The growth in EMDEs is expected to increase to 5.1% in 2014 and 5.4% for 2015. China is projected to grow at the rate of 7.5% and 7.3% for 2014 and 2015. The growth in China rebounded in second half of 2013 due to improvement in investment. Growth in India picked up after a favorable monsoon and export growth and is expected to firm further on stronger structural policies.

WTO ranked India as the 19th largest merchandise exporter in the world, with a share of 1.6% of the global trade and the 10th largest importer with a share of 2.6% of global imports in 2012(STO's International Trade Statistics, 2013). In Commercial Services Trade, India was the 6th largest exporter with 3.4% share of world market and 7^{th} largest importer with 3% share of world market.

Overview of developments in India during 2013-14

India's current account deficit has improved dramatically from 4.7% of GDP in 2012-13 to 1% in 2013-14. India's foreign exchange reserves increased from US$ 292 billion at the end of March 2013 to US$ 304.2 billion at the end of March, 2014. India's economic growth remained subdued at 4.7% in 2013-14 and at 4.6% in the fourth quarter of the financial year, mainly due to a decline in manufacturing and mining output. The country's economy, or gross domestic product(GDP), had expanded at 4.5% in 2012-13, the slowest pace in the past decade. Growth in 2013-14 was less than than the Central Statistics Office's advance estimated of 4.9%. The economy expanded 4.4% in the fourth quarter. INR fluctuated from Rs.53.7355 to Rs.68.3611 per US$ during FY 2013-14. The expectation of a new Government to revive the economy would create positive sentiments in the market which would bode well for the economy.

MMTC- 2013-14 in retrospect

Financial Review

Your Company achieved a business turnover of Rs.250746.3 million during 2013-14 as against the business turnover of Rs. 284156.23 million registered last fiscal. This business turnover includes Exports of Rs. 41270.27 million, Imports of Rs. 187134.51 million and domestic trade of Rs. 22341.53 million. The other trade related earnings contributed Rs. 1948.78 million. Your Company earned trading profit of Rs.3455.79 million as compared to Rs. 2997.48 million in 2012-13. The profit before tax from ordinary activities is Rs.2249.00 millions as compared to Rs.1165.26 million in 2012-13. The Company has registered a net Profit of Rs.186.42 million during the year as compared to a Net Loss of Rs.706.24 million during last year. Thus the earnings per share of face value of Re.1/- each for the financial year 2013-14 after the said extra-ordinary activity led to a positive figure of Rs. 0.19. The company's management of financial resources yielded net interest earnings of Rs.707.59

million. There was a corporate tax liability of Rs.752.24 million on the Company during 2013-14. MMTC continues to be a zero long-term debt company.

Sources and Utilization of Funds

The sources of funds of the company as on 31st March, 2014 comprises of shareholders fund amounting to Rs. 13418.70 million including equity share capital of Rs.1000 million and non-current and current liabilities of Rs.1924.42 million and Rs.31626.99 million respectively. These funds have been deployed inter alia towards noncurrent assets amounting to Rs.8318.58 million and current assets and Rs.38651.53 million as on 31st March, 2014.

Internal Control Procedures

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

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

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

Subsidiary Company

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd. Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. Since inception, the company has been engaged in commodity trading and has established itself as a credible and reputable trading outfit in Singapore. During the year 2013-14 MTPL achieved business turnover of US$ 369 million. The Profit after tax earned by MTPL during 2013-14 amounted to US$ 0.06 million. The net worth of MTPL stood at US$ 15.51 million as on 31st March 2014. Besides the growth of Net Worth from US$ 1 Million to more than US$ 15 Million, MTPL has so far paid total dividends of US$ 15.04 million as against capital of US$ 1 million contributed by your company.

Since year 2000, MTPL continues to enjoy prestigious "Global Trader Programme"(GTP) status awarded to it by International Enterprise, Singapore an arm of the Government of Singapore.

Business Groupwise Review for 2013-14

Minerals

Continuation of the ban on Iron ore mining and export from Bellary Hospet Sector, regulation of export from Eastern Sector, high railway freight for exports which is currently over three times that of domestic movement of ore, increase in domestic demand of ore and higher export duty etc. had an impact on the quantum of Indian Iron ore exports during 2013-14, as compared to other international suppliers i.e. Australia and Brazil. The capacity of domestic Steel production has also expanded, resulting in lesser availability of Chrome ore, Chrome Concentrate and Manganese Ore for exports. With the introduction of 30% ad valorem export duty on Chrome ore and Chrome concentrate, the exports of these items has further declined in FY 2013-14. Despite this and the stiff competition at national and international levels, MMTC continued to maintain its position as a prominent exporter of minerals during the year under review.

In spite of above constraints, Minerals group of your company contributed a turnover of Rs.23,204.5 million during the year 2013-14, which includes exports valued at Rs.20,372.7 million, imports amounting to Rs.50.7 million and domestic trade of Rs.2,781.1 million. The export made by the group includes Iron Ore valued at Rs.16,702.6 million, Chrome Ore/ Concentrate valued at Rs.3525.70 million and Manganese Ore valued at Rs.144.40 million. The group imported Manganese ore valued at Rs.50.7 million from South Africa. The domestic trade of this group includes Iron Ore valued at Rs.2,511.9 million, Dolomite valued at Rs.89.8 million & Limestone valued at Rs.65.9 million.

Export of iron ore continued during the current year under Long Term Agreements with Japanese Steel Mills and Pohang Iron & Steel Company(POSCO), South Korea valid upto FY 2014-15.

The increase in Steel production/consumption in India would result in further demand of Iron ore from domestic industry and may also affect the availability of Iron ore for export in future.

Precious Metals, Gems & Jewellery

Your company enjoys the position of market leader in the Indian bullion trade, having flexibility to operate from various centers spread all over the country offering novel product services, besides maintaining enduring relationship. Despite high volatility in prices of bullion as well as Indian rupee US dollar exchange rates, Precious Metals Group of your Company contributed a turnover of Rs.91,731.4 million during 2013-14. This performance was realized through diversified activities, which include bullion import of gold and silver at Rs. 84,115.9 million.

The precious metals group of your company is continuously working on improving service to customers and now has 4.4% share of India's gold trade during 2013-14. The Precious Metals group is focusing on improving sales of value-added products, viz. Jewellery, medallions and silverware. The company's joint venture MPIPL which started operation in 2012, achieved a profit of Rs.737.4 million during 2013-14. During the last quarter of FY 2013-14, the Reserve Bank of India(RBI) enacted a series of measures to curb gold imports for domestic use to reduce the gap of India's increasing current account deficit. In the recent past on one side Government of India compelled nominated agencies to restrict the gold import by withdrawing the consignment model of gold trading, and on other side customs duty on import of gold has been kept at 10%, the highest during recent years.

MMTC's quantity of import also has been restricted due to 14 February 2014 RBI circular according to which maximum limit of gold import is either the first or second lot gold import done by any MMTC centre. It is expected that Gold Consumption would go up during 2014-15 as the investment demand is slowly returning and jewellery demand continues to remain stable in India.

The demand of bullion is expected to go up in 2014-15 with positive sentiments of new formation of Government and geopolitical factors, however Gold and silver price, exchange rate will be under stress due to volatility. Indian Government may continue its stance to curb gold import by various means to curtail Current Account Deficit. Retail boom in jewellery is likely to increase in the current year as more disposable income is available in the hands of consumer and the demographic profile of India. The company has to innovate by selling value added products and service in the bullion sector.

India has emerged as the largest hub for diamond processing in the world; access to rough diamond is a critical need to support SMEs ad maintain our competitive position globally. MMTC can leverage this opportunity to become major importer for catering to diamond processing industry in India.

Metals and Industrial Raw Material

The Metals group of your Company contributed Rs. 15191.2 million to MMTC’s turnover during 2013-14. The contribution of the group comprised of export of Pig iron worth Rs. 10992.3 millions produced by NINL – a MMTC promoted Iron & steel plant, export of slag amounting to Rs.17.7 million, imports of Non-Ferrous Metals worth Rs 1779.1 million & Industrial Raw Materials worth Rs.66.7 millions and domestic sales of Rs.2335.4 millions

While Indigenous producers dominate the domestic market of copper, zinc, aluminum etc., the International Markets for NFM continue to be influenced by less demand due to global financial turmoil, especially the sovereign debt related issues in the European Union and slowdown in major economies of the world, adversely affected NFM business. The other factors, which have adversely affected NFM business during 2013-14 are increase in production by domestic manufacturers of Aluminium, Copper, Lead, and Zinc, that has shrunk the market for imported NFM, overall recessionary conditions in the industry during FY 2013-14, market becoming very competitive, strict adherence to risk minimization measures by MMTC have led some customers to switch suppliers or resort to direct imports. Future strategies include exploring the possibility of selling NFM from FTWZs, deploying proper manpower and training for marketing of NFM products both at CO and RO level, expansion into minor metal and ferro alloy markets, diversifying sources of supply and resorting to hedging in a commodity exchange.

Agro Products

The Agro products group of the company achieved a turnover of Rs. 24696.8 millions during 2013-14, which includes exports of wheat valuing Rs.7539.4 million and import of edible oils worth Rs.12120.6 millions, Pulses/Dunpeas amounting to Rs.18.7 million besides domestic trading including trade on the SPOT Commodity Exchange of Agro products.

During the year MMTC successfully exported wheat to buyers in South Korea, Bangladesh, Philippines, Africa etc. Imports of edible oils were made primarily from Malaysia and Indonesia, for meeting the PDS requirements of State Governments and also for private industry. Supplies of Edible Oil were also organized at request of State Governments for distribution through PDS.

The agro trade primarily depends on various factors like Government policies, vagaries of the climate, international market conditions, Rupee-US$ exchange parity, etc. Govt. policies are primarily aimed at control of food inflation, price stability in the domestic market etc. While the depreciating rupee made exports viable, imports became costlier. The group contributed substantially to the profitability of the company in addition to discharging its obligations as per Government directives. Non-payment of subsidies in time by Government of India continues to be a problem area for the company. With the likely introduction of Food Security Bill, MMTC is fully geared to discharge its obligations for import of food as and when directed by Government. The Agro Group of the company has also devised plans and strategies to meet the challenges in the Agro trade.

Fertilizers and Chemicals

The Fertilizer and Chemicals group contributed a turnover of Rs.39871.8 million. The topline has been achieved from business in UREA, MOP, Sulphur, Technical Grade Urea, Complex Fertilizer and Ammonium Sulphate.

During the year, import on behalf of the Government of India is about 1.7 million tonnes of urea valued at about Rs.34463.7 million. MMTC continued the export of Fertilizers to Nepal as activity by exporting about 0.07 million tonnes valued at about Rs.2348.3 million. During the year, MMTC imported Fertilizers (Non Canalised) valued at about Rs.3011 million.

The Company also undertakes domestic trade of ammonium sulphate, which is a by-product of operations at the Iron and Steel plant (NINL) promoted by MMTC in Joint Venture with Government of Orissa. This contributed to a turn-over of about Rs.49 million.

Fertilizer industry in India has been passing through a difficult phase in recent years. The year under review was a difficult period for the fertilizer industry in general in view of huge disparity in the import price of various fertilizers remaining substantially higher as compared to the MRP and subsidy available domestically. This mis-match resulted in huge demand destruction in the case of all fertilizers except urea.

India is still dependent on import of fertilizers despite the efforts being made by the Government to enhance the domestic production of fertilizers. This is despite the fact that production of urea has improved domestically. Production of several fertilizers in the country is dependent on the cost and availability of several raw materials like Ammonia, Rock Phosphate, Phosphoric Acid, Gas, etc. This apart, India is dependent totally on overseas suppliers for its requirement of MOP. With the introduction of Nutrient Based Subsidy Scheme by the Government of India, several complex fertilizers have been brought under the subsidy regime. This is expected to offer opportunity for the Company for which efforts are being made. However, the agricultural sector continues to remain dependent on monsoon and the changes in the Government policy on fertilizer.

On the global front, the fertilizer industry is characterized by consolidation on the supply side. The Indian industry on the other hand is dependent on government subsidy regime and guidelines issued from time to time for imports, distribution, and sale. The Fertilizer Control Order of 1985 with guidelines issued by Department of Fertilizer, Government of India , from time to time provides direction to all the players in the Indian fertilizer industry. Urea remains the only canalized product for import and all other fertilizers are under OGL. As against the policy followed in the past, wherein Maximum Retail Price was frozen and subsidy was kept floating in line with increase-decrease in cost of production or cost of import, with the introduction of Nutrient Based Subsidy Scheme, there has been a major shift to keep subsidy frozen and MRP floating depending on market conditions. The idea was to make fertilizer affordable to the farmers, optimum application of all fertilizer nutrients to the soil thus making soil more fertile and reduce the subsidy outgo for the Government.

Fertilizer trade depends on the monsoon and the Government policy. The global economy continues to face challenges but appears to be on the recovery path. With food inflation being felt by countries across the globe including India, the focus specially for the developing nations would be on increasing productivity in agriculture. However, the global supply position of all the major fertilizers is expected to remain comfortable with new addition in capacities mainly in Urea, DAP and MOP.

Efforts are continuously being made to increase the volume of business in the existing product line and aggressively exploring new fertilizer products for trading. The action plan for enhancing business in 2014-15 include increase in market share in MOP by retaining the existing customers and adding new customers, request more allocations of Urea from DOF during 2014-15, increasing imports of Technical Grade Urea by expanding the customer base, thereby boosting profits, focus on NPK for increase in trade volume and profit, increased exports to Nepal and diversifying supplier base as well as customer base.

Coal & Hydrocarbons

The Coal & Hydrocarbons group contributed a turnover of Rs.55963.5 million to the turnover recorded by your company, comprising of import of steam coal Rs.41536.7 million and Coking Coal amounting to Rs.9971.2 million. Domestic trade of Coal and Hydrocarbons group consisted of Rs.4455.6 million, consisted of Rs.1951.2 million of steam coal, Rs.562.6 million of Crude Tar, Rs.2.1 million of CPC and Rs.1939.7 million of LAM Coke. The group continues to improve its thriving coal business by expanding its sourcing network, cost effective shipping and appropriate delivery structure to the major power utilities in India including NTPC, DVC, TANGEDCO, MAHAGENCO, APGENCO, NSPCL, APCPL. MMTC has been sourcing imported coal mainly from Indonesia and to some extent from South Africa and catered to various Central and State Utilities and Private Players in India. MMTC has started its coal operations from various emergent ports in India in order to achieve logistics viability and to be a cost effective supplier during the year. With the result, MMTC has increased its presence in Coal segment throughout the Country. After consolidating the position in the Power Sector, MMTC has poised to tap the emerging opportunities by foraying in a larger way into the sectors such as cement and sponge iron units.

India's coal imports touched record high to 170 million tonnes in 2013-14 vis-a-vis 135 million tonnes in 2012-13 and are set to grow further owing to mismatch in demand and indigenous coal supply. More than half of the country's 243.0 Gigawatt installed capacity is through coal fired plants. In this scenario India will be wholly reliant on imported coal for incremental coal fired power generation capacity in the future. Ministry of Coal and Planning Commission have also envisaged that India would need to import 185 Million Tons of Coal by 2017 in order to meet the increasing gap between estimated demand and supply to achieve its energy targets. India plans to add generation capacity of 88.54 Gigawatt in the five years to end-March 2017, compared with almost 55 Gigawatt in the previous five-year period. With domestic production unable to meet the rapidly growing demand of non coking coal for power sector, steel, fertilizer and other heavy industries, the existence of big supply gap induces the country to depend upon sizable imports. Further the increase in demand of steam coal is likely to increase considerably in future with many new coal fired generation plants being underway and shall open up new opportunities for this segment of your company. The coal & hydrocarbon group of your company shall be tapping these emerging opportunities to import and serve the increased demand of coal & coke to power, steel, fertilizer, chemical, cement & sponge Iron units in future. The group also plans to aggressive follow up with suppliers for allocating more coking coal and intends to add LTA suppliers for wider supply base.

Mica

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

Others

The other products contributed Rs.87.1 million to the turnover of the Company, which included domestic trade worth Rs.87.1 million by way of sale of power generated at the 15 MW wind power farms commissioned in March 2007 in Karnataka.

During the year 2014-15, the company shall continue availing opportunities emerging in new markets/ products for generating additional business revenues for the Company.

Cautionary Statement

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

CORPORATE GOVERNANCE IN MMTC

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

BOARD OF DIRECTORS

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

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

The composition of Board during the year 2013-14 was as under:

S. No.	Name of Director	Executive/ Non-Executive	Designation held	No. of Directorship in other Board as on 31.03.2014	No. of Board Committees of which Member/ Chairman*
1.	Mr D S Dhesi	Executive	Chairman- cum- Managing Director	Chairman-2	Member-1
2.	Mr. P.K Jain (w.e.f.15.05.2013)	Executive	Director(Marketing)	Director-1	NIL
3.	Mr Ved Prakash	Executive	Director (Marketing)	Chairman -1 Director - 4	NIL
4.	Mr Rajeev Jaideva	Executive	Director (Personnel)	Director-1	NIL
5.	Mr.M.G.Gupta	Executive	Director (Finance)	Director-4	Member-1
6.	Mr. Anand Trivedi	Executive	Director (Marketing)	Director-5	NIL
7.	Mr. Madhusudan Prasad	Non- Executive	Govt-Nominee Director	-NIL	Member-1
8.	Ms Anita Agnihotri	Non-Executive	Govt-Nominee Director	Director-2	Chairman-1 Member-1
9.	Mr. Arvind Kalra (w.e.f. 01.04.2013)	Non-Executive	Non-official (Independent) Director	Director-7	Member-1
10.	Mr. Rana Som (w.e.f.17.04.2013)	Non-Executive	Non-official(Independent) Director	Director-8	NIL
11.	Mr. N Bala Baskar (w.e.f. 22.04.2013)	Non-Executive	Non-official (Independent) Director	Director-2	NIL
12.	Mr.Anil Razdan	Non-Executive	Non-official(Independent) Director	Director-3	Chairman-2
13.	Mr G.S.Vedi	Non Executive	Non-official(Independent) Director	Director-2	Chairman-1 Member-2
14.	Dr. Subas Pani (w.e.f. 07.05.2013).	Non Executive	Non-official(Independent) Director	NIL	NIL
15.	Mr. Skand Ranjan Tayal (w.e.f.09.07.2013)	Non-Executive	Non-official(Independent) Director	Director-1	Member- 1
16.	Mr Arun Balakrishnan	Non-Executive	Non-official(Independent) Director	Director-9	Chairman-3 Member- 4

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

Changes in Board of Directors

Following are the changes in the Board of Directors of your company since 1st April 2013

- Shri Arvind Kalra took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 1st April 2013.
- Shri P K Jain took over the charge of Director (Marketing) on the Board of MMTC w.e.f. 15th May 2013.
- Shri Rana Som took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 17th April 2013.
- Shri N Bala Baskar took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 22nd April 2013.
- Dr. Subas Pani took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 7th May 2013.
- Shri Skand Ranjan Tayal took over the charge of Part Time Non-Official (Independent) Director on the Board of MMTC w.e.f. 9th July 2013.
- Smt Anita Agnihotri, AS& FA, Department of Commerce, Ministry of Commerce & Industry relinquished the charge of Part Time Director on the Board of MMTC on 16th June 2014.
- Shri Bhagwati Prasad Pandey, AS& FA, Department of Commerce, Ministry of Commerce & Industry took charge of Part Time Director on the Board of MMTC vice Smt Anita Agnihotri w.e.f. 16th June 2014.
- Shri Anil Razdan relinquished the charge of Part Time Non Official (Independent Director) on 12.07.2014.
- Shri G.S. Vedi relinquished the charge of Part Time Non Official (Independent Director) on 13.07.2014.
- Shri Arun Balakrishnan relinquished the charge of Part Time Non Official (Independent Director) on 15.07.2014

Remuneration of Directors

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

The details of remuneration paid/ due for the year 2013-14 to Directors is summarized herein below:

Name of Director	Salary & benefits (Rs./lakhs)	Performance related pay for 2013-14 (Provision) (Rs./lakhs)	Bonus, Stock option, pension, severance fee	No. of shares of MMTC held as on 31.3.2014
Executive Directors				
Mr D S Dhesi	NA	NA	NA	NA
Mr Ved Prakash	32.17	NIL	NIL	05
Mr Rajeev Jaideva	37.42	NIL	NIL	NIL
Mr M G Gupta	26.86	NIL	NIL	05
Mr Anand Trivedi	25.39	NIL	NIL	NIL
Mr P.K Jain (w.e.f.15.05.2013)	18.63	NIL	NIL	NIL

Non-Executive ex-officio Directors				
Ms Anita Agnihotri (w.e.f. 22.05.2012)	NA	NA	NA	NA
Mr Madhusudan Prasad	NA	NA	NA	NA
Non-official Directors (Independent)				
Mr Arvind Kalra	NA	NA	NA	NA
Mr Rana Som (w.e.f.17.04.2013)	NA	NA	NA	NA
Mr N Bala Baskar (w.e.f.22.04.2013)	NA	NA	NA	NA
Mr Anil Razdan	NA	NA	NA	
Mr G S Vedi	NA	NA	NA	NA
Mr Subas Pani (w.e.f.07.05.2013)	NA	NA	NA	NA
Mr. Skand Ranjan Tayal (09.07.2013)	NA	NA	NA	NA
Mr Arun Balakrishnan	NA	NA	NA	NA

Meetings of the Board

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

During the year, the Board of Directors met six times i.e. on 12.04.2013, 30.05.2013, 14.08.2013, 12.11.2013, 14.02.2014 and 12.03.2014. The attendance of the Directors at these Board Meetings and at the last AGM held on 30th September 2013 was as under:-

	Name of the Director	No. of Board Meetings Held during the period the Director was on Board	No. of Board Meetings attended	Presence at previous AGM held on 30.9.2013
(a)	Functional Directors			
	Mr D S Dhesi	6	6	NO
	Mr Ved Prakash	6	5	YES
	Mr Rajeev Jaideva	6	5	YES
	Mr M G Gupta	6	6	YES
	Mr Anand Trivedi	6	6	YES
	Mr P.K Jain(w.e.f.15.05.13)	5	5	NO
(b)	Ex-officio Part Time Directors (Govt. Nominee)			
	Ms Anita Agnihotri	6	4	NO
	Mr Madhusudan Prasad	6	4	NO
(c)	Non-official Part Time (Independent) Directors			
	Mr Arvind Kalra	6	6	YES
	Mr Rana Som w.e.f. (17.04.2013)	5	4	NO
	Mr N Bala Baskar w.e.f.(22.04.2013)	5	3	NO
	Mr Anil Razdan	6	6	YES
	Mr G S Vedi	6	6	YES
	Mr Subas Pani (w.e.f.07.05.2013)	5	5	NO
	Mr Skand Ranjan Tayal (w.e.f.09.07.2013)	4	4	YES
	Mr Arun Balakrishnan	6	3	YES

COMMITTEES OF THE BOARD

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

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

Audit Committee of Directors

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

During the year 2013-14, the Committee met ten times as detailed hereunder:-

S.No	Date of Meeting	Members present	Chairperson
1.	06.04.2013	Shri Anil Razdan Smt Anita Agnihotri Shri G S Vedi Shri Arun Balakrishnan	Shri Anil Razdan
2.	10.04.2013	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan	Shri Anil Razdan
3.	12.04.2013	Shri Anil Razdan Shri G S Vedi Smt Anita Agnihotri	Shri Anil Razdan
4.	30.05.2013	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan Smt Anita Agnihotri	Shri Anil Razdan
5.	01.07.2013	Shri Anil Razdan Shri G S Vedi Smt Anita Agnihotri Shri arun Balakrishnan	Shri Anil Razdan
6.	05.08.2013	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan Smt Anita Agnihotri	Shri Anil Razdan
7.	14.08.2013	Shri Anil Razdan Shri G S Vedi Shri Arun Balakrishnan Smt Anita Agnihotri	Shri Anil Razdan
8.	12.11.2013	Shri. Anil Razdan Shri G S Vedi Smt Anita Agnihotri	Shri Anil Razdan

9.	06.02.2014	Shri Anil Razdan Smt Anita Agnihotri Shri G.S. Vedi	Shri Anil Razdan
10.	14.02.2014	Shri. Anil Razdan Shri G S Vedi	Shri Anil Razdan

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

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

Shareholders/Investors Grievance Committee

During 2013-14 the composition of Shareholders/Investors Grievance Committee constituted by the Board of Directors comprised of Non-Executive Govt. Nominee Director (Additional Secretary & Financial Advisor, Department. of Commerce, Govt. of India) as Chairperson, CMD, MMTC & Director (Finance), MMTC as its members. Company Secretary continued to be the Secretary to the Committee. The Committee expeditiously considers and approves requests for physical share transfers, rematerialisation and dematerialization etc. and monitors the resolution of grievances of the Shareholders/other investors.

Remuneration Committee of Directors

During 2013-14 the composition of Remuneration Committee constituted by the Board of Directors comprised of Shri G S Vedi, Part Time non-official (independent) Director as Chairman, Shri Arun Balakrishnan, Part Time non-official (independent) Director and both Non-Executive Govt. Nominee Directors as its Members. The Committee performs such functions and duties and exercises such powers as specified in Clause 49 of the Listing Agreement signed with Stock Exchanges and DPE Guidelines dated 26th November 2008. The Company Secretary is the Secretary of the Committee.

Functional Management Committee of Directors

The "Functional Management Committee of Directors" constituted by the Board of Directors consist of CMD, MMTC as the Chairman of the Committee, all Functional Directors as Members and Company Secretary as Secretary to the Committee. The said Committee has been delegated the powers to take decision(s) in all matters over and above the powers delegated to CMD by the Board of Directors from time to time, except the matters specified under the Companies Act, 1956/other statutes, to be considered and decided at the meeting of Board of Directors and/or shareholders as also the matters specified and reserved by the Board for its decision or for consideration and decision of any other committee constituted by Board of Directors under article 99 of Articles of Association of MMTC. During 2013-14 fifty one meetings of this Committee were held. The minutes of these meetings were submitted to Board of Directors for information.

Committee of Directors on Personnel Policies

During 2013-14 the Committee of Directors on Personnel Policies constituted by the Board comprised of Shri G S Vedi, Part Time Non-Official (Independent) Director as its Chairman, Shri Anil Razdan Part Time Non-Official (Independent Director) and Part Time Govt. Nominee Director (Additional Secretary-Department of Commerce) as its Members to consider and recommend approval of modifications/formulation of service rules and other personnel policies to the Board of Directors as also to function as 'Appellate Authority' under MMTC Employees' Conduct, Discipline & Appeal Rules, 1975 as amended from time to time. The Company Secretary is the Secretary to the Committee. During 2013-14 two meeting of this Committee was held. The minutes of the said meeting were submitted to Board of Directors for information.

Committee of Directors on Subsidiary, Joint Venture & Associate Companies

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

During 2013-14, the composition of the Committee included Shri Arun Balakrishnan, Part Time Non-official (Independent) Director as Chairman of the Committee with Shri Anil Razdan & Shri G S Vedi, Part Time Non-official (independent) Directors as Members. The Company Secretary continues to be the Secretary to the Committee. During 2013-14 four meeting of this Committee was held and the minutes of the meeting was submitted to Board of Directors for information.

Committee of Directors on CSR & Sustainability

The Board of Directors has constituted a "Committee of Directors on CSR & Sustainability" in its meeting held on 14th August 2013 merged the Committees of SD and CSR and renamed as Committee of Directors on CSR & Sustainability. The said Committee shall approve and oversee the imlementation and monitoring of CSR and Sustainability activities in accordance with applicable provisions of Companies Act 2013 and DPE Guidelines in this regard issued from time to time.

During 2013-14 the composition of the Committee includes Shri Arun Balakrishnan, Part Time Non-official (Independent) Director as Chairman of the Committee with Shri Rajeev Jaideva Director (Personnel), Shri M.G. Gupta Director (Finance), Shri Ved Prakash and Shri Anand Trivedi, Directors (Marketing) as its Members. The Company Secretary is the Secretary to the Committee. During 2013-14 two meetings of this Committee were held, the minutes of the meeting were submitted to Board of Directors for information.

GENERAL BODY MEETINGS

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

Nature of meeting	Date & time	Special Resolutions passed
48th Annual General Meeting	30.09.2011 at 1200 hrs	--
49th Annual General Meeting	28.09.2012 at 1200 hrs	--
50th Annual General Meeting	30.09.2013 at 1130 hrs	---

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

Disclosures

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

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

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

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

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

(f) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital markets during the last three years.

Means of communications

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

Shareholders' information

(a) Annual General Meeting

The 51st Annual General Meeting of the Company is scheduled to be held on 18th September 2014 at 11.30 Hrs at Weightlifting Auditorium, Sports Authority of India, Gate No. 19, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003.

(b) Financial Calendar for 2014-15

1st quarter results (unaudited) shall be declared on or before 14.8.2014
2nd quarter results (unaudited) shall be declared on or before 14.11.2014
3rd quarter results (unaudited) shall be declared on or before 14.02.2015
4th quarter results (audited) shall be declared on or before 30.05.2015

Annual Audited Results for 2014-15 shall be declared on or before 30.05.2015 in accordance with existing applicable provisions of the Listing Agreement.

(c) Dates of Book Closure

The Share Transfer Books and Register of Members shall remain closed from 12.9.2014 to 18.9.2014 (both days inclusive) for the purpose of AGM and declaration of final dividend at the Annual General Meeting.

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

Year	2010-11	2011-12	2012-2013
Rate	25%	25%	10%
Date	27.10.2011	25.10.2012	26.10.2013

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

(f) Market Price Data: The month wise market price data of MMTC's scrip quoted/traded at Bombay Stock Exchange during the financial year 2013-14, is given below:

Month	High (Rs)	Low (Rs)		Month	High (Rs)	Low (Rs)
April 2013	243.50	193.35		October 2013	55.20	47.10
May 2013	279.70	210.20		November 2013	57.25	49.90
June 2013	228.95	102.85		December 2013	54.85	49.70
July 2013	97.75	41.85		January 2014	54.75	47.10
August 2013	54.00	37.15		February 2014	49.20	45.50
September 2013	56.30	45.05		March 2014	55.85	45.50

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

(h) Dematerialization of Shares: The shares of MMTC Ltd continue to be an eligible security for trading in dematerialized form by CDSL and NSDL with ISIN No: INE123F01029.
As on 31st March 2014, out of 100 crores equity shares of MMTC Ltd of face value of Re.1/- each, 90,00,00,000 shares are held by the President of India and 9,99,97,879 shares by others in dematerialized form leaving only 2121 shares in physical form.

(i) Share Transfer System: The shares of the Company are transferred within a maximum period of 15 days from the date of lodgment. The transfer of shares held in dematerialized form are processed and approved in electronic form by NSDL/CDSL through respective depository participants. No transfer was pending as on 31.03.2014. Shares transfer and all other investor related activities are attended to and processed at the office of RTA i.e. MCS Ltd. Shareholders may lodge the transfer deeds and any other documents, etc at the office of RTA of MMTC Limited at the address given above.

(j) **Distribution of shareholding as on 31.3.2014:** Pursuant to Clause 35 of the Listing Agreement with the Stock Exchanges, the Distribution of shareholding as on 31.3.2014 is tabulated here in below:

Category of Shareholder	No. of Share-holders	Total number of shares	Total shareholding as %age of total number of shares
Shareholding of Promoter and Promoter Group			
Central Government	1	90,00,00,000	90.0000
Public shareholding			
Mutual Funds / UTI	3	1,79,700	0.1797
Financial Institutions/Banks	14	1,66,04,250	1.6604
Foreign Institutional Investors	2	41,000	0.0041
Insurance Companies	6	5,57,15,680	5.5715
Non-institutions			
Bodies Corporate	1369	72,81,969	0.7282
Individual holders having share capital upto Rs. 1 lakh.	76570	1,93,35,938	1.9335
Individual holders having share capital in excess of Rs. 1 lakh	3	4,06,774	0.0407
Trust & Foundations	1	7567	0.0007
Non-Resident Individual	624	4,27,122	0.0427
TOTAL	78593	100,00,00,000	100

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

(k) Shareholders/ other Investor's Grievances:

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

(l) Address for Correspondence:

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

MMTC
Business Responsibility Report
FY 2013-2014

About Us

The Company is incorporated and domiciled in India. It is a Mini-Ratna Central Public Sector Undertaking under the administrative control of Ministry of Commerce & Industry, Govt. of India. The registered office of the Company is situated at Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110 003, India. The Company has 11 Regional Offices in major cities and ports of India, a wholly owned subsidiary – MMTC Transnational Pvt. Ltd (MTPL), Singapore and a liaison office in Johannesburg, South Africa.

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

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

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

MMTC has promoted various joint ventures like Neelanchal Ispat Nigam Ltd., MMTC PAMP, SHUDDHI,SICAL, Free Trade Warehousing Pvt. Ltd. etc. following the public-private partnership route to take advantage of new opportunities emerging in the free market environment.

Corporate Mission

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

Corporate Objectives

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

Business Responsibility Report – FY 2013-14

As per the Clause 55 of the Listing Agreement of the Securities Exchange Board of India [SEBI] introduced in 2012, the top hundred listed companies in terms of market capitalisation have been mandated to issue annual Business Responsibility Report [BRR]. This year, MMTC is not in the top hundred list, yet we continue to publish our annual BRR.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

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

2. Name of the Company
   MMTC LIMITED

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

4. Website
   www.mmtclimited.com

5. E-mail id
   mmtc@mmtclimited.com

6. Financial Year reported
   2013-14

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

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
   (i) Gold
   (ii) Steam Coal
   (iii) Urea

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

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	**1000 million**
2.	Total Turnover (INR)	**2,50,746 million**
3.	Total profit after taxes 2013-14 (INR)	**186 million**
4.	Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	There being no profits for the year 2012-13, no funds were earmarked for CSR/SD projects. The unutilized amounts carried forward to the financial year 2013-14 were used for undertaking CSR & SD Projects.
5.	List of activities in which expenditure in 4 above has been incurred	- Skill Development & Livelihood Creation Program for 180 youth in Jajpur, Odisha - Aids awareness for school children in Odisha - Distribution of woolen blankets among the flood victims of Uttarakhand and homeless in Delhi & Jaipur - Contribution to the Chief Minister's Relief Fund to mitigate the sufferings of the victims of cyclone Phailin - Literacy promotion for the deprived children living in the slum area of South Delhi - Installation of energy efficient electrical equipments for energy conservation at Corporate Office and Delhi Regional Office.

SECTION C: OTHER DETAILS

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

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

   No

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

SECTION D: BR INFORMATION

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

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

b. Details of the BR head

S.No	Particulars	Details
1.	DIN Number (if applicable)	
2.	Name	Khushinder Nath
3.	Designation	General Manager (Personnel)
4.	Telephone number	011-24381261
5.	e-mail id	khushinder@mmtclimited.com

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

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

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

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

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

Principle 5 – *Businesses should respect and promote human rights.*

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

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

Principle 8 – *Businesses should promote inclusive growth and equitable development.*

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

S.No.	Questions	P 1	P2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for....	**Y**	**N**	**Y**	**Y**	**Y**	**N**	**N**	**Y**	**N**
2.	Has the policy being formulated in consultation with the relevant stakeholders?	**Y**		**Y**	**Y**	**Y**			**Y**	

3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	**N**		**N**	**Y**	**Y**			**Y**	
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	**Y**		**Y**	**Y**	**Y**			**Y**	
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	**Y**		**Y**	**Y**	**Y**			**Y**	
6.	Indicate the link for the policy to be viewed online?	**www. mmtclimited.gov. in; www.mmtclimited.com**		**www. mmtclimited.gov. in www.mmtclimited.com**						
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	**Y**		**Y**	**Y**	**Y**			**Y**	
8.	Does the company have in-house structure to implement the policy/policies.	**Y**		**Y**	**Y**	**Y**			**Y**	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	**Y**		**Y**	**Y**	**Y**			**Y**	
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	**N**		**N**		**Y**				

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

S.No.	**Questions**	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1.	The company has not understood the Principles									

2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles		✓				✓	✓		✓
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. **Governance related to BR**

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

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

To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted various committees with distinct role, accountability and authority. The top management reviews the performance of the organization in every meeting that is held on quarterly basis. During the year 2013-14 MMTC's Management has discussed and reviewed following:

- Corporate Plan/ Draft MoU with MoC&I
- HR related issues
- Investments in JVs
- Budget

- Share price & shareholding pattern of MMTC
- Status of placement of surplus funds
- Approval of financial statements/results
- Implementation status of CSR/SD activities
- Annual Report / BRR for 2013-14

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

As per the mandate by SEBI top 100 companies by market capital have to prepare the BRR. MMTC had prepared its first BRR for the year 2012-13. The BRR forms a part of the annual report, and can be viewed on the official website www.mmtclimited.gov.in.
This year, MMTC is not in the top hundred list. However MMTC intends to continue publishing the BRR as part of its Annual Report which it initiated during 2013.

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

SECTION E – PRINCIPLE WISE PERFORMANCE

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

1. **Does the policy relating to ethics, bribery and corruption cover only the company?**
   Yes. The ethical conduct of the Company is reflected in the various policy initiatives. While the Employees Conduct, Discipline & Appeal Rules cover the employees at all levels in the organization, a separate guideline in the form of "Code of Business Conduct & Ethics for Board Members and Senior Management" of MMTC Limited is given for governing the conduct of Senior Management (including Board level executives). In addition, to promote ethical business, Policies like Integrity Pact, Whistle Blower Policy and Citizen Charter have been put into operation.

   Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? -
   Yes, the Integrity Pact, Citizen Charter cover extends to suppliers; contractors etc. while the code of conduct & whistle blower policy covers only the employees of the company.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.***
   No stakeholder complaints with respect to ethics, transparency and accountability have been received.

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

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

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

1. **Please indicate the Total number of employees**
   The total number of employees as on 31.3.2014 is 1530 (excluding board level executives)

2. **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**
   Total of 300 employees have been engaged on contractual basis through various agencies / societies.

3. **Please indicate the Number of permanent women employees.**
   Total number of permanent women employees– 310 (as on 31/03/2014)

4. **Please indicate the Number of permanent employees with disabilities**
   Total number of permanent employees with disabilities– 31 (as on 31/03/2014)

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

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

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

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

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

- **Permanent Employees -** 806 of 1530 i.e. 52.68%
- **Permanent Women Employees** – 187 of 310 i.e. 60.32%
- **Employees with Disabilities** – 27 of 31 i.e. 87.1%

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

1. **Has the company mapped its internal and external stakeholders? Yes/No**
   Yes. Over the years of its existence, the organization has identified & engaged with a varied group of stakeholders – both internal like employees, shareholders & external such as customers, communities etc.

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

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**
   Contributing to the welfare of communities in which it operates is a natural element of MMTC's activities. For empowering the disadvantaged, vulnerable and marginalized stakeholders, MMTC has undertaken skill development initiatives primarily in Odisha and literacy promotion for children living in slums of Delhi. MMTC continued its unstinted efforts to mitigate sufferings of homeless and distributed blankets at night shelters in Delhi & Jaipur. MMTC also supported Odisha Government's relief measures for those affected by Cyclone-Phailin.

Principle 5 – Businesses should respect and promote human rights

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

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

not satisfied with the reply and raised further query. The concerned division is working on the grievance and the same shall be resolved shortly.

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

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

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

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

3. **Does the company identify and assess potential environmental risks? Y/N**
   While the organization is not directly involved in manufacturing, it functions in an environmentally responsible fashion. MMTC adheres to the guidelines issued by DPE, GoI as per which projects related to environmental aspects are identified & implemented.

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

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   MMTC had awarded the task of conducting an Energy Audit of MMTC Corporate Office, Delhi to M/s Energy Efficiency Services Ltd. and based on their recommendations, undertook the replacement of old electrical equipments with energy efficient star rated ones for energy conservation across the Organization.
   During 2013-14 Old fans, ACs, CRT monitors and lightings were replaced with new star rated ones at Corporate Office and Delhi regional Office, Jhandewalan.

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

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

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

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

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).**
   The Organization has not advocated/lobbied through above Associations on any matters relating to public good.

Principle 8 – Businesses should promote inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   Although the organization is not involved in manufacturing products and therefore doesn't create any direct negative impact on the environment & society where it operates, still it has a CSR policy. MMTC also adopted the CSR Guidelines issued by Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, Government of India. MMTC has structured process of spending a portion of its earnings in CSR activities that are directed towards the betterment of the society. There being no profits for the year 2012-13, no funds were earmarked for CSR/SD projects. However MMTC used the unutilized amounts carried forward to the financial year 2013-14 for undertaking CSR & SD Projects in areas of Literacy Promotion, Skill Development and Relief for victims of Natural Calamity.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**
   MMTC has a Board Level Committee on CSR & Sustainability consisting of Independent Directors and Functional Directors with the Asst. Co. Secy. as Member Secretary. The CSR division thoroughly evaluates the various CSR proposals. Thereafter CSR proposals which fall within the parameters laid down in the Annual MOU and MMTC's CSR/SD Policy are forwarded along with its observations to the CSR Committee. The proposals so submitted are considered by the CSR Committee and proposals accepted by the Committee are forwarded to the CMD of the corporation, who is the final authority, for approval. The

proposals so approved are put up to the Board for information along with the status of its implementation on a quarterly basis.
Depending upon the geographical area in which the project will be undertaken, the concerned Regional office is directed to monitor and implement the project either directly or in association with a private /public partner. For each project a nodal officer is duly appointed whose task is to monitor timely completion of the project and update the corporate office with respect to the status of completion of the project. Upon completion the projects are evaluated by an independent agency.

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

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

MMTC continues with its commitment towards community development. Even though there were no profits for the year 2012-13, unutilized funds of Rs. 43.59 lakhs in CSR and Rs. 21.13 lakhs in SD brought forward from the previous years were used for undertaking CSR/ SD activities during 2013-14. The details of various projects are given below:

(i) Skill Development & Livelihood Creation Program for 180 youth in Jajpur, Odisha through M/s Gras Education & Training Services Ltd. (an NSDC training partner) in the areas of Retail Management and BPO (ITeS) both of which are skill gaps of Jajpur as specified in NSDC's "Skill Gap" Report. The trainings led to more than 75% employment of the beneficiaries.

(ii) MMTC partnered with Suryaprava, a leading newspaper in Odisha, to spread awareness about AIDS among school children in Odisha.

(iii) Cyclone 'Phailin' had left a trail of destruction, hitting nearly 90 lakhs people, damaging over 2.34 lakhs houses and laying waste paddy crop worth Rs. 2,400 crores, the worst in 14 years to hit the Odisha coast.
Odisha being an operational area, and MMTC being sensitive towards responding to natural calamities, contributed towards the Chief Minister's Relief Fund to mitigate the sufferings of the cyclone victims.

(iv) Woollen blankets were distributed to the flood victims in Uttarakhand and to the homeless at Delhi & Jaipur. This was done in partnership with STC, PEC and ECGC through an NGO - Uday Foundation.

(v) Literacy promotion for the deprived children living in the slum area of Begumpur, Malviya Nagar, New Delhi through NGO-CKS Foundation.

(vi) Continuous efforts were made for energy conservation across the organization. An "energy audit" of MMTC owned premises were conducted by

Energy Efficiency Services Limited and implementations of recommendations were undertaken.

Old electrical equipments were replaced with energy saving Star rated ones and energy efficient lightings were installed to attain energy efficiency. Delhi Regional Office is in the process of identifying suitable partner for installing Solar Panels for further savings in power consumption.

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

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

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

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

   There were three complaints of such nature in the reporting period.

   All three grievances were redressed and no complaint was pending as on end of financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

   The company retails silver medallions and silverware under the brand name SANCHI. The packaging of these items contains relevant product information. Further these items are bar coded.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending at end of financial year. If so, provide details thereof, in about 50 words or so**.

   None.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   MMTC has carried out a survey on “Customer satisfaction with respect to supply of Thermal Coal”.

****

Annexure to Directors' Report

Conservation of Energy: Power and Fuel Consumption

Under section 134(3) of the Companies Act 2013, statement containing particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the financial year ended 31.03.2014 for Disclosure of particulars with respect to Conservation of Energy:

Sl. No.			Current Year (2013-14)	Previous Year (2012-13)
1.	Electricity	Purchase (KWh) (At Annual Minimum Guarantee) Total cost (Rs. in lacs) Average Rate (Rs/kwh)	3,09,012 16.69 5.40	3,09,012 12.38 4.01
2.	Coal	Quantity (MT) Total cost (Rs. in lacs) Average Rate (Rs. per MT)	- - -	- - -
3.	Diesel Oil	Purchase (Lt.) Total Cost (Rs. in lacs) Average Rate(Rs. per Lt.)	- - -	- - -
4.	LDO	Purchase (Lt.) Total cost (Rs. in lacs) Average Rate (Rs.per Lt.)	- - -	- - -

JAIN KAPILA ASSOCIATES

CHARTERED ACCOUNTANTS

Compliance certificate on Corporate Governance

To the Members of MMTC Limited,

We have examined the compliance of conditions of Corporate Governance by MMTC Ltd. for the year ending March 31, 2014 as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

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

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

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

However, after the induction of five more independent directors on the Board of the company during April 2013 to July 2013, the company had complied with the said condition as on March 31, 2014.

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

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

Date: 13 August, 2014

Place: New Delhi

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
MMTC LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **MMTC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, annexed thereto in which are incorporated the accounts of Corporate Office, MICA division, Delhi Regional Office and Sub-regional Offices which are under Delhi Regional Office audited by us and the other Regional Offices and Sub-regional Offices audited by other Independent Auditors and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

(a) *Company has not followed its policy regarding writing off of debts / advances / claims as there are various debts / advances / claims which are outstanding for a long period and where company itself has made 100% provision against these debts / advances / claims considering the uncertainty of realization / unrealisability of these debts / advances / claims. Consequential effect of the same is not ascertainable.*

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

Qualified Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;

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

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

Emphasis of Matter

(a) Subsequent to the default in payment obligation of National Spot Exchange Limited (NSEL) and consequential filing of legal suit in Mumbai High Court against NSEL and others and filing of criminal complaint with Economic Offences Wing (EOW), Delhi Police which has since been transferred to CBI Mumbai, company has made provision of INR 2104.42 million (P.Y. Nil) against total recoverable amount of INR 2106.38 million as on 31 March, 2014 after adjusting INR 1.96 million realized upto 15 May, 2014. [Refer note no. 17 (iii)]

(b) The company provides benefit in respect of post retirement medical benefit (PRMB) to its employees. The Actuarial liability for the financial year 2013-14 aggregating to INR 1368.32 million has been provided for [Refer to Note No. 23(g)]. The company has neither earmarked its investment nor has created any corpus for this purpose.

(c) Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities in many cases have not been confirmed and consequent reconciliation / adjustments, if any, required upon such confirmation are not ascertainable. (Refer note no. 35)

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

(e) Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer note no. 21)

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   (e) In terms of Notification No. GSR 829 (E) dated 21.10.2003 issued by the Department of the Company Affairs, Government of India, the provision of Section 274(1)(g) of the Companies Act, 1956, are not applicable to the Company.

Place: New Delhi

Date: 29.05.2014

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

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

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

i. In respect of its fixed assets:

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

b. The fixed assets are being physically verified by the Management in accordance with a regular programme at certain locations only whereas in our opinion, it provides for physical verification of all the fixed assets at all locations at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification at locations where physical verification was held.

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

ii. In respect of its inventories:

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

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

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

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

iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets. ***As regards the purchases and sales of goods, inventories and stocks that are dealt with by the Company including domestic bullion transactions it needs further strengthening in such a manner so as to avoid delay in updation in ERP system vis-à-vis actual date of transaction and similarly, manual generation of invoices could be avoided.***

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

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

(b) Risk assessment and Risk management needs to be strengthened / revamped further as it is noticed that due to certain acts of omission and commission, company had to make heavy provisions against debtors / recoverable / losses.

***(c)* Periodic reconciliation in-respect of sales and purchases, input / output VAT as per financial records vis-à-vis sales, purchases, input / output VAT as per VAT returns.**

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

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

vii. ***The company has of late brought out a detailed internal audit manual and has initiated steps to strengthen the internal audit system. However, in our opinion, the internal audit functions carried out by external Internal Auditors and Internal Audit Department needs further improvement in terms of quality and scope so as to make it fully commensurate with the size and the nature of its business.***

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2014 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31 March, 2014 on account of disputes are referred to in Annexure 'A'

x. The Financial Statements of the Company as at 31 March, 2014 do not show any accumulated losses. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

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

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

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

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

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

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

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

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

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

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

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

National Spot Exchange Limited (NSEL) has defaulted in its payment obligations amounting to INR 2104.42 million which were paid by the company for trade done through NSEL against which goods were neither in the custody of NSEL nor available with the seller / borrower. The company has filed legal suit in Mumbai High Court against NSEL and others and has also filed criminal complaint with Economic Offences Wing (EOW), Delhi Police which has since been transferred to CBI Mumbai and the matter is under further investigation.

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

Place: New Delhi

Date: 29.05.2014

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

ANNEXURE 'A' TO AUDITORS' REPORT

Referred to in paragraph ix(c) of Annexure, a statement on the matters specified in the Companies (Auditors Report) Order, 2003 (as amended) of MMTC Limited for the year ended on 31st March 2014.

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

CHENNAI REGIONAL OFFICE

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

MUMBAI REGIONAL OFFICE

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

HYDERABAD REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
APGST	Sales Tax	1,49,770	1989-90	STAT
APGST	Sales Tax	29,61,551	1990-91	STAT, Vizag
APGST	Sales Tax	24,02,576	1991-92	STAT, Vizag
APGST	Sales Tax	13,96,269	1992-93	STAT, Vizag
APGST	Sales Tax	17,62,687	1993-94	STAT, Vizag
APGST	Sales Tax	6,30,615	1993-94	STAT, Vizag
CST	Central Sales Tax	4,41,446	1993-94	STAT, Vizag
CST	Central Sales Tax	2,04,481	1994-95	AC(LTU)
CST	Central Sales Tax	5,97,266	1995-96	STAT, Vizag
APGST	Sales Tax	38,03,875	1995-96	STAT, Vizag
APGST	Sales Tax	28,80,309	1996-97	STAT, Vizag
CST	Central Sales Tax	21,34,306	1996-97	STAT, Vizag
APGST	Sales Tax	58,43,100	1997-98	STAT, Vizag
CST	Central Sale Tax	6,35,504	1997-98	ADC(CT)
APGST	Sales Tax	55,65,147	1998-99	STAT, Vizag

APGST	Sales Tax	39,04,454	1999-2000	STAT, Vizag
APGST	Sales Tax	2,52,926	2000-2001	STAT, Vizag
APGST	Sales Tax	2,12,176	2001-02	AC (LTU)
APGST	Sales Tax	68,901	2002-03	AC (LTU)
APGST	Sales Tax	34,856	2003-04	AC (LTU)
APGST	Sales Tax	1,26,000	2004-05	AC (LTU)
VAT	VAT	6,76,058	2006-07	STAT
VAT	VAT	71,000	2007-08	AC(LTU)
VAT	VAT	5,00,000	2008-09	STAT, Vizag
VAT	VAT	11,90,100	2008-09	STAT, Vizag
Central Excise & Customs	Custom Duty	24,11,17,719	2008-09	Comm. of Customs & Excise

BHUBANESHWAR REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
Orissa Sales Tax	Interest Penalty	9,58,035	1966-67	High Court of Orissa
Orissa Sales Tax	Odisha Sales Tax	7,79,135	1977-78	-- do ---
Orissa Sales Tax	Interest Penalty	26,50,388	1978-79	-- do ---
Orissa Sales Tax	Odisha Sales Tax	34,00,919	1978-79	-- do ---
Orissa Sales Tax	Odisha Sales Tax	1,70,046	1978-79	-- do ---
Orissa Sales Tax	Interest Penalty	6,53,452	1979-80	-- do ---
Orissa Sales Tax	CST	33,04,073	1981-82	-- do ---
Orissa Sales Tax	Odisha Sales Tax	78,46,464	1982-83	-- do ---
Orissa Sales Tax	Odisha Sales Tax	3,16,921	1982-83	-- do ---
Orissa Sales Tax	Central Sales Tax	34,83,020	1982-83	-- do ---
Orissa Sales Tax	Interest	2,62,819	1982-83	-- do ---
Orissa Sales Tax	Odisha Sales Tax	79,13,807	1983-84	-- do ---
Orissa Sales Tax	Odisha Sales Tax	3,29,926	1983-84	-- do ---
Orissa Sales Tax	Odisha Sales Tax	35,42,822	1983-84	-- do ---
Orissa Sales Tax	Odisha Sales Tax	86,48,326	1984-85	-- do ---
Orissa Sales Tax	Odisha Sales Tax	3,69,294	1984-85	-- do ---
Orissa Sales Tax	Central Sales Tax	57,96,808	1984-85	-- do ---
Orissa Sales Tax	Interest	3,57,42,030	1978-79	-- do ---
Orissa Sales Tax	DEPB	14,98,22,308	2006-09	Addl. Commissioner of Sales Tax, Odisha
Orissa Sales Tax	DEPB	5,08,43,080	2010-12	Addl. Commissioner of Sales Tax, Odisha
OVAT	2009-10 & 2010-11	14,28,18,841	2013-14	Addl. Commissioner of Sales Tax, Odisha

CST(ODISHA)	2009-10 & 2010-11	58,07,05,822	2013-14	Addl. Commissioner of Sales Tax, Odisha
ET(ODISHA)	2009-10 & 2010-11	52,63,10,091	2013-14	Addl. Commissioner of Sales Tax, Odisha
Central Excise Act	Service Tax	8,65,79,704	2003-05	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	14,26,68,189	2003-07	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	2,71,10,861	2007-08	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	7,19,70,608	2008-10	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	5,56,31,774	2010-11	Comm., Customs excise & service tax. Bhubaneswar
Central Excise Act	Service Tax	3,23,262	2005-07	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	4,99,80,528	2011-12	Comm., Customs excise & service tax. Bhubaneswar
Central Excise Act	Service Tax	23,22,07,821	2009-12	Comm., Customs excise & service tax. Bhubaneswar
Central Excise Act	Service Tax	52,63,938	2009-11	Comm., Customs excise & service tax. Bhubaneswar

JAIPUR REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
R.S.T ACT	Sales Tax	1,49,46,540/-	2003-04	Rajasthan Kar Board, Ajmer Rs. 35,49,446/- has been deposited under protest.
R.S.T ACT	Sales Tax	26,07,605/-	1999-00	Rajasthan Tax Board
RAJ VAT ACT	VAT	3,26,47,269/-	2010-11	KAR Board
CST ACT	CST	59,92,494/-	2010-11	KAR Board
R.S.T ACT	VAT	18,01,941/-	2010-11	Assessing Officer
R.S.T ACT	Turnover Tax	5,32,992/-	2003-04	High Court

VIZAG REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
A.P.G.S.T ACT	Sales Tax	18,56,325	1968-69	STAT, HYD.
A.P.G.S.T ACT	Sales Tax	26,39,647	1981-82	ADC, Vizag
A.P.G.S.T ACT	Sales Tax	6,88,552	1982-83	ADC, Vizag
A.P.G.S.T ACT	Sales Tax	17,66,784	1983-84	ADC

A.P.G.S.T ACT	Sales Tax	30,00,436	1984-85	ADC
A.P.G.S.T ACT	Sales Tax	25,05,806	1985-86	STAT,Vizag
A.P.G.S.T ACT	Sales Tax	2,70,83,841	1986-87	STAT, Vizag
A.P.G.S.T ACT	Sales Tax	36,45,076	1987-88	ADC
A.P.G.S.T ACT	Sales Tax	19,34,139	1991-92	AC LTU
A.P.G.S.T ACT	Sales Tax	4,79,000	1989-90	STAT
CST	Sales Tax	8,41,695	1994-95	AC LTU
CST	Sales Tax	48,62,340	1995-96	STAT, Hyderabad
CST	Sales Tax	33,58,889	1996-97	STAT, Hyderabad
A.P.G.S.T ACT	Sales Tax	25,27,960	1997-98	STAT, Hyderabad
CST	Sales Tax	104,614	2007-08	ADC
Central Excise & Customs	Service Tax	12,65,26,554	2003 -2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore

KOLKATA REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
CST ACT 1956	Central Sales Tax	11,30,858	2005-06	Appellate Board
CST ACT 1956	Central Sales Tax	77,60,971	2006-07	DC Appeal
WB VAT ACT	Sale Tax	8,28,126	2008-09	DC Appeal
CST ACT 1956	Central Sales Tax	2,05,794	2008-09	DC Appeal
CST ACT 1956	Central Sales Tax	8,94,59,926	2010-11	DC Appeal
WB VAT ACT	Sale Tax	15,35,39,348	2010-11	DC Appeal
Custom & Central Excise	Custom Duty	17,48,22,354	2013-14	Appellate Tribunal of Custom & Central Excise
WBST Act	Sale Tax	34,80,508	1996-97	Sale Tax Tribunal
WBST Act	Sale Tax	19,46,837	1997-98	Appellate Board
WBST Act	Sale Tax	4,55,184	1998-99	Sale Tax Tribunal
Custom & Central Excise	Custom Duty	1,37,09,540	2008-09	Comm. of Customs

Corporate Office

Name of the Statue	Nature of the Dues	Amount (Rs.)	A.Y.	Forum of Dispute
Income Tax Act	Income Tax	5,61,821*	1993-94	AO
Income Tax Act	Income Tax	54,81,338*	1996-97	CIT(A)/ITAT
Income Tax Act	Income Tax	1,02,93,042*	1997-98	AO
Income Tax Act	Income Tax	2,60,66,476*	1999-00	ITAT
Income Tax Act	Income Tax	1,84,63,021*	2000-01	ITAT
Income Tax Act	Income Tax	1,17,65,008*	2001-02	CIT(A)/ITAT/HIGH Court
Income Tax Act	Income Tax	73,04,915*	2002-03	ITAT
Income Tax Act	Income Tax	11,16,907*	2003-04	AO
Income Tax Act	Income Tax	4,19,85,746*	2004-05	ITAT
Income Tax Act	Income Tax	6,94,85,393*	2005-06	AO
Income Tax Act	Income Tax	73,50,191*	2007-08	CIT(A)/ITAT
Income Tax Act	Income Tax	2,79,66,209*	2008-09	AO

Income Tax Act	Income Tax	10,64,92,947*	2009-10	CIT(A)
Income Tax Act	Income Tax	22,41,890*	2010-11	CIT(A)
Income Tax Act	Income Tax	14,48,44,644	1996-97	CIT(A)
Income Tax Act	Income Tax	8,14,90,220	2010-11	CIT(A)

*Amount has been deposited

DELHI REGIONAL OFFICE

Name of Statute	**Nature of Dues**	**Amount (in ☐)**	**Period to which the amount relates**	**Forum where dispute is pending**
Delhi VAT	CST/LST/Interest/ Penalty (Gold–Commemorative Medallions)	37,45,290	2002-03	Commissioner, DVAT
	LST	11,65,303	1984-85	D.C. Appeal
	LST/CST	6,57,32,207	1986-87	Additional Commissioner
	LST/CST	4,31,86,549	1987-88	Additional Commissioner
	LST/CST	4,02,96,672	1988-89	Additional Commissioner
	LST	61,87,340	1989-90	Additional Commissioner
	LST	22,23,198	1990-91	Additional Commissioner
UP-VAT	LST/CST	6,17,588	1990-91	Moradabad, Allahabad High Court
	LST	4,70,578	1991-92	Moradabad, Allahabad High Court
	LST	2,64,037	1992-93	Moradabad, Allahabad High Court
	LST	1,95,000	1994-95	Sales Tax Authorities, Moradabad
	LST	1,85,100	1993-94	Moradabad, Allahabad High Court
	LST	16,35,160	1987-88	Kanpur, Joint Commissioner
	VAT	9,21,383	1993-94	Commissioner, UP-VAT
	VAT	12,23,616	1996-97	Commissioner, UP-VAT
	VAT+Interest for Non-submission of Form-3B (Gold) & Non-submission of Form 3C1 (Mentha Oil)	2,49,828	2007-08	Commissioner, UP-VAT

Haryana VAT	LST	4,24,587	1992-93	Faridabad, Punjab & Haryana High Court Chandigarh
Madhya Pradesh VAT	LST	1,50,004	1999-00	Sales Tax Authority, Indore
	LST	47,30,692	1998-99	Assessing Authority, Indore
Customs Deptt., Delhi	Customs Duty & Interest on non-export of Gold Jewellery against Gold Loan by Associates	2,72,67,919	1999-2000	Pending before Hon'ble Delhi High Court as per directions of Hon'ble Supreme Court of India
Custom Department, Delhi	Custom Duty	2,00,00,000	2006-07	Dy. Commissioner of Customs,
Custom Department, Delhi	Custom Duty	1,50,50,000	2007-08	Dy. Commissioner of Customs,
Custom Department, Delhi	Custom Duty	61,80,000	2008-09	Dy. Commissioner of Customs,
Custom Department, Delhi	Custom Duty	61,80,000	2009-10	Dy. Commissioner of Customs,
Excise Department	Excise Duty	9,10,439	2010-11	Commissioner of Central Excise,
Excise Department	Excise Duty	9,56,76,890	2011-12	Commissioner of Central Excise,
	Total	**34,48,69,380**		

* Amount Deposited in respect of the dispute: Rs.85,82,484/-

	MANAGEMENT'S REPLY TO AUDITORS OBSERVATIONS IN THE AUDIT REPORT ON ANNUAL ACCOUNTS FOR 2013-14	
	AUDITORS' OBSERVATION	**MANAGEMENT'S REPLY**
1.	**Qualified Opinion** a. Company has not followed its policy regarding writing off of debts / advances / claims as there are various debts / advances / claims which are outstanding for a long period and where company itself has made 100% provision against these debts / advances / claims considering the uncertainty of realization / un-realisability of these debts / advances / claims. Consequential effect of the same is not ascertainable.	As per Accounting Policy of the Company, Debts /advances /claims are to be written off when un-realisability is almost established. The company has been making effort to write off some of the old dues. However, it is taking time for want of necessary clearances from Internal Audit, Law, Vigilance etc. before seeking approval of competent authority.
	b. Our observation in respect of the inadequacies in the internal control systems, as stated in para (iv) of Annexure to the main audit report, which may have consequential effect on the accounts for the year. (Effect not ascertainable).	As per details given below.
	Para (iv) of annexure to the main audit report	
	As regards the purchases and sales of goods, inventories and stocks that are dealt with by the Company including domestic bullion transactions it needs further strengthening in such a manner so as to avoid delay in updation in ERP system viz-a-viz actual date of transaction and similarly, manual generation of invoices could be avoided.	The company has reiterated instructions to update the books of accounts on daily basis and it is being monitored. Manual generation of invoices is discontinued except in cases where the existing ERP system does not support.
	Further, the internal control mechanism needs to be strengthened, besides the areas mentioned hereinbefore, in the following areas:	

	AUDITORS' OBSERVATION	MANAGEMENT'S REPLY
	a. Periodic quantitative reconciliation of goods traded by the company (particularly bullion / retail trade) between the ERP and other standalone inventory system (RMS).	Reconciliation of purchases, sales and closing stock is carried out periodically between ERP records and other records like manual stock registers, VAT and CST returns etc. Physical verification of the stocks is carried out once in a year. The data relating to retail sales of Precious Metals like gold medallions, silver medallions and Sanchi silver wares are maintained in a separate standalone system, viz. Retail Management System (RMS). The summary of daily transactions from RMS is posted in ERP system on daily basis. The reconciliation is carried out periodically between RMS and ERP system.
	b. Risk assessment and Risk management needs to be strengthened / revamped further as it is noticed that due to certain acts of omission and commission, company had to make heavy provisions against debtors / recoverable / losses.	Taking into account the omissions and commissions in the recent past, the company has framed a comprehensive Risk Management Policy and the same, after approval by Board of Directors, has been circulated to all concerned.
	c. Periodic reconciliation in-respect of sales and purchases, input / output VAT as per financial records vis-à-vis sales, purchases, input / output VAT as per VAT returns.	During the year, instructions have been reiterated to reconcile the financial records with VAT and CST returns and Internal Auditors have been advised to check the same from time to time to ensure compliance.
2	**Emphasis of Matter**	
a.	Subsequent to the default in payment obligation of National Spot Exchange Limited (NSEL) and consequential filing of legal suit in Mumbai High Court against NSEL and others and filing of criminal complaint with Economic Offences Wing (EOW), Delhi Police which has since been transferred to CBI, Mumbai, company has made provision of INR 2104.42 million (P.Y. Nil) against total recoverable amount of INR 2106.38 million as on 31st March, 2014 after adjusting	NSEL defaulted in their obligations to 13000 investors involving an amount of Rs.5600 crores. All the genuine members trading on the exchange platform believed that NSEL, in terms of the Government exemptions granted for spot exchange, had commodities as underlying assets to secure the transactions. NSEL is a premeditated fraud perpetuated by the exchange in the commodity market on innocent members. MMTC has filed legal suit in High Court of Bombay against NSEL and 31 other defendants for recovery of its dues. Criminal complaint has also been filed by MMTC with Economic Offences

	AUDITORS' OBSERVATION	MANAGEMENT'S REPLY
	INR 1.96 million realized up to 15th May, 2014. (Refer note no. 17 (iii)).	Wing, Delhi Police which was transferred to CBI Mumbai. The case is under investigation by CBI. EOW, Mumbai has also investigated the case, arrested 11 persons and filed charge sheets in the designated court. NSEL is also under investigation by Enforcement Directorate, Income Tax Department, Ministry of Corporate Affairs and regulators like FMC. EOW, Mumbai has attached properties of defaulters valuing Rs.5,100 crore approx. under MPID Act and MPID court has permitted auction of the properties. MMTC, along with other affected parties, is hopeful of realizing its dues through liquidation of properties attached under MPID Act.
b.	The company provides benefit in respect of post retirement medical benefit (PRMB) to its employees. The Actuarial liability for the financial year 2013-14 aggregating to INR 1368.32 million has been provided for (Refer to Note No. 23(g)). The company has neither earmarked its investment nor has created any corpus for this purpose.	The liability of Rs. 1368.32 million created as at 31st March 2014 on the basis of actuarial valuation is required to be allocated between the employees retired prior to 01.01.2007 and others. Necessary action for creating corpus and investing the fund will be taken in due course after bifurcation of the corpus.
c.	Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities in many cases have not been confirmed and consequent reconciliation / adjustments, if any, required upon such confirmation are not ascertainable. (Refer note no. 35)	Letters are issued to parties seeking confirmation of balances outstanding in the books of MMTC to confirm the balances. It is also mentioned that in case no communication is received before stipulated date, the balance indicated shall be treated as confirmed. However, the parties generally do not send specific confirmation. Regional Offices have not reported receipt of adverse communication.
d.	The RMS software is not reflecting correct inventory of Sanchi items due to the problems in the package in some regional offices. Manual record of inventory of Sanchi items is also not maintained.	Instructions have been issued to maintain Manual Stock Register besides maintaining records in ERP and RMS system. In the meantime, the issues in RMS system are being sorted out.
e.	Non-provision of liability, if any, in case of extension of time / waiver /	This relates to GRs pending since 1991-92. Liability, if any will be provided as and when any

	AUDITORS' OBSERVATION	MANAGEMENT'S REPLY
	write off of GR-1 forms (Refer note no. 21).	demand is raised and settled by the company. At present the liability, if any, on this account is unascertainable.
	Annexure to Independent Auditor's Report	
	Internal Audit	
	The company has of late brought out a detailed Internal audit manual and has initiated steps to strengthen the internal audit system. However, in our opinion, the internal audit functions carried out by external Internal Auditors and Internal Audit Department needs further improvement in terms of quality and scope so as to make it fully commensurate with the size and the nature of its business.	The frequency of audit has been increased from half yearly to quarterly and the audit is done by Professional Internal Auditors. Audit is as per the Audit Programme which is very wide in its scope. To coordinate with the Professional Internal Auditors and also to check the financial transactions on day to day basis, all Regional Offices have been strengthened by posting one officer in the Internal Audit Department of the RO (Concurrent Auditors). Concurrent Auditors are reporting on a fortnightly basis. The reports of Professional Internal Auditors and Concurrent Auditors are properly dealt with for appropriate corrective action. During the year three days training was arranged on various issues of relevance for the Internal Audit Officials. Such training programmes shall also be arranged at regular intervals in future as well. The scope of Internal Audit is regularly reviewed in consultation with the Professional Internal Auditors / Statutory Auditors. A team of senior officials of MMTC is also nominated to conduct **"Special Bullion Audit"** on regular basis. The reports are received and suitable corrective action is suggested. Internal Audit Manual has already been circulated to all the Professional Internal Auditors for conducting audit as per the Manual. There has been improvement in the Internal Audit and efforts are continuing for further improvements.
	Fraud	
	National Spot Exchange Limited (NSEL) has defaulted in its payment obligations amounting to	Refer reply 2(a) above.

	AUDITORS' OBSERVATION	MANAGEMENT'S REPLY
	INR 2104.42 million which were paid by the company for trade done through NSEL against which goods were neither in the custody of NSEL nor available with the seller / borrower. The company has filed legal suit in Mumbai High Court against NSEL and others and has also filed criminal complaint with Economic Offences Wing (EOW), Delhi Police which has since been transferred to CBI Mumbai and the matter is under further investigation.	

MMTC LIMITED

FINANCIAL STATEMENTS
FOR
THE FINANCIAL YEAR ENDED 31ST MARCH, 2014

MMTC LIMITED					
BALANCE SHEET AS AT 31-03-2014					
					(₹ in Million)
	Note No.	AS AT 31-03-2014		AS AT 31-03-2013	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS	3				
Share Capital	3.1	**1,000.00**		1,000.00	
Reserves & Surplus	3.2	**12,418.70**	**13,418.70**	12,407.78	13,407.78
NON-CURRENT LIABILITIES	4				
Other Long term liabilities	4.1	**99.47**		191.18	
Long-term provisions	4.2	**1,824.95**	**1,924.42**	1,701.94	1,893.12
CURRENT LIABILITIES	5				
Short-term borrowings	5.1	**4,129.45**		14,782.91	
Trade payables	5.2	**14,574.82**		26,704.05	
Other current liabilities	5.3	**11,732.62**		8,994.19	
Short-term provisions	5.4	**1,190.10**	**31,626.99**	1,198.68	51,679.83
Total :			**46,970.11**		**66,980.73**
ASSETS					
NON-CURRENT ASSETS	6				
Fixed Assets	6.1				
Tangible assets	6.1.1	**750.49**		864.73	
Intangible assets	6.1.2	**1.81**		1.64	
Capital Work-in-progress	6.1.3	**65.43**		54.94	
Non-current investments	6.2	**4,456.57**		4,697.36	
Deferred tax assets (net)	6.3	**2,261.56**		1,454.24	
Long-term loans and advances	6.4	**768.12**		1,129.81	
Other non-current assets	6.5	**14.60**	**8,318.58**	17.43	8,220.15
CURRENT ASSETS	7				
Current investments	7.1	**560.00**		150.03	
Inventories	7.2	**3,083.62**		8,888.24	
Trade receivables	7.3	**17,341.17**		22,240.97	
Cash and Bank Balances	7.4	**4,726.70**		14,600.51	
Short-term loans and advances	7.5	**6,871.23**		11,141.52	
Other current assets	7.6	**6,068.81**	**38,651.53**	1,739.31	58,760.58
Total :			**46,970.11**		**66,980.73**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN: 02200405

(Anand Trivedi)
Director
DIN: 01077784

(D S Dhesi)
Chairman cum Managing Director
DIN: 1433541

Date : 29.05.2014
Place : New Delhi

MMTC LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014

(₹ in Million)

	Note No.	YEAR ENDED 31-03-2014		YEAR ENDED 31-03-2013	
INCOME					
Revenue from operations	8	**252,695.09**		285,983.59	
Other Income	9	**2,223.39**	**254,918.48**	3,179.05	289,162.64
Total Revenue			**254,918.48**		**289,162.64**
EXPENSES					
Cost of materials consumed	10	**1,613.10**		2,677.61	
Purchases of Stock-in-Trade	11	**221,713.84**		265,089.34	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	**5,727.69**		87.76	
Employee benefits expense	13	**1,894.97**		2,029.21	
Finance costs	14	**669.92**		2,194.66	
Depreciation and amortization expense		**124.22**		119.70	
Other expenses	15	**20,695.18**	**252,438.92**	15,671.95	287,870.23
Total expenses			**252,438.92**		**287,870.23**
Profit before exceptional and extraordinary items and tax			**2,479.56**		**1,292.41**
Exceptional Items	16		**230.56**		127.15
Profit before extraordinary items and tax			**2,249.00**		**1,165.26**
Extraordinary Items	17		**2,104.42**		2,443.64
Profit before tax			**144.58**		**(1,278.38)**
Tax expense:					
- Current tax					
Provision for Taxation		**752.24**		257.23	
Earlier years		**13.24**		(90.09)	
- Deferred tax		**(807.32)**	**(41.84)**	(739.28)	(572.14)
Profit for the period			**186.42**		**(706.24)**
Earnings per equity share of nominal value of Re.1/- each		**Before extraordinary (net of tax)**	**After extraordinary (net of tax)**	**Before extraordinary (net of tax)**	**After extraordinary (net of tax)**
Basic (in ₹)		**1.58**	**0.19**	**0.94**	**(0.71)**
Diluted (in ₹)		**1.58**	**0.19**	**0.94**	**(0.71)**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN: 02200405

(Anand Trivedi)
Director
DIN: 01077784

(D S Dhesi)
Chairman cum Managing Director
DIN: 1433541

Date : 29.05.2014
Place : New Delhi

MMTC LIMITED

Cash Flow Statement for the year ended 31-03-2014

(₹ in million)

	For the year ended 31-03-2014		For the year ended 31-03-2013	
A. Cash flows from operating activities				
Profit before Tax & Extra ordinary items		**2,249.00**		1,165.26
Adjustment for :				
Extra-ordinary items	**(2,104.42)**		(2,443.64)	
Loss on valuation of inventories	**76.53**		7.39	
Depreciation & amortisation expense	**124.22**		118.08	
Net Foreign Exchange (gain)/loss	**1,020.54**		(194.14)	
(Profit) /Loss on sale of Tangible Assets	**(0.71)**		(0.46)	
Interest income	**(1,380.72)**		(2,796.85)	
Dividend income	**(32.64)**		(114.51)	
Finance Costs	**670.00**		2,198.75	
Debts/claims written off	**10.74**		0.70	
Provision for doubtful Debts /Loans & Advances	**12.74**		62.53	
Diminution in value of investment	**241.10**		-	
Provision no longer Required	**(103.45)**		(24.42)	
Liabilities Written Back	**(572.12)**		(150.74)	
Provision for DWA risk	**1.19**	**(2,036.99)**	1.38	(3,335.94)
		212.01		(2,170.68)
Changes in assets & liabilities				
Inventories	**5,728.09**		348.40	
Trade Receivables	**5,008.47**		5,433.32	
Loans & Advances	**4,359.12**		8,849.91	
Other current & non current assets	**(4,329.49)**		8,536.45	
Trade payables	**(12,603.54)**		(5,948.63)	
Other liabilities	**2,646.73**		(9,191.40)	
Provisions	**69.35**	**878.72**	107.24	8,135.28
		1,090.73		5,964.60
Taxes Paid		**(524.23)**		(560.74)
Net cash flows from operating activities		**566.50**		5,403.87
B. Cash flows from Investing Activities				
Purchase of tangible assets	**(20.71)**		(67.44)	
Sale of tangible Assets	**0.79**		1.12	
Purchase of Investments	**(0.31)**		(24.49)	
Advance for purchase of shares	**-**		-	
Interest received	**1,380.72**		2,796.85	
Dividend Received	**32.64**	**1,393.13**	114.51	2,820.55
Net cash flows from investing activities		**1,393.13**		2,820.55
C. Cash flows from financing activities				
Borrowings	**(10,653.47)**		(19,515.76)	
Finance Costs	**(670.00)**		(2,198.75)	
Dividend (inclusive of tax) paid	**(100.00)**	**(11,423.47)**	(290.56)	(22,005.06)
Net cash flows from Financing Activities		**(11,423.47)**		(22,005.06)
Net increase/(decrease) in Cash & Cash Equivalents		**(9,463.84)**		(13,780.64)
Opening Balance of Cash & Cash Equivalents		**14,750.54**		28,531.16
Closing Balance of Cash & Cash Equivalents		**5,286.70**		14,750.54

Note:
1. Figures for the previous year have been regrouped wherever considered necessary.
2. Adjustments for certain accruals/deferrals made at Corporate Office on the basis of information received from branch offices
3. Cash and Cash equivalents consists of cash and bank balance & deposits with banks and short term investment with maturity of less than three months

	As at the end of	
A. Cash and cash equivalents	**2013-14**	**2012-13**
(a) Cheques, drafts on hand	**0.80**	563.73
(b) Cash on hand	**0.06**	0.02
(c) Balances with Banks		
- in current account	**53.62**	236.06
-in cash credit account (debit balance)	**18.55**	427.53
-term deposit with original maturity up to 3 months	**3,201.32**	2,683.75
-short term investment with maturity of less than 3 months	**560.00**	150.03
B. Others other Balances with Bank		
-As Margin money/under lien	**3.00**	3.00
-in term deposits with original maturity more than 3 months and upto 12 months	**1,449.22**	10,685.30
-in term deposits with original maturity more than 12 months	**0.13**	1.13
Total	**5,286.70**	14,750.54

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN: 02200405

(Anand Trivedi)
Director
DIN: 01077784

(D S Dhesi)
Chairman cum Managing Director
DIN: 1433541

Date : 29.05.2014
Place : New Delhi

<u>ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014</u>

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

1. General Information:

The company is incorporated and domiciled in India, and a Mini- Ratna public sector undertaking under the administrative control of Ministry of Commerce & Industry, Government of India. The registered office of the Company is situated at Core-1, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003, India. The company has 11 regional offices at various places in India and a wholly owned subsidiary MMTC Transnational Pte Ltd. (MTPL), Singapore.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

2.2. PURCHASES AND SALES

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

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

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

c. Gold/Silver received under deposit:-

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

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

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

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

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

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

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

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

2.3. REVENUE RECOGNITION

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

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

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

iii. Interest on overdue recoverables where realisability is uncertain.

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

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

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

2.4. PREPAID EXPENSES

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

2.5. FIXED ASSETS

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

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

2.6. DEPRECIATION

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

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

2.7. INVESTMENTS

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

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

2.8. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

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

2.9. SEGMENT REPORTING

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

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

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

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

2.10. EMPLOYEE BENEFITS

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

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

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

2.11. PHYSICAL VERIFICATION OF STOCKS

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

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

2.12. VALUATION OF STOCKS

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

a) EXPORTS:

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

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

b) IMPORTS:

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

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

c) DOMESTIC:

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

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

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

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

2.13. PRIOR PERIOD ADJUSTMENTS

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

2.14. BORROWING COSTS

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

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

2.15. DEFERRED TAX

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

2.16. IMPAIRMENT OF ASSETS

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

2.17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) Provisions

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

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

(b) Others

(i) Provision is recognized when

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

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

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

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

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

(II) Contingent liabilities and contingent assets

i. Contingent liabilities are not recognized but are disclosed in the Notes to the Accounts. Interest, if any on contingent liabilities are generally not disclosed in the Notes to the Accounts being indeterminable.

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

2.18. TREATEMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION /CONSTRUCTION PERIOD

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

2.19. OPERATING LEASES

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014

3. SHAREHOLDERS' FUND

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

				(₹ in million)
	31-03-2014		31-03-2013	
	Number	Amount	Number	Amount
A. Authorised				
Equity Shares of Par Value Rs.1/- each	**1,000,000,000**	**1,000.00**	1,000,000,000	1,000.00
B. Issued, subscribed and fully paid				
Opening Balance	**1,000,000,000**	**1,000.00**	1,000,000,000	1,000.00
Addition				
Less : Deduction				
Closing Balance	**1,000,000,000**	**1,000.00**	**1,000,000,000**	**1,000.00**

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

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

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

No shareholder other than the promoters is holding more than 5% shares of the company. The shareholding of the promoters i.e. President of India as on 31-03-2014 is 900,000,000 shares (P.Y. 993,312,000 shares)

3.2 RESERVES & SURPLUS

				(₹ in million)
	31-03-2014		31-03-2013	
Reserves				
Capital reserve- Opening Balance	**0.69**		0.69	
Add : Transferred from Surplus	**-**		-	
Closing Balance		**0.69**		0.69
General reserve- Opening Balance	**5,956.13**		5,956.13	
Add : Tranferred from Surplus	**9.40**		-	
	5,965.53		5,956.13	
Less : Deduction	**-**		-	
Closing Balance		**5,965.53**		5,956.13
Sustainable Development Reserve - Opening Balance	**2.11**		-	
Add : Tranferred from Surplus	**-**		2.11	
	2.11		2.11	
Less : Duduction	**2.11**		-	
Closing Balance		**-**		2.11
Corporate Social Responsibility Reserve-Opening Balance	**4.36**		-	
Add : Tranferred from Surplus	**-**		4.36	
	4.36		4.36	
Less : Duduction	**4.23**		-	
Closing Balance		**0.13**		4.36
Research and Development Reserve -Opening Balance	**-**			
Add: Tranferred from Surplus	**3.54**			
	3.54			
Less: Deduction	**-**			
Closing Balance		**3.54**		
Total (A)		**5,969.89**		**5,963.29**
Surplus				
Surplus- Opening Balance	**6,444.49**		7,257.19	
Add : Net profit after tax transferred from Statement of Profit & Loss	**186.42**		(706.23)	
Add: Corporate Social Responsibility Reserve	**4.23**		-	
Add:Sustainable Development Reserve	**2.11**		-	
Amount available for appropriation	**6,637.25**		6,550.96	
Appropriations :				
Final Dividend	**150.00**		100.00	
Dividend tax	**25.49**		-	
General Reserve	**9.40**		-	
Sustainable Development Reserve	**-**		2.11	
Corporate Social Responsibility Reserve	**-**		4.36	
Research and Development Reserve	**3.54**		-	
Total (B)		**6,448.82**		**6,444.49**
TOTAL (A)+(B)		**12,418.70**		**12,407.78**

Final Dividend @ ₹ 0.15/- per Equity Share of ₹ 1/- each amounting to ₹ 150 million during 2013-14 has been proposed.

4. NON CURRENT LIABILITIES

4.1 OTHER LONG TERM LIABILITIES

				(₹ in million)
	31-03-2014		31-03-2013	
Trade Payable				
-Other than MSMEs	**12.52**		104.38	
-MSMEs	**-**	**12.52**	-	104.38
Others				
-Sales tax/CST/Custom duty	**6.02**		19.95	
-Others	**80.93**	**86.95**	66.85	86.80
Total		**99.47**		**191.18**

4.2 LONG TERM PROVISIONS

				(₹ in million)
	31-03-2014		31-03-2013	
A. Employee Benefits				
i. Leave encashment	**238.93**		230.43	
ii. Post Ret. Medical Benefits	**1,297.34**		1,207.47	
iii. Half pay leave	**189.51**		165.47	
iv. Service Award	**47.68**		52.39	
v. Compassionate Gratuity	**1.97**		2.19	
vi. Emp. Family Benefit Scheme	**49.52**	**1,824.95**	43.99	1,701.94
Total		**1,824.95**		**1,701.94**

5. Current Liabilities

5.1 SHORT TERM BORROWINGS

				(₹ in million)
	31-03-2014		31-03-2013	
A. Loans repayable on demand				
From Banks				
(i) Secured (against hypothecation of inventories , trade receivables and other current assets present and future)	**1,760.77**		5,708.77	
(ii) Unsecured	**2,368.68**	**4,129.45**	9,074.14	14,782.91
Total		**4,129.45**		**14,782.91**

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

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

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

5.2 TRADE PAYABLE

				(₹ in million)
	31-03-2014		31-03-2013	
A. Sundry Creditors				
i. Other than MSMEs	**13,136.09**		23,064.74	
ii. MSMEs	**-**	**13,136.09**	-	23,064.74
B. Bills payable		**1,438.73**		3,639.31
Total		**14,574.82**		**26,704.05**

Sundry Creditors include ₹ 173.66 million (P.Y. ₹ 2858.08 million) being notional value of 63 Kgs. (P.Y. 1017 Kgs.) of gold taken on loan from foreign suppliers and issued to the Customers of the Company on loan basis.

There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2014.

5.3 OTHER CURRENT LIABILITIES

				(₹ in million)
	31-03-2014		31-03-2012	
a.Interest accrued but not due on borrowings		**33.99**		161.12
b. Interest accrued and due on borrowings		**1.47**		0.16
c. Income received in advance		**0.08**		0.05
d. Other payables				
-Forward Cover - Amount Payable to Bank	**5,541.55**		3,340.24	
Less: Foreign Currency Receivable	**5,367.13**		-	
	174.42		3,340.24	
-Sundry Creditors-Others	**80.56**		119.29	
-Advance received from customers	**564.28**		997.79	
-Unpaid Dividend	**0.13**		0.07	
-Despatch payable	**21.45**		39.01	
-Demurrage payable	**65.67**		84.74	
-Credit balance in sundry debtors	**1,358.04**		554.58	
-Security deposit & EMD	**426.95**		244.39	
-Taxes & Employees dues remittance pending	**2,219.41**		1,065.74	
-Salaries & Allowances	**8.93**		9.72	
-Administrative Expenses	**139.99**		194.69	
- Amount payable towards unbilled purchases	**6,022.58**		1,435.09	
-Others (i)	**614.67**	**11,697.08**	747.50	8,832.86
Total		**11,732.62**		**8,994.19**

(i) Includes ₹ 54.65 million (P.Y. ₹ 54.24 million) towards MMTC's share in the expenditure incurred by JV company consequent to decision of promoters to wind up the project due to delay in receipt of environment clearance.

5.4 SHORT TERM PROVISIONS

				(₹ in million)
	31-03-2014		31-03-2013	
A. Employee Benefits				
i. Bonus/Performance related pay	**58.98**		60.60	
ii. Earned Leave	**24.04**		44.87	
iii. Post Retirement Medical Benefit	**70.98**		78.74	
iv. Half Pay Leave	**24.34**		22.06	
v. Gratuity	**0.30**		-	
vi. Superannuation Benefits	**38.46**		66.46	
vii. Service Award	**6.82**		4.98	
viii. Compassionate Gratuity	**0.40**		0.42	
ix. Employees' Family Benefit Scheme	**10.50**		8.96	
x. Others	**-**	**234.84**	0.02	287.11
B. Others				
i. Taxation	**778.57**		810.19	
ii. Proposed dividend	**150.00**		100.00	
iii. Dividend Distribution Tax	**25.49**		-	
iv. Destinational Weight and Analysis Risk	**1.20**		1.38	
v. Corporate Social Responsibility	**-**	**955.26**	-	911.57
Total		**1,190.10**		**1,198.68**

6 NON CURRENT ASSETS

6.1 FIXED ASSETS

6.1.1 Tangible Assets

(₹ in million)

	GROSS BLOCK				DEPRECIATION/ IMPAIRMENT						NET CARRYING VALUE	
	1-4-2013	Addition	Disposals	31-03-2014	Opening balance as at 01-04-2013	Depreciation for the year*	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2014	31-03-2014	31-03-2013
Land freehold												
-Office building	3.66	-	-	3.66	-	-	-	-	-	-	3.66	3.66
-Staff Quarters	1.33	-	-	1.33	-	-	-	-	-	-	1.33	1.33
Land leasehold												
-Office building	39.60	-	-	39.60	11.63	0.50	-	12.13	-	12.13	27.47	27.97
-Staff Quarters	2.67	-	-	2.67	1.09	0.03	-	1.12	-	1.12	1.55	1.58
Building												
-Office Building	127.67	-	0.06	127.60	53.07	2.82	3.38	59.28	0.06	59.21	68.39	74.59
-Staff Quarters	65.72	-	-	65.72	51.83	1.27	-	53.09	-	53.09	12.63	13.89
-Water supply, Sewerage & Drainage	9.46	0.02	-	9.48	9.34	0.06	-	9.40	-	9.40	0.09	0.12
-Electrical Installations	18.21	0.04	-	18.25	15.86	0.38	0.16	16.40	-	16.40	1.84	2.35
-Roads & Culverts	3.58	-	-	3.58	2.41	0.03	0.77	3.21	-	3.21	0.37	1.17
-Audio/Fire/Airconditioning	12.52	0.15	0.43	12.24	12.37	0.05	-	12.41	0.42	12.00	0.24	0.15
Plant & Equipment	796.15	5.97	5.88	796.24	286.55	41.08	6.57	334.20	2.12	332.08	464.16	509.61
Furniture & Fixtures												
-Partitions	24.97	0.04	1.59	23.41	24.52	0.03	-	24.55	1.59	22.96	0.46	0.46
-Others	49.57	1.53	0.55	50.55	46.48	2.06	-	48.54	0.53	48.01	2.54	3.09
Vehicles	22.65	0.00	1.08	21.58	20.23	1.32	-	21.55	1.08	20.47	1.10	2.43
Office Equipments	56.73	2.01	1.27	57.48	45.67	3.60	-	49.27	1.24	48.03	9.45	11.06
Others:-	-	-	-	-	-	-	-	-	-	-	-	-
Railway Wagon Rakes	553.64	-	-	553.64	366.32	55.36	-	421.69	-	421.69	131.96	187.32
Railway Loop Line at BNHT	26.17	-	-	26.17	26.17	-	-	26.17	-	26.17	0.00	0.00
Warehouse	34.11	-	-	34.11	18.04	1.36	-	19.41	-	19.41	14.71	16.07
Computer/ Data Processors	174.37	5.89	2.24	178.02	166.48	5.22	-	171.70	2.22	169.48	8.54	7.89
Total	**2,022.79**	**15.64**	**13.10**	**2,025.34**	**1,158.05**	**115.17**	**10.88**	**1,284.10**	**9.26**	**1,274.85**	**750.49**	**864.73**
Last Year	**2,023.85**	**12.25**	**13.32**	**2,022.79**	**1,051.23**	**119.48**	**-**	**1,170.71**	**12.66**	**1,158.05**	**864.73**	

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

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

(c) Residential flats includes 41 shares (P.Y. 41 shares) of Cooperative Group Housing Society of the value of ₹ 0.002 million (PY ₹ 0.002 million). Conveyance of some of the flats of the original value as on 31.03.2014 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed.

(c) Cost of Office Building on lands not owned by the Company is ₹ 6.24 million (P.Y. ₹ 6.24 million) and provision for depreciation is ₹ 3.45 million (P.Y. ₹ 3.32 million)

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

(e) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million (P.Y. ₹ 11.63 million) & accumulated depreciation of ₹ 6.30 million (P.Y. ₹ 5.84 million) constructed on the leasehold land at Paradip which expired on 20.11.2011 Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

(f) * Includes ₹ 1.04 million and 0.98 million on account of accumulated depreciation in respect of Plant & Machinery transferred by RO Ahmedabad to DRO and Mumbai respectively. Further an amount of ₹ 0.19 million accumulated depreciation upto 31.03.2013 transferred from Intangible Assets.

(g) The company has carried out the assessment of impairment of assets & provision towards impairment loss in value of assets amounting to ₹ 10.88 million (P.Y. ₹ NIL million) has been made during the year.

6.1.2 Intangible Assets

(₹ in million)

	Gross Block						Amortisation						Net Carrying Value	
	1-4-2013	Addition	Additions through Business Combinations	Other adjustments	Disposals	31-03-2014	Opening balance as at 01-04-2013	Amortisation for the year	Impairment / (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2014	31-03-2014	31-03-2013
Computer software	2.05	0.54	-	0.19	-	2.41	0.41	0.38	-	0.79	0.19	0.60	1.81	1.64
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**2.05**	**0.54**	**-**	**0.19**	**-**	**2.41**	**0.41**	**0.38**	**-**	**0.79**	**0.19**	**0.60**	**1.81**	**1.64**
Last Year	**0.19**	**1.86**	**-**	**-**	**-**	**2.05**	**0.19**	**0.22**	**-**	**0.41**	**-**	**0.41**	**1.64**	

Deductions include an amount of ₹ 0.19 million accumulated depreciation upto 31.03.2013 transferred to Tangible Assets.

6.1.3 Capital work-in-progress

(₹ in million)

	Assets					Depreciation / Impairment						Net carrying value	
	1-4-2013	Addition	Other Adjustments	Disposals	31-03-2014	Opening balance as at 01-04-2013	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2014	31-03-2014	31-03-2013
Building													
-Building Under Construction	6.71	-	-	-	6.71	6.71	-	-	6.71	-	6.71	-	-
-Electrical Installations	6.70	-	-	-	6.70	6.70	-	-	6.70	-	6.70	-	-
-Roads & Culverts	0.47	-	-	-	0.47	0.47	-	-	0.47	-	0.47	-	-
Computer	0.09	-	0.09	-	-	-	-	-	-	-	-	-	0.09
Plant & Equipment	13.80	-	-	-	13.80	13.80	-	-	13.80	-	13.80	-	-
Development of Gomia Coal Block	54.86	10.58	-	-	65.43	-	-	-	-	-	-	65.43	54.86
Total	**82.63**	**10.58**	**0.09**	**-**	**93.12**	**27.69**	**-**	**-**	**27.69**	**-**	**27.69**	**65.43**	**54.94**
Last Year	**27.69**	**54.94**	**-**	**-**	**82.63**	**27.69**	**-**	**-**	**27.69**	**-**	**27.69**	**54.94**	

6.2 NON CURRENT INVESTMENTS

				(₹ in million)
	31-03-2014		31-03-2013	
I. TRADE INVESTMENTS				
A. Investment Property				
Bandra Kurla Complex		**36.31**		36.31
B. Investment in Equity instrument				
a) Subsidiaries				
MMTC Transnational Pte. Ltd. (Fully paid up 1,461,502 Equity shares of S $ 1 each (P.Y. Fully paid up 1,461,502 Equity shares of S $ 1 each))		**31.45**		31.45
b) Associates				
i. Neelachal Ispat Nigam Limited				
Fully paid up 289,342,744 Equity shares of Rs.10/- each (P.Y. Fully paid up 289,342,744 Equity shares of Rs. 10/- each)	**3,796.85**		3,796.85	
ii. Devona Thermal Power & Infrastructure Ltd.				
Fully paid up 13,000 Equity shares of Rs.10/- each(P.Y. Fully paid up 13,000 Equity shares of Rs.10/- each)	**0.13**	**3,796.98**	0.13	3,796.98
c) Joint Ventures				
i. Greater Noida Integrated Ware- housing Pvt. Ltd.				
Fully paid 2,600 Equity shares of Rs.10/- each (P.Y. Fully paid 2,600 Equity shares of Rs.10/- each)	**-**		0.03	
Less: Provision for Diminution in value of investment	**-**		0.03	
	-		0.00	
ii. Free Trade Ware- housing Pvt. Ltd.				
Fully paid 2,600 Equity shares of Rs.10/- each (P.Y. Fully paid 2,600 Equity shares of Rs.10/- each)		**0.03**	0.03	
iii. MMTC Pamp India Pvt. Ltd.				
Fully paid 17,446,000 Equity shares of Rs.10/- each (P.Y. Fully paid 17,446,000 Equity shares of Rs.10/- each)		**174.46**	174.46	
iv. SICAL Iron Ore Terminal Limited				
Fully paid 33,800,000 Equity shares of Rs.10/- each (P.Y. Fully paid 33,800,000 Equity shares of Rs.10/- each)		**338.00**	338.00	
v. MMTC Gitanjali Limited				
Fully paid 2,987,400 Equity shares of Rs.10/- each (P.Y. Fully paid 2,987,400 Equity shares of Rs.10/- each)		**29.87**	29.87	
vi. Indian Commodity Exchange Limited				
Fully paid 52,000,000 Equity shares of Rs.5/- each (P.Y. Fully paid 52,000,000 Equity shares of Rs.5/- each)	**260.00**		260.00	
Less: Provision for Diminution in value of investment	**241.10**	**18.90**		
vii TM Mining Company Limited				
Fully paid 39,000 Equity shares of Rs.10/- each (P.Y. Fully paid 26,000 Equity shares of Rs.10/- each)		**0.39**	0.26	802.62
d) Others				
i. Indo French Biotech Limited				
Fully paid 4,750,000 Equity shares of Rs.10/- each (P.Y. Fully paid 4,750,000 Equity shares of Rs.10/- each)	**47.50**		47.50	
Less: Provision for Diminution in value of investment	**47.50**	**0.00**	47.50	
			0.00	
ii. United Stock Exchange Limited				
Fully paid 30,000,000 Equity shares of Rs.1/- each (P.Y. Fully paid 30,000,000 Equity shares of Rs.1/- each)	**-**	**30.00**	30.00	30.00
C. Others				
Advance against Equity pending allotment				
(TM Mining Company Limited)		**0.18**	-	
		-		-
Total		**4,456.57**		**4,697.36**

(i) All Non Current Investments are carried at cost less provision for permanent diminution in value, if any. The company is not having any quoted investments. Aggregate amount of un-quoted investments is ₹ 4708.86 million (P.Y. ₹ 4708.57 million). Aggregate amount of provision for diminution in value of investments is ₹ 288.60 million (P.Y. ₹ 47.53 million).

(ii) The Company has invested ₹ 338.00 Million (P.Y ₹ 338.00 Million) towards 26% equity in SICAL Iron ore Terminal Limited (SIOTL), a Joint Venture of MMTC for the construction and operation of iron ore terminal at Ennore Port .While the construction of terminal has been completed by November 2010, due to restrictions on mining, transportation and export of iron ore and proposal for modification and conversion of the facility for handling of coal through Kamarajar Port Limited (KPL) (erstwhile known as Ennore Port Limited) is under consideration of Government and upon receipt of its approval, necessary modification for Coal handling would be completed within 12 months in stages and operations can commence thereafter.

(iii) Against investment of ₹ 260 million (P.Y. ₹ 260 million) in Indian Commodity Exchange Limited towards 26% equity, a provision of ₹ 241.10 million (P.Y. ₹ NIL million) towards permanent diminution in value of investment has been made during the year 2013-14 due to erosion in net worth of ICEX by 92.73%.

6.3 DEFERRED TAX ASSETS (NET)

			(₹ in million)
Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2013	Credit / (Charge) during 2013-14	Deferred Tax asset / (Liability) as at 31.3.2014
Depreciation	(176.69)	17.46	(159.23)
Prov. For Doubtful debts	1,612.71	791.18	2,403.89
DWA Risk	0.45	(0.45)	-
VRS Expenses	17.60	(0.70)	16.90
Interest received from IT Deptt.	0.16	(0.16)	-
Others	0.01	(0.01)	-
TOTAL	**1,454.24**	**807.32**	**2,261.56**

6.4 LONG TERM LOANS AND ADVANCES

				(₹ in million)
	31-03-2014		**31-03-2013**	
A. SECURITY DEPOSITS				
I. Secured, considered good	**49.46**		49.46	
II. Unsecured, considered good	**17.63**		36.73	
III. Doubtful	**47.49**		37.45	
Sub-total	**114.58**		123.64	
Less: Provision for bad and doubtful advances	**47.49**	**67.09**	37.45	86.19
B. LOANS AND ADVANCES TO RELATED PARTIES				
I. Secured, considered good	**-**		-	
II. Unsecured, considered good	**10.25**		3.56	
III. Doubtful	**4.85**		4.85	
Sub-total	**15.10**		8.42	
Less: Provision for bad and doubtful advances	**4.85**	**10.25**	4.85	3.56
C. OTHER LOANS AND ADVANCES				
I. Secured, considered good				
Loans & Advances to PSUs/Other Companies	**88.38**		2.19	
Interest Accrued & Due/ Not Due	**-**		3.48	
Loans to Employees	**180.35**		186.86	
II. Unsecured, considered good				
Loans & ad. to PSUs/Other Companies	**229.60**		210.85	
Interest Accrued & Due/ Not Due	**39.76**		73.09	
Loans to Employees	**97.63**		91.04	
Others	**55.06**		472.55	
III. Doubtful	**2,362.73**		249.90	
Sub-total	**3,053.51**		1,289.96	
Less: Provision for bad and doubtful advances	**2,362.73**	**690.79**	249.90	1,040.06
TOTAL		**768.12**		**1,129.81**

Out of the above amount due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member is ₹ 0.19 million (P.Y. ₹ 0.70 million).

6.5 OTHER NON-CURRENT ASSETS

				(₹ in million)
	31-03-2014		31-03-2013	
Long Term Trade Receivables				
i. Considered good (Secured against hypothecation of assets/ mortgage of title deeds and Bank Guarantees)	-		-	
ii. Unsecured Considered good	**14.60**		17.43	
iii. Considered doubtful	**4,117.93**		4,168.52	
Sub-total	**4,132.53**		4,185.95	
Less : Provision for bad and doubtful receivables	**4,117.93**	**14.60**	4,168.52	17.43
TOTAL		**14.60**		**17.43**

7 CURRENT ASSETS

7.1 CURRENT INVESTMENTS

				(₹ in million)
	31-03-2014		31-03-2013	
A. Investment in Mutual Funds (Quoted)				
i. IDBI Mutual Fund-Liquid Fund (Daily Dividend)				
NIL(P.Y. 150000 units of ₹ 1000/- each)	-		150.00	
ii. SBI Premier Liquid Fund-Direct Plan-Daily Dividend.				
558185.8958 units of ₹ 1003.25/- each (P.Y.NIL)	560.00	**560.00**	-	150.00
B. Investment in Government or trust securities				
9% Govt. Stock 2013		-		0.03
Total		**560.00**		**150.03**

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

Aggregate market value of quoted investments as on 31.03.2014 ₹ 560.49 million (P.Y. ₹ 150.05 million) against cost of ₹ 560.00 million (P.Y. ₹ 150.00 million).

Aggregate amount of un-quoted investments is ₹ NIL million (P.Y. ₹ 0.03 million).

7.2 INVENTORIES

				(₹ in million)
	31-03-2014		31-03-2013	
A. Raw materials	**260.13**		100.48	
B. Finished goods	**626.60**		845.32	
C. Stock-in-trade	**2,196.64**		7,941.79	
(includes goods in transit valued at ₹ 843.55 million (P.Y. ₹ 1996.69 million)				
D. Packing Materials	**0.25**	**3,083.62**	0.65	8,888.24
Total		**3,083.62**		**8,888.24**

As taken, valued and certified by the management.

Inventories including goods in transit are valued at lower of the cost or realizable value as on 31st March 2014. Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 76.53 million (P.Y ₹ 7.39 million) during the year.

7.3 **TRADE RECEIVABLES**

				(₹ in million)
	31-03-2014		31-03-2013	
A. Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment				
i. Secured, Considered good	**2,367.48**		3,969.65	
ii. Unsecured Considered good	**657.72**		984.60	
iii. Doubtful	**202.17**		152.08	
	3,227.37		5,106.34	
Less: Provision for bad and doubtful debts	**202.17**	**3,025.20**	152.08	4,954.25
B. Other Trade Receivables				
i. Secured, Considered good	**1,044.46**		5,029.38	
ii. Unsecured Considered good	**13,271.51**		12,257.32	
iii. Doubtful	**-**		17.10	
	14,315.97		17,303.80	
Less: Provision for bad and doubtful debts	**-**	**14,315.97**	17.10	17,286.71
Total		**17,341.17**		**22,240.97**

7.4 **CASH AND BANK BALANCES**

				(₹ in million)
	31-03-2014		31-03-2013	
a. Cash and cash equivalents				
-Cheques, Drafts on hand		**0.80**		563.73
-Cash on hand		**0.06**		0.02
-Balances with Banks				
(a) in Current Account	**53.62**		236.06	
(b) in Cash Credit Account	**18.55**		427.53	
(c) in Term Deposits with original maturity upto 3 months	**3,201.32**	**3,273.49**	2,683.75	3,347.34
b. Other Balances with Banks				
-As Margin money/under lien	**3.00**		3.00	
-in term deposits with original maturity more than 3 months and upto 12 months	**1,449.22**		10,685.30	
-in term deposits with original maturity more than 12 months	**0.13**	**1,452.35**	1.13	10,689.42
Total		**4,726.70**		**14,600.51**

Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments ₹ 4.76 million (P.Y. ₹ 3.00 million).

Balances with banks includes ₹ 0.13 million (P.Y. ₹ 0.07 million) for unpaid dividend.

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

7.5 SHORT TERM LOANS AND ADVANCES

				(₹ in million)
	31-03-2014		31-03-2013	
A Others				
i. Bills Receivable	-		884.39	
Less: Bills Discounted	-		-	
Secured -Considered good		-		884.39
ii. Advance recoverable in cash or kind				
Secured -Considered good	**251.23**		3,210.55	
Unsecured -Considered good	**5,519.86**		5,610.60	
Doubtful	**211.28**		275.00	
	5,982.36		9,096.15	
Less : Provision for Bad and Doubtful loans and advances	**211.28**	**5,771.09**	275.00	8,821.14
iii. Advance to Suppliers				
Secured -Considered good	-		-	
Unsecured -Considered good	**167.97**		230.94	
Doubtful	**98.26**		35.16	
	266.23		266.11	
Less : Provision for Bad and Doubtful loans and advances	**98.26**	**167.97**	35.16	230.95
iv. Income Tax (including advance income tax, TDS, refund due and VAT)				
Unsecured -Considered good		**932.17**		1,205.04
Total		**6,871.23**		**11,141.52**

Due by directors and other officers (Chief General Managers and Company Secretary) ₹ 0.12 million (P.Y. ₹ 0.10 million)

7.6 OTHER CURRENT ASSETS

				(₹ in million)
	31-03-2014		31-03-2013	
Deferred Premium	**46.23**		304.22	
Gold/Silver stock towards unbilled purchases	**6,022.58**		1,435.08	
	6,068.81		1,739.31	
Less: Provision for doubtful amount, if any	-	**6,068.81**	-	1,739.31
Total		**6,068.81**		**1,739.31**

8 REVENUE FROM OPERATIONS

				(₹ in million)
	2013-14		2012-13	
a. Sale of products		**250,706.69**		284,128.92
b. Sale of services		**39.62**		27.31
c. Other operating revenue				
-Despatch earned	**1.31**		6.92	
-Claims	**1,903.97**		1,401.32	
-Subsidy	-		294.86	
-Other Trade Income	**44.87**	**1,950.15**	134.78	1,837.88
		252,696.46		285,994.11
Less:				
d. Excise Duty	**1.37**	**1.37**	10.52	10.52
Total		**252,695.09**		**285,983.59**

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

9 OTHER INCOME

				(₹ in million)
	2013-14		2012-13	
a. Interest				
-Interest on fixed deposits	**837.47**		1,931.52	
-Interest from customers on amount overdue	**29.97**		38.61	
-others	**510.07**	**1,377.51**	826.34	2,796.48
b. Dividend				
-from subsidiary company	**-**		101.76	
-others	**32.64**	**32.64**	12.75	114.51
c. other non operating income (net of expenses directly attributable to such income)				
-Staff Quarters Rent	**5.88**		5.61	
-Misc Receipts *	**230.86**		110.21	
-Liabilities Written Back	**572.12**		150.74	
-foreign exchange gain	**4.38**	**813.24**	1.50	268.07
Total		**2,223.39**		**3,179.06**

* Includes Rental Income of ₹ 31.24 million (P.Y. ₹ 31.97 million) from investment property at Bandra Kurla Complex, Mumbai shown under note 6.2 'Non Current Investment'.

10 COST OF MATERIAL CONSUMED

				(₹ in million)
	2013-14		2012-13	
Raw Material		**1,586.70**		2,677.61
Consumables		**26.40**		-
Total		**1,613.10**		**2,677.61**

11 PURCHASES OF STOCK-IN-TRADE

				(₹ in million)
Product Groups	2013-14		2012-13	
a) Purchase				
Precious Metals	**83,172.77**		127,402.95	
Metals	**14,960.34**		14,602.49	
Fertilizers	**39,647.85**		18,923.20	
Minerals	**22,498.71**		15,141.85	
Agro Products	**23,584.47**		38,788.04	
Coal and Hydrocarbons	**37,890.66**		50,241.55	
General Trade	**-**	**221,754.80**	9.12	265,109.19
b) Stock received/issued in kind				
Precious Metals		**(40.96)**		(19.85)
Total		**221,713.84**		**265,089.34**

12 CHANGES IN INVENTORIES

				(₹ in million)
	2013-14		2012-13	
A. FINISHED GOODS				
Opening Balance	**946.45**		1,625.58	
Closing Balance	**945.09**		946.45	
Change in inventory of Finished Goods		**1.36**		679.13
B. STOCK-IN-TRADE				
Opening balance	**7,941.08**		7,357.82	
Closing balance	**2,214.75**		7,949.19	
Change in inventory of Stock-in-Trade		**5,726.33**		(591.37)
Total		**5,727.69**		**87.76**

13 EMPLOYEE BENEFITS EXPENSE

				(₹ in million)
	2013-14		2012-13	
Salaries and wages				
Salaries and Allowances	**1,243.59**		1,174.81	
Leave encashment	**124.57**		128.95	
VR expenses	**21.84**		28.45	
Bonus	**0.32**		0.62	
Performance Related pay	**0.29**		6.25	
Medical Expenses	**235.41**		448.99	
Group Insurance	**0.46**		0.16	
Contribution to DLIS	**1.57**	**1,628.05**	1.44	1,789.66
Contribution to provident fund and other funds				
Provident Fund	**96.79**		88.45	
Gratuity Fund	**2.68**		31.68	
Family Pension Scheme	**14.39**		12.05	
Superannuation Benefit	**78.18**	**192.04**	62.77	194.96
Staff Welfare Expenses		**74.88**		44.59
Total		**1,894.97**		**2,029.21**

14 FINANCE COSTS

				(₹ in million)
	2013-14		2012-13	
I. Interest expense		**264.89**		1,407.83
II.Applicable Net gain/loss on foreign currency transactions		**0.05**		0.37
III.Premium on Forward Contract		**404.98**		786.46
Total		**669.92**		**2,194.66**

Interest expense include ₹ 23.33 million (P.Y. ₹. 1.51 million) paid for shortfall in payment of advance income tax.

15 OTHER EXPENSES

				(₹ in million)
	2013-14		2012-13	
A. Operating Expenses				
Freight	**6,938.79**		5,415.86	
Demurrage	**0.29**		1.78	
Clearing, Handling, Discount & Other charges	**3,781.06**		2,052.96	
L/C negotiation and other charges	**5.66**		11.68	
Difference in exchange (i)	**1,046.41**		(192.64)	
Customs duty	**8,139.87**		7,351.55	
Insurance	**30.86**		23.94	
Godown insurance	**11.03**		14.00	
Plot and Godown rent	**8.47**		4.20	
Packing Material	**221.02**		446.68	
Provision for destinational weight and analysis risk	**1.19**	**20,184.67**	1.38	15,131.40
B. Administrative Expenses				
Power & Fuel	**1.67**		1.24	
Rent	**27.32**		27.50	
Rates & Taxes	**15.39**		16.82	
Insurance	**1.72**		1.54	
Repairs to buildings	**49.45**		36.17	
Repairs to machinery	**1.42**		1.14	
Electricity & water Charges	**23.27**		23.16	
Advertisement & Publicity	**16.50**		30.37	
Postage & telegram	**2.41**		1.54	
Telephone	**16.31**		16.49	
Telecommunication	**5.74**		9.07	
Travelling	**43.97**		49.29	
Vehicle	**19.20**		19.31	
Entertainment	**7.06**		6.24	
Legal	**87.79**		43.45	
Auditor's Remuneration (ii)	**6.35**		5.84	
Bank Charges	**5.68**		4.71	
Books & Periodicals	**0.48**		0.57	
Trade	**5.26**		5.01	
Repair & Renewals	**17.76**		18.10	
Computer	**1.15**		0.64	
Subscription	**3.57**		2.88	
Training, Seminar & Conference	**4.09**		5.44	
Professional/Consultancy	**26.22**		21.35	
CSR & Sustainable Development	**6.34**		18.23	
Difference in Exchange	**(21.50)**		(45.39)	
Donations	**-**		-	
Service Tax	**6.90**		3.07	
Prior period items (iii)	**15.17**		(6.12)	
Exhibition, Fair and Sales Promotion	**17.15**		37.96	
Bad Debts/Claims/Assets written off/withdrawan	**10.74**		0.70	
Provision for Bad & Doubtful Debts/Claims/Advances	**12.74**		62.53	
Miscellaneous expenses	**66.72**	**510.51**	114.54	540.56
Total		**20,695.18**		**15,671.95**

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

(a) Deferred forward premium of ₹ 48.84 million (P.Y. ₹ 304.22 million) for imports and ₹ (2.61) million (P.Y. ₹ NIL million) for exports is to be recognized in the Profit & Loss Account of the subsequent accounting year.

(ii) Amount paid to auditors'

		2013-14		2012-13
				(₹ in million)
As Auditor		**3.04**		2.59
For Taxation Matters		**1.49**		1.15
For Management Services		**-**		0.03
For Other Services		**1.79**		1.66
For Reimbursement of Expenses		**0.03**		0.41
Total		**6.35**		**5.84**

(iii) Prior period items

		2013-14		2012-13
				(₹ in million)
Expenditure				
Cost of sales		**60.77**		383.52
Salaries & wages		**(0.90)**		-
Administrative Expenses		**3.03**		0.69
Interest		**0.09**		4.09
Depreciation		**-**		(1.62)
Others		**29.81**		11.10
Sub-Total		**92.79**		397.77
Income				
Sales		**57.34**		349.10
Interest		**3.21**		0.38
Other Receipts		**17.08**		54.42
Sub-Total		**77.63**		403.90
Total (Net)		**15.17**		**(6.12)**

16 EXCEPTIONAL ITEMS

		2013-14		2012-13
				(₹ in million)
Write-down of inventories to net realisable value and its reversal		**76.53**		7.39
Disposals of items of fixed assets		**(0.71)**		(0.46)
Provision for permanent diminution in investment		**241.10**		-
Litigation settlements		**17.10**		144.63
Provsions no longer required		**(103.45)**		(24.42)
Total		**230.57**		**127.15**

17 EXTRAORDINARY ITEMS

Extraordinary items represent:

i. Consequent upon receipt of final report of special audit conducted by a firm of Chartered Accountants provision of ₹ NIL million (P Y ₹ 155.44 million) made in the books of accounts against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at Regional Office, Chennai relating to Bullion transactions. The credit balance of ₹ 68.40 million (P.Y. ₹ 13.40 million) and debit balance of ₹ 51.00 million(P.Y. ₹ 48.02 million) is yet to be reconciled but full provision against the debit balance has been made. The Company has also filed a complaint with CBI who has since registered two separate FIRs and started detailed investigations. Also Directorate of Enforcement has registered an offence under Prevention of Money Laundering Act, 2002 against two ex-officials and two debtors.

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

iii. The Company has made provision of ₹ 2104.42 million (P.Y ₹ NIL) in the books of accounts against total amount of ₹ 2106.38 million recoverable as on 31.03.2014 from various borrowers and National Spot Exchange (NSEL) arising on account of default in payment obligation of NSEL. An amount of ₹ 1.96 Million has subsequently been realized upto 15th May, 2014. The Company has filed legal suit in Mumbai High Court against NSEL and others and criminal complaint in EOW, Delhi Police which has been transferred to CBI Mumbai.

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

i. VALUE OF IMPORTS

	2013-14	2012-13
		(₹ in million)
CIF value of imports		
Goods-in-Trade	**160,033.60**	198,972.04
Raw Materials	**1,582.76**	2,684.15
Total	**161,616.36**	201,656.19

ii. EXPENDITURE IN FOREIGN CURRENCY

EXPENDITURE	2013-14	2012-13
		(₹ in million)
Interest	**21.41**	773.99
Foreign Offices	**7.25**	4.91
Foreign Tours	**5.50**	8.86
Despatch/ Demurrage	**78.78**	38.62
Load Port Supervision Charges	**11.52**	2.59
Watchman Charges	**-**	0.23
Ocean Freight	**945.59**	857.75
Agency Commission	**-**	2.45
Other matters:-	**1.77**	-
Total	**1,071.82**	**1,689.41**

iii. EARNINGS IN FOREIGN CURRENCY

EARNINGS	2013-14	2012-13
		(₹ in million)
FOB value of goods exported	**39,116.58**	29,792.32
Interest and Dividends	**-**	101.76
Despatch/ Demurrage	**21.96**	23.62
Others	**68.02**	88.97
Total	**39,206.56**	**30,006.68**

iv. CONSUMPTION OF RAW MATERIALS, SPARE PARTS AND COMPONENTS

EARNINGS	2013-14		2012-13	(₹ in million)
	Raw Materials	**Spare Parts & Components**	**Raw Materials**	**Spare Parts & Components**
IMPORTED				
i. Value	**1,582.76**	**-**	2,654.17	-
ii. As % of total	**99.75**	**-**	99.12	-
INDIGENOUS				
i. Value	**3.95**	**-**	23.43	-
ii. As % of total	**0.25**	**-**	0.88	-
TOTAL VALUE	**1,586.70**	**-**	**2,677.61**	-

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

(i) Contingent Liabilities:

a) Guarantees issued by Banks on behalf of the Company ₹ 3654.78 million (P.Y. ₹ 4448.26 million) and Corporate Guarantee amounting to ₹ 3361.56 million (P.Y. ₹ 2017.15 million) in favour of customer have been given towards performance of contract against which backup guarantees amounting to ₹ 7152.38 million have been obtained from associate suppliers.

b) Corporate Guarantees of ₹ 13793.70 million (P.Y. ₹ 14409.10 million) given by the company in favour of financial institutions/banks on behalf of Neelachal Ispat Nigam Limited (NINL), steel plant jointly setup by the Company for securing principal and interest in respect of loans to NINL.

c) Claims against the Company not acknowledged as debts ₹. 3652.51 million (P.Y. ₹ 2274.05 million).

d) Letters of Credit opened by the Company remaining outstanding ₹ 6642.69 million (P.Y. ₹ 5606.86 million).

e) Sales Tax Demand of ₹ 2445.44 million (P.Y. ₹ 988.89 million) in dispute against which ₹ 192.94 million (P.Y. ₹ 115.96 million) has been deposited and ₹ 0.74 million (P.Y. ₹ 6.74 million) covered by bank guarantees.

f) Service Tax demand in respect of business auxiliary service amounting to ₹ 809.70 million (P.Y. ₹ 486.48 million).

g) A backup supplier of steam coal has claimed an amount of ₹ 504.30 million (P.Y. ₹ NIL million) towards increased railway freight, belt sampling rejection, rake rejection and interest for delayed payment in relation to Coal Supply on back to back basis to a customer during 2011-12 to 2012-13 which has been disputed by the customer.

h) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 7615.00 million as on 31.03.2014 (PY ₹ 1697.08 million).

i) A party has claimed an amount of **₹** 4716.93 million ($ 78.72 million translated @ ₹ 59.92 being the closing rate of exchange as on 31.03.2014) (PY ₹ 4273.71 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, towards non lifting of part quantity of coking coal in respect of supplies to M/s NINL on back to back terms, relating to delivery period 2008-09. MMTC also lodged counter claim for non-supply of coking coal for the year 2009-10. The matter was under arbitration, the proceedings of which have been completed. The award has since been received on 21st May, 2014. Two of the three arbitrators have given majority award against the company and the third arbitrator has given minority award in favour of the company. The award is being legally examined and based on the legal advice further action for challenging the same in Delhi High Court shall be taken within the stipulated period. The liability, if any, on this account shall be to the account of NINL.

j) Custom department have raised demand of ₹ 620.17 million (P.Y. ₹ 1850.13 million) at various RO's on account of differential custom duty/interest/penalty etc. on import of Steam Coal supplied by the company to Power utilities through associate suppliers on back to back terms on fixed margin basis. The liability if any on account of custom duty shall be to the account of the backup supplier.

k) Excise duty demand of ₹ 96.59 million (P.Y. ₹ NIL million) for which company has already represented before Excise Department.

l) Demand of custom duty/penalty etc. of ₹ 256.99 million (P.Y. ₹ 241.12 million) in respect of import of RBD Palm Oil against target plus license. Firm liability in respect of the same has been withdrawn during the current year based on the order of CESTAT staying recovery of the said demand and waiving the pre-deposit by virtue of prima facie case in favour of the company.

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

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

(ii) Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for **₹** 9.75 million (P.Y. ₹ 2.82 million).

GENERAL DISCLOSURES:-

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

				(₹ in million)
Items	**31-03-2014**		**31-03-2013**	
	Qty.(kgs)	**Value**	**Qty.(kgs)**	**Value**
Gold	2,218.00	5,956.10	434.00	1,354.48
Gold Jewellery	-	5.40	-	6.87
Silver	1,550.00	61.08	1,475.00	73.74

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

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

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

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

ii. Post Retirement Medical Benefit (PRMB) – Available to retired employees at empanelled hospitals for inpatient treatment and also for OPD treatment subject to a ceiling fixed by the Company. The DPE guidelines provides for creation of separate corpus for employees retired prior to 01.01.2007 and those retiring after 01.01.2007. The Company is having as existing Post Retirement Medical Scheme. The Company has been providing liabilities based on Actuarial Valuation as per the scheme.

During the current year Company has taken decision to create a corpus and its management through a trust which will be implemented from 2014-15 and accordingly notified a revised scheme for employees retired prior to 01.01.2007. After creation of trust and corpus, contribution to the corpus will be regulated in accordance with the DPE guidelines from 2014-15.

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

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

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

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

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

v. Provident Fund – The Company's contribution paid/payable during the year to Provident Fund is recognized in the Statement of Profit & Loss. The Company's Provident Fund Trust is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trusts vis-à-vis statutory rate. The company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment.

vi. Pension Scheme – During the year, the Company has recognized ₹ 78.17 million (P.Y. ₹ 62.77 million) towards Defined Contribution Superannuation Pension Scheme in the Statement of Profit & Loss.

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

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

					(₹ in million)	
Sl.No.	**Particulars**	**Gratuity**	**Earned Leave**	**Sick Leave**	**Post Retirement Medical Benefit**	**Long Service Benefits**
(i)	Present value of projected benefit obligations as at 01/04/2013	756.54	275.30	187.53	1286.21	112.93
(ii)	Interest cost	60.52	23.40	15.94	109.33	
(iii)	Current service cost	9.88	12.33	8.76	17.94	
(iv)	Benefit paid	59.09	84.14	6.70	64.03	
(v)	Actuarial(gain)/loss	(3.14)	36.08	8.32	18.87	3.97
(vi)	Present value of obligation as at 31st March,2014 (i+ii+iii-iv+v)	764.71	262.97	213.85	1368.32	116.90

(b) Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2014:

					(₹ in million)	
Sl.No.	**Particulars**	**Gratuity**	**Earned Leave**	**Sick Leave**	**Post Retirement Medical Benefit**	**Long Service Benefits**
(i)	Service cost	9.88	12.33	8.76	17.94	-
(ii)	Interest cost	60.52	23.40	15.94	109.33	-
(iii)	Actual return on plan assets	66.38	-	-	-	-
(iv)	Net Actuarial (gain) /loss recognized in the period	(3.14)	36.08	8.32	18.87	3.97
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	0.89	71.81	33.03	146.14	3.97

(c) Changes in the fair value of planned assets

(₹ in million)

	GRATUITY
Fair value of plan assets as at 1.4.2013	759.88
Actual return on plan assets	66.38
Contribution by employer	12.37
Benefit paid	59.09
Actuarial gain/(loss)	-
Fair value of plan assets as at 31.3.2014	779.54

(d) Effect of one percentage point change in the assumed inflation rate in case of valuation of benefits under Post retirement Medical Benefit Scheme:

Sl.No.	Particulars	One percentage Increase in inflation rate	One percentage decrease in inflation rate
i)	Effect on the aggregate of the service cost and interest cost	6.69	(9.68)
ii)	Effect on defined benefit obligation	165.35	(135.09)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2014
(i)	Discount rate (Per Annum)	8.00% -Gratuity 8.50% - Others
(ii)	Future cost increase	6.00%- Gratuity 6.50% - Others
(iii)	Retirement age	60 Years
(iv)	Mortality table	IALM (2006-08)
(v)	Withdrawal rates	1% to 3% depending upon Age

(f) In case of gratuity, the Company has taken policy from LIC to discharge its obligation and expenses are recognized based on Actuarial Valuation done by LIC.

(g) Present value of obligation in respect of Post Retirement Medical Benefit amounted to ₹ 1368.32 million (P.Y. ₹ 1286.21 million) as on 31.03.2014 as per Actuarial Valuation and accordingly liability has been created in terms of AS-15. The Company has also obtained second Actuarial Valuation of present value of obligation as on 31.03.2013 for the purpose of allocation of corpus between employees retired prior to 01.01.2007 and retiring after 01.01.2007. The effect of change in present value of obligation as on 31.03.2013 from ₹ 1286.21 million to ₹ 1150.31 million as reflected in the second actuarial valuation has been duly considered under 'Actuarial gain and losses in the actuarial valuation done as at 31.03.2014 and accounted for accordingly.

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

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

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

a) Key Management Personnel

i.	Shri D.S. Dhesi	Chairman-cum Managing Director
ii.	Shri Ved Prakash	Director
iii.	Shri Rajeev Jaideva	Director
iv.	Shri M.G. Gupta	Director
v.	Shri Anand Trivedi	Director
vi.	Shri P.K.Jain	Director (w.e.f. 15.05.2013)

b) <u>Subsidiary</u>

MMTC Transnational Pte. Ltd., Singapore

c) <u>Associate</u>

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

d) <u>Joint Ventures</u>

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

B. Details of transactions during the year 2013-14 **(₹ in million)**

Particulars	Subsidiary	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	12125.46	15490.51	5091.56		32707.53
Sale of goods	3548.69	10809.91	99.47		14458.07
Discount Received	16.30				16.30
Sale of fixed assets					-
Dividend Received					-
Finance including loans and equity contribution in cash or in kind					-
Corporate Guarantees					-
Other payment Demurrage / Dispatch					-
Other receipt Demurrage / Dispatch	2.50				2.50
Remuneration				18.43	18.43
Outstanding Balance					-
Receivable	480.12	6489.71		0.28	6970.11
Payable	497.52	4.82	1.14		503.48

26. Earning per Share:

Particulars	2013-14		2012-13	
	Before Extraordinary Item	After Extraordinary Item	Before Extraordinary Item	After Extraordinary Item
Profit after Tax (₹ in million)	1575.55	186.42	944.57	(706.24)
Total number of Equity Shares (million)	1000	1000	1000	1000
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share) (P.Y. Face value ₹ 1/ per share)	1.58	0.19	0.94	(0.71)

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

(₹ in million)

Sl. No	Name of the Joint Venture Company	% of Company's ownershipInterest	Country of Incorporation	Assets	Liabili-ties	Income	Expenditure	Cont. Liabilities	Capital Commit-ments
1	Free Trade Warehousing Pvt. Ltd.	26	India	151.35	148.28	0.50	0.29	10.52	-
2	Greater Noida Integrated Warehousing Pvt. Ltd.	26	India	-	0.02	-	0.01	-	-
3	MMTC Pamp India Pvt. Ltd.	26	India	1689.35	1349.34	23352.21	23036.60	10.59	14.10
4	Sical Iron Ore Terminal Ltd.	26	India	1346.40	1008.48	-	-	0.28	87.36
5	MMTC Gitanjali Ltd.	26	India	89.53	62.49	82.84	85.71	1.09	-
6	Indian Commodity Exchange Ltd.	26	India	91.45	44.63	14.73	36.86	-	-
7	TM Mining Company Ltd.	26	India	0.02	0.07	-	0.11	-	-
8	Blue Water Iron Ore Terminal Pvt. Ltd.*	18	India	0.17	0.53	-	0.31	-	-

* Un-audited

28. As required by Accounting Standard(AS) 28 " Impairment of Assets " notified by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets & provision towards impairment loss in value of assets amounting to ₹ 10.88 million (P.Y. ₹ NIL million) has been made during the year.

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

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.13	Adjustment during year	Addition during year	Closing Balance as on 31.03.14
Destinational Weight & Analysis Risk	1.38	1.38	1.19	1.20
Bonus/PRP	60.60	2.22	0.60	58.98
Superannuation Benefit	66.46	106.18	78.18	38.46
Provision for Taxation	810.19	810.19	778.57	778.57
Proposed Dividend	100.00	100.00	150.00	150.00
Tax on Proposed Dividend	-	-	25.49	25.49

30. Income tax of ₹ 931.62 million (P.Y. ₹ 1204.71 million) under the head Short Term Loans and Advances consists of ₹ 366.63 million (P.Y. ₹ 357.23 million) paid to Income Tax Department against the disputed demands of ₹ 592.96 million (P.Y. ₹ 367.16 millions) for various assessment years and advance tax/TDS of ₹ 564.99 million (PY ₹ 847.48 million) towards income tax liability for financial years 2013-14. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.

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

32. The company had imported pulses on the directives of the Govt. of India during the year 2007-08 to 2010-11. The Government has allowed reimbursement of losses up to 15% of landed cost and trading margin @ 1.2% of CIF value. An amount of ₹ 165.53 million (P.Y. ₹ 165.53 million) on account of claim lodged during 2011-12 which is within 15% of landed cost, is yet to be received. Further an amount of ₹ 27.40 million is also shown recoverable from GOI which has been deducted towards interest on excess payment made by GOI during 2008-09. The scheme was discontinued w.e.f. 2011-12.

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

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

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

Loanee	Balance as at 31.03.2014	Maximum outstanding during the year
Neelachal Ispat Nigam Ltd.	₹ 0.03 million	₹ 3.93 million
	(P.Y. ₹ 3.56 million)	(P.Y. ₹ 3.56 million)

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

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

36. At Regional Office, Mumbai, during the year 2011-12, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 32.63 million (P.Y. ₹ 29.64 million) without making delivery of the material (copper). However, the company has obtained an interim stay restraining the bank from making the payment under the letter of credit with undertaking to pay interest from due date of payment. The same supplier is also fraudulently holding on to the master bills of lading of another shipment of copper which would enable the Regional Office, Mumbai to take delivery and possession of goods valued at ₹ 85.98 million (P.Y. ₹ 85.98 million), already paid for and received at the Indian port whose legal judgment is expected soon. Against this the company is holding EMD of ₹ 44.51 million from the backup customer.

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

38. The Company has incurred an amount of ₹ 65.43 million (P.Y ₹ 54.86 million) on development of Gomia Coal Block allotted to the company in the year 2006 which has been shown under 'Capital Work in Progress'. During the year, the Ministry of Coal has demanded a bank guarantee of ₹ 298.00 million from the company due to delay in development of the block. The matter has been taken up with the Ministry of Coal to waive the BG keeping in view Coal Methane Block (CBM) allotted to ONGC in 2002 for gas extraction. The final outcome is awaited.

39. The company has reworded its Accounting Policy No. 2.17 II (i) to read as "Contingent liabilities are not recognized but are disclosed in the Notes to the Accounts. Interest, if any on contingent liabilities are generally not disclosed in the Notes to the Accounts being indeterminable" so as to clarify the accounting practice followed by the Company.

    The above changes have no financial impact on the company.

40. There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2014.

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

42. Whole time Directors are allowed usage of staff cars for private use up to 1,000 km per month on payment of ₹ 2000 per month in accordance with guidelines issued by Department of Public Enterprise (GOI).

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

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

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN: 02200405

(Anand Trivedi)
Director
DIN: 01077784

(D S Dhesi)
Chairman cum Managing Director
DIN: 1433541

Date : 29.05.2014
Place : New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF SEGMENTAL PERFORMANCE FOR THE YEAR 2013-14

(Primary Disclosures)

MMTC LTD

(₹ in million)

Particulars	PRECIOUS METAL		METALS		MINERALS		COAL & HYDROCARBON		AGRO PRODUCTS		FERTILIZERS		GENERAL TRADE/ OTHERS		TOTAL	
SEGMENT REVENUE	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13
External Sales																
- With in India	**91731.34**	136751.69	**4181.21**	11946.75	**2831.84**	1761.27	**55963.48**	56368.35	**17157.48**	29821.26	**37523.58**	17615.33	**87.10**	98.96	**209476.04**	254363.61
- Outside India			**11009.92**	2893.38	**20372.69**	13891.38			**7539.37**	11475.37	**2348.29**	1532.50			**41270.27**	29792.62
Total (A)	**91731.34**	136751.69	**15191.13**	14840.13	**23204.53**	15652.65	**55963.48**	56368.35	**24696.85**	41296.63	**39871.87**	19147.83	**87.10**	98.96	**250746.31**	284156.23
Inter-Segment sales																
- With in India																
- Outside India																
Total (B)																
Total Segment Revenue (A+B))	**91731.34**	136751.69	**15191.13**	14840.13	**23204.53**	15652.65	**55963.48**	56368.35	**24696.85**	41296.63	**39871.87**	19147.83	**87.10**	98.96	**250746.31**	284156.23
Total revenue of each segment as a percentage of total revenue of all segments	**36.58%**	48.13%	**6.06%**	5.22%	**9.25%**	5.51%	**22.32%**	19.84%	**9.85%**	14.53%	**15.90%**	6.74%	**0.03%**	0.03%	**100.00%**	100.00%
Segemental Result																
- With in India	**1297.23**	722.26	**106.04**	295.59	**80.65**	50.48	**510.19**	665.82	**222.60**	329.27	**96.78**	82.57	**76.59**	84.51	**2390.09**	2230.50
- Outside India			**331.79**	89.89	**577.08**	400.92			**144.07**	268.05	**12.76**	8.13			**1065.70**	766.99
Total Segmental Result	**1297.23**	722.26	**437.83**	385.48	**657.72**	451.40	**510.19**	665.82	**366.67**	597.32	**109.54**	90.69	**76.59**	84.51	**3455.79**	2997.48
Unallocated Corporate expenses net of unallocated income															**2319.41**	3220.87
Operating Profit															**1,136.38**	(223.39)
Interest Expenses															**264.89**	1407.83
Interest Income															**1377.51**	2796.47
Income taxes															**(41.84)**	(572.14)
Profit from ordinary activities															**2290.84**	1737.40
Extraordinary loss/Income															**2104.42**	2443.64
Net Profit															**186.42**	(706.24)
OTHER INFORMATION																
Segment assets	**3810.24**	7789.21	**1238.16**	1484.49	**2074.05**	2385.69	**13318.59**	20426.37	**4754.82**	7284.34	**2191.99**	2073.28	**447.37**	499.14	**27835.22**	41942.52
Unallocated Corporate assets															**19134.89**	25038.22
Total assets															**46970.11**	66980.73
Segment Liabilities	**2507.08**	2389.85	**64.73**	355.37	**2337.34**	2422.57	**9825.77**	21438.81	**2383.66**	13781.41	**2181.24**	4137.03	**70.23**	195.95	**19370.05**	44720.99
Unallocated Corporate liabilities															**14181.36**	8851.96
Total liabilities															**33551.41**	53572.95
Segment Capital expenditure		0.83														0.83
Unallocated Capital Expenditure															**20.69**	68.14
Total Capital Expenditure															**20.69**	68.97
Segment Depreciation	**4.28**	2.22			**55.36**	55.36							**36.36**	36.36	**96.01**	93.95
Unallocated Depreciation															**28.21**	25.75
Total Depreciation															**124.22**	119.70
Non-cash expenses other than depreciation															**270.51**	60.41

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED......

STATEMENT OF SEGMENTAL PERFORMANCE FOR 2013-14
(SECONDARY DISCLOSURE)

(₹ in million)

G E O G R A P H I C A L   S E G M E N T S

	OUTSIDE INDIA		WITHIN INDIA		TOTAL	
	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13
SEGMENT REVENUE						
External Sales	**41,270.27**	29,792.62	**209,476.04**	254,363.61	**250,746.31**	284,156.23
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**41,270.27**	29,792.62	**209,476.04**	254,363.61	**250,746.31**	284,156.23
Segement Result	**1,065.70**	766.99	**2,390.09**	2,230.50	**3,455.79**	2,997.48
Segment assets	**2,333.73**	4,651.48	**25,501.49**	37,291.04	**27,835.22**	41,942.52
Capital expenditure	**-**	-	**-**	0.83	**-**	0.83

INFORMATION FORMING PART OF STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2014

PURSUANT TO PARA 5 OF PART -II OF REVISED SCHEDULE -VI OF COMPANIES ,1956 ACT

GOODS FORMING 10% OR MORE OF THE TOTAL VALUE OF RAW MATERIAL CONSUMED/PURCHASE/TURNOVER/SERVICES RENDERED

1) **RAW MATERIAL CONSUMED**

(Value in ₹ Million)

	2013-14	2012-13
GOLD MEDALLION	1,586.70	2,677.61

2) **TRADED GOODS**

(Value in ₹ Million)

	PURCHASES		SALES	
	2013-14	2012-13	2013-14	2012-13
	(₹)	(₹)	(₹)	(₹)
GOLD (OGL)	73,207	111,942	78,422	116,439
STEAM COAL	26,776	39,944	43,488	44,899
UREA	36,100	13,097	36,200	13,237

3) **SERVICES RENDERED**

(Value in ₹ Million)

	2013-14	2012-13
	(₹)	(₹)
PARCEL HANDLING CHARGES	31.31	27.14
OTHERS	8.31	0.17

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

(Amount In US$ Million)

1	Name of Subsidiary Company	**MMTC Transnational Pte. Ltd, Singapore**	
		2013-14	2012-13
2	The Financial year of the Subsidiary Company ended on	**31st March 2014**	31st March 2013
3	Shares of the Subsidiary Company held by MMTC Limited		
	i. Number	**1461502 shares of S$ 1 each**	1461502 shares of S$ 1 each
	ii. Extent of Holding	**100%**	100%
4	The Net aggregate of profit of the Subsidiary Company for the financial year so far as it concern the members of MMTC ltd.		
	i. Dealt with in the Accounts of MMTC Ltd. For the year ended 31st March	**Nil**	Nil
	ii. Not dealt with in the Accounts of MMTC Ltd. For the year ended . ($ in Million)	**0.06**	2.1
5	The net aggregate amount of profit of the Subsidiary Company for the previous financial year so far as they concern the members of MMTC Ltd.		
	i. Dealt with in the Accounts of MMTC Ltd. for the year ended 31st March	**Nil**	Nil
	ii. Not dealt with in the Accounts of MMTC Ltd. For the year ended. ($ in Million)	**2.1**	1.9

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN: 02200405

(Anand Trivedi)
Director
DIN: 01077784

(D S Dhesi)
Chairman cum Managing Director
DIN: 1433541

MMTC TRANSNATIONAL PTE LTD

(Incorporated in Singapore. Registration Number: 199407265M)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2014

MMTC TRANSNATIONAL PTE LTD

DIRECTORS' REPORT
For the financial year ended 31 March 2014

The directors present their report to the shareholder together with the audited financial statements for the financial year ended 31 March 2014.

Directors

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

Depinder Singh Dhesi
Ved Prakash
Rajeev Jaideva
Madan Gopal Gupta
Anand Trivedi
Praveen Kumar Jain (appointed on 15 May 2013)
Tapas Kumar Sengupta
Vijay Kumar Gupta

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

Directors' contractual benefits

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

MMTC TRANSNATIONAL PTE LTD

DIRECTORS' REPORT
For the financial year ended 31 March 2014

Share options

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

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

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

Independent auditor

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

On behalf of the directors

TAPAS KUMAR SENGUPTA	VIJAY KUMAR GUPTA
Director	Director

2 May 2014

MMTC TRANSNATIONAL PTE LTD

DIRECTORS' REPORT
For the financial year ended 31 March 2014

In the opinion of the directors,

(a) the financial statements as set out on pages 5 to 24 are drawn up so as to give a true and fair View of the state of affairs of the Company at 31 March 2014 and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended; and

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

On behalf of the directors

TAPAS KUMAR SENGUPTA Director	VIJAY KUMAR GUPTA Director

2 May 2014

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

Report on the Financial Statements

We have audited the financial statements of MMTC Transnational Pte Ltd set out on pages 5 to 24, which comprise the balance sheet as at 31 March 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2014, and of the results, changes in equity and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 2 May 2014

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2014

	Note	**2014 US$**	2013 US$
Sale of goods		**369,456,359**	600,589,940
Other income – net	3	**2,372,421**	5,211,006
Net currency translation loss		**(228)**	(5,876)
Expenses			
- Purchases for resale		**(368,808,508)**	(596,057,765)
- Employee compensation	4	**(720,191)**	(1,077,129)
- Depreciation	12	**(18,322)**	(42,697)
- Rental expense - operating lease		**(287,903)**	(286,630)
- Bank charges		**(103,919)**	(266,571)
- Finance expense	5	**(743,134)**	(2,749,157)
- Other expenses	6	**(1,143,391)**	(2,815,425)
Total expenses		**(371,825,368)**	(603,295,374)
Profit before income tax		**3,184**	2,499,696
Income tax credit / (expense)	7	**61,750**	(388,905)
Profit after tax and total comprehensive income		**64,934**	2,110,791

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

MMTC TRANSNATIONAL PTE LTD

BALANCE SHEET
As at 31 March 2014

	Note	**2014**	2013
		US$	US$
ASSETS			
Current assets			
Cash and bank deposits	8	**15,351,812**	16,361,538
Trade and other receivables	9	**16,704,224**	16,969,566
Other current assets	10	**148,642**	250,323
Inventories		**5,478**	5,478
		32,210,156	33,586,905
Non-current assets			
Investment in a subsidiary	11	**-**	-
Property, plant and equipment	12	**2,357**	20,679
		2,357	20,679
Total assets		**32,212,513**	33,607,584
LIABILITIES			
Current liabilities			
Trade and other payables	13	**8,559,821**	6,165,694
Borrowings	14	**8,097,055**	11,642,884
Current income tax liabilities	7	**41,974**	350,277
Total liabilities		**16,698,850**	18,158,855
NET ASSETS		**15,513,663**	15,448,729
EQUITY			
Share capital	16	**1,000,000**	1,000,000
Retained profits		**14,513,663**	14,448,729
Total shareholder's equity		**15,513,663**	15,448,729

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

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2014

	Note	Share capital US$	Retained profits US$	Total US$
2014				
Beginning of financial year		1,000,000	14,448,729	15,448,729
Total comprehensive income		-	64,934	64,934
End of financial year		**1,000,000**	**14,513,663**	**15,513,663**
2013				
Beginning of financial year		1,000,000	14,212,636	15,212,636
Total comprehensive income		-	2,110,791	2,110,791
Dividends	17	-	(1,874,698)	(1,874,698)
End of financial year		**1,000,000**	**14,448,729**	**15,448,729**

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2014

	Note	**2014 US$**	2013 US$
Cash flows from operating activities			
Profit after tax		**64,934**	2,110,791
Adjustments for:			
Income tax (credit) / expense		**(61,750)**	388,905
Depreciation		**18,322**	42,697
Interest income		**(323,339)**	(399,421)
Interest expense		**743,134**	2,749,157
		441,301	4,892,129
Changes in working capital:			
Trade and other receivables		**206,067**	15,313,763
Other current assets		**101,681**	(112,557)
Trade and other payables		**4,268,825**	(21,396,824)
Cash generated from / (used in) operations		**5,017,874**	(1,303,489)
Income tax paid		**(246,553)**	(264,342)
Net cash provided by / (used in) operating activities		**4,771,321**	(1,567,831)
Cash flows from investing activities			
Purchase of property, plant and equipment		**-**	(6,770)
Interest received		**382,614**	307,888
Net cash provided by investing activities		**382,614**	301,118
Cash flows from financing activities			
Dividends paid		**(1,874,698)**	(3,031,751)
Interest paid		**(743,134)**	(2,749,157)
Proceeds from borrowings		**8,097,055**	11,642,884
Repayment of borrowings		**(11,642,884)**	(5,444,217)
Net cash (used in) / provided by financing activities		**(6,163,661)**	417,759
Net decrease in cash and cash equivalents		**(1,009,726)**	(848,954)
Cash and cash equivalents at beginning of financial year		**16,361,538**	17,210,492
Cash and cash equivalents at end of financial year	8	**15,351,812**	16,361,538

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

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

1. General information

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2013

On 1 April 2013, the Company adopted the new or amended FRS and interpretation to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

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

2. **Significant accounting policies** (continued)

2.1 Basis of preparation (continued)

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

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

2.2 Revenue recognition

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

Revenue is recognised as follows:

(a) *Sale of goods*

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

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Currency translation

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

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

2. Significant accounting policies (continued)

2.4 Bank balances
Trade and other receivables
<u>Deposits</u>

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

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

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

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

2.5 <u>Income taxes</u>

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

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

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

2.6 <u>Inventories</u>

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

2. Significant accounting policies (continued)

2.7 Investments in subsidiaries

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

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

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

2.8 Property, plant and equipment

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

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

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

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

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

2. **Significant accounting policies** (continued)

2.9 Impairment of non-financial assets

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

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

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

2.10 Trade and other payables

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

2.11 Operating lease payments

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

2.12 Employee compensation

(a) Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

(b) Employee leave entitlement

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

2. Significant accounting policies (continued)

2.13 Cash and cash equivalents

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

2.14 Borrowing costs

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

2.15 Fair value estimation of financial assets and liabilities

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

2.16 Borrowings

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

2.17 Dividends

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

3. Other income - net

	2014 US$	2013 US$
Interest income		
- short-term bank deposits	**323,339**	399,421
- customers	**849,934**	2,502,946
	1,173,273	2,902,367
Sundry income	**96,288**	77,732
Demurrage,despatch and shortages	**1,102,860**	2,230,907
	2,372,421	5,211,006

4. Employee compensation

	2014	2013
	US$	US$
Wages and salaries	**505,383**	839,904
Employer's contribution to defined contribution plans such as Central Provident Fund	**62,224**	72,219
Other benefits	**152,584**	165,006
	720,191	1,077,129

Other benefits include the rental expenses for the residential premises provided to the employees which amounted to US$103,960 (2013: US$102,314).

5. Finance expenses

	2014	2013
	US$	US$
Interest expense:		
- trust receipts and invoice financing	**46,713**	171,386
- discounted bills	**696,421**	2,577,771
	743,134	2,749,157

6. Other expenses

	2014	2013
	US$	US$
Demurrage ,despatch and shortages	**972,864**	2,491,891
Other expenses	**170,527**	323,534
	1,143,391	2,815,425

7. Income taxes

(a) Income tax expense

	2014 **US$**	2013 US$
Tax expense attributable to profit is made up of:		
Current income tax	**17,923**	238,907
(Over) / under provision in prior financial years:		
Current income tax	**(79,673)**	149,998
	(61,750)	388,905

The Company was granted Global Trader Programme ("GTP") status with effect from 1 April 2000 and further renewed w.e.f 1 April 2010 till 31 March 2015. Income covered by GTP status is taxed at a concessionary rate of 10%. Non-qualifying income is taxed at the standard rate of 17% (2013: 17%). The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before income tax due to the following:

	2014 **US$**	2013 US$
Profit before income tax	**3,184**	2,499,696
Tax calculated at a tax rate of 17% (2013: 17%)	**541**	424,948
Effects of:		
Singapore statutory stepped income exemption	**(20,489)**	(20,874)
Income subject to a lower tax rate	**24,677**	(146,948)
Expenses not deductible for tax purposes	**33,182**	17,622
Income not subject to tax	**(19,988)**	(35,841)
	17,923	238,907

(b) Movements in current income tax liabilities

	2014 **US$**	2013 US$
Beginning of financial year	**350,277**	225,714
Income tax paid	**(246,553)**	(264,342)
Tax payable on profit for current financial year	**17,923**	238,907
(Over) / under provision in prior financial years	**(79,673)**	149,998
End of financial year	**41,974**	350,277

8. Cash and bank deposits

	2014	2013
	US$	US$
Cash and bank balances	**324,812**	204,584
Fixed deposits with banks	**15,027,000**	16,156,954
	15,351,812	16,361,538

Cash and bank deposits are denominated in the following currencies:

	2014	2013
	US$	US$
United States Dollar	**15,305,122**	16,339,441
Singapore Dollar	**46,690**	22,097
	15,351,812	16,361,538

At balance sheet date, the fixed deposits bear interest rates ranging from 1.36% to 2.35% (2013: 0.35% to 3.20%) per annum with the maturity dates ranging between 1.0 month to 10.9 months (2013: 0.5 month to 12 months).

9. Trade and other receivables

	2014	2013
	US$	US$
Trade receivables:		
- third parties	**8,258,880**	703,605
- holding corporation (Note 15)	**8,303,033**	16,061,667
Interest receivable	**135,911**	195,186
Other receivables	**6,400**	9,108
	16,704,224	16,969,566

Trade and other receivables are denominated in the following currencies:

	2014	2013
	US$	US$
United States Dollar	**16,697,824**	16,960,458
Singapore Dollar	**6,400**	9,108
	16,704,224	16,969,566

10. Other current assets

	2014 US$	2013 US$
Deposits	**99,406**	100,000
Prepayments	**49,236**	150,323
	148,642	250,323

Deposits are denominated mainly in Singapore Dollars.

11. Investment in a subsidiary

	2014 US$	2013 US$
Unquoted equity shares, at cost	**7,632**	7,632
Less: Allowance for impairment in value	**(7,632)**	(7,632)
	-	-

Details of the subsidiary are as follows:

Name of subsidiary	Principal activity	Country of incorporation and business	Equity holding 2014 %	Equity holding 2013 %
MMTC Transnational (Moscow) Pte Ltd	Dormant	Russia	**100**	100

12. Property, plant and equipment

	Leasehold improvements US$	Furniture and fittings US$	Computer equipment US$	Office equipment US$	Total US$
2014					
Cost					
Beginning of financial year	71,910	40,537	45,534	21,503	179,484
Additions	-	-	-	-	-
End of financial year	71,910	40,537	45,534	21,503	179,484
Accumulated depreciation					
Beginning of financial year	59,920	39,950	39,455	19,480	158,805
Depreciation charge	11,990	293	4,113	1,926	18,322
End of financial year	71,910	40,243	43,568	21,406	177,127
Net book value					
End of financial year	**-**	**294**	**1,966**	**97**	**2,357**

12. Property, plant and equipment (continued)

	Leasehold improvements	Furniture and fittings	Computer equipment	Office equipment	Total
	US$	US$	US$	US$	US$
2013					
Cost					
Beginning of financial year	71,910	39,657	39,644	21,503	172,714
Additions	-	880	5,890	-	6,770
End of financial year	71,910	40,537	45,534	21,503	179,484
Accumulated depreciation					
Beginning of financial year	35,952	32,781	30,571	16,804	116,108
Depreciation charge	23,968	7,169	8,884	2,676	42,697
End of financial year	59,920	39,950	39,455	19,480	158,805
Net book value					
End of financial year	**11,990**	**587**	**6,079**	**2,023**	**20,679**

13. Trade and other payables

	2014	2013
	US$	US$
Trade payables:		
- third parties	**506,963**	3,895,986
- holding corporation	**7,978,353**	156,229
Accrued operating expenses	**74,505**	238,781
Dividend payable	**-**	1,874,698
	8,559,821	6,165,694

Trade and other payables are denominated in the following currencies:

	2014	2013
	US$	US$
United States Dollar	**8,431,040**	5,543,185
Singapore Dollar	**93,306**	590,076
Others	**35,475**	32,433
	8,559,821	6,165,694

14. Borrowings

	2014	2013
	US$	US$
Short-term loan	**8,097,055**	11,642,884

The short term loan has a maturity of 15 days (2013: 21 days) from the balance sheet date.

The interest rate of the borrowing at the balance sheet date is 1.01% (2013: 1.10%) per annum.

15. Immediate and ultimate holding corporation

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

16. Share capital

The Company's share capital comprises fully paid-up 1,461,502 (2013: 1,461,502) ordinary shares with no par value, amounting to a total of US$1,000,000 (2013: US$1,000,000).

17. Dividends

	2014	2013
	US$	US$
Interim exempt (one-tier) dividend payable in respect of current financial year of US$NIL (2013: US$1.28) per share	**-**	1,874,698
	-	1,874,698

18. Commitments

(a) Purchase and sales commitments

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

	2014	2013
	US$	US$
Purchase commitments	**42,837,963**	12,267,004
Sales commitments	**43,223,414**	12,270,504

(b) Operating lease commitments

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

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

	2014	2013
	US$	US$
Not later than one year	**85,002**	391,769
Later than one year but not later than five years	**-**	85,081
	85,002	476,850

19. Related party transactions

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

(a) Sales and purchases of goods and services

	2014	2013
	US$	US$
Sales to holding corporation	**202,947,867**	373,522,408
Purchases from holding corporation	**59,930,424**	24,390,774

19. Related party transactions (continued)

(b) Key management personnel compensation is as follows:

	2014 **US$**	2013 US$
Salaries and other short-term employee benefits	**281,477**	356,843
Post-employment benefits - contribution to defined contribution plans	**6,643**	9,923
	288,120	366,766

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

20. Financial risk management

Financial risk factors

The Company's activities expose it to market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors and the holding corporation provide guidelines for overall risk management, as well as policies covering these specific areas.

(a) <u>Market risk</u>

(i) Foreign currency exchange rate risk

The Company's business operations are not exposed to significant foreign currency risks, as it has no significant transactions denominated in foreign currencies.

(ii) Interest rate risk

Interest rate risk arises primarily with respect to short-terms borrowings under import and export financing. The Company monitors market interest rates closely to ensure that favourable interest rates are secured. At balance sheet date, the Company has minimal exposure to interest rate risk.

20. Financial risk management (continued)

(a) Market risk (continued)

(iii) Price risk

The Company has insignificant exposure to commodities price risk as it does not hold significant commodities financial instruments.

(b) Credit risk

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings as determined by international credit rating agencies.

The Company has no significant concentration of credit risk except for amount due from holding corporation which has a good collection track record with the Company. The Company has policies in place to ensure that sales of goods are made to customers with adequate financial standing and an appropriate credit history. At balance sheet date, there is no class of financial assets that is past due or impaired.

(c) Liquidity risk

The Company manages liquidity risk by maintaining cash and available funding through an adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The Company's major classes of financial liabilities are trade and other payables and borrowings and their contractual maturities are less than one year.

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Company monitors capital on the basis of the total shareholder's equity as shown on the balance sheet.

The Company is not subject to any externally imposed capital requirements.

21. New or revised accounting Standards and Interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2014. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

22. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of MMTC Transnational Pte Ltd on 2 May 2014.

MMTC LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR
THE FINANCIAL YEAR ENDED 31ST MARCH, 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MMTC LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying financial statements of **MMTC LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

We did not audit the financial statement of subsidiary whose financial statements reflect total assets of INR 1936.18 million as at 31st March, 2014 and total revenue of INR 22479.37 million for the year ended on that date, associates whose net carrying cost of investment is INR 3699.43 million and in Joint Venture whose financial statements reflect total assets of INR 3368.27 million as at 31st March, 2014 and total revenue of INR 23450.28 million for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these Subsidiary, Associates and Joint Ventures, is based solely on the report of other auditors.

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

Basis for Qualified Opinion

(a) *Company has not followed its policy regarding writing off of debts / advances / claims as there are various debts / advances / claims which are outstanding for a long period and where company itself has made 100% provision against these debts / advances / claims considering the uncertainty of realization / unrealisability of these debts / advances / claims. Consequential effect of the same is not ascertainable.*

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

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiary, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;

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

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

Emphasis of Matter

(a) Subsequent to the default in payment obligation of National Spot Exchange Limited (NSEL) and consequential filing of legal suit in Mumbai High Court against NSEL and others and filing of criminal complaint with Economic Offences Wing (EOW), Delhi Police which has since been transferred to CBI Mumbai, company has made provision of INR 2104.42 million (P.Y. Nil) against total recoverable amount of INR 2106.38 million as on 31 March, 2014 after adjusting INR 1.96 million realized upto 15 May, 2014. [Refer note no. 17 (iii)]

(b) The company provides benefit in respect of post retirement medical benefit (PRMB) to its employees. The Actuarial liability for the financial year 2013-14 aggregating to INR 1368.32 million has been provided for [Refer to Note No. 22(g)]. The company has neither earmarked its investment nor has created any corpus for this purpose.

(c) Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities in many cases have not been confirmed and consequent reconciliation / adjustments, if any, required upon such confirmation are not ascertainable. (Refer note no. 34)

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

(e) Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer note no. 20)

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (e) In terms of Notification No. GSR 829 (E) dated 21.10.2003 issued by the Department of the Company Affairs, Government of India, the provision of Section 274(1)(g) of the Companies Act, 1956, are not applicable to the Company.

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

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

Place: New Delhi
Date: 29.05.2014

MMTC LIMITED					
BALANCE SHEET AS AT 31-03-2014					
					(₹ in million)
	Note No.	**AS AT 31-03-2014**		**AS AT 31-03-2013**	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS	3				
Share Capital	3.1	**1000.00**		1000.00	
Reserves & Surplus	3.2	**13501.83**	**14501.83**	13919.90	14919.90
MINORITY INTEREST			**-**		-
NON-CURRENT LIABILITIES	4				
Long-term borrowings	4.1	**929.87**		968.91	
Other Long term liabilities	4.2	**166.65**		301.82	
Long-term provisions	4.3	**1826.64**	**2923.16**	1705.40	2976.13
CURRENT LIABILITIES	5				
Short-term borrowings	5.1	**4649.28**		15825.41	
Trade payables	5.2	**15053.22**		24573.94	
Other current liabilities	5.3	**12177.90**		9343.28	
Short-term provisions	5.4	**1270.97**	**33151.37**	1333.95	51076.58
Total			**50576.36**		**68972.61**
ASSETS					
NON-CURRENT ASSETS	6				
Fixed Assets	6.1				
Tangible assets	6.1.1	**1369.69**		1498.42	
Intangible assets	6.1.2	**91.28**		140.77	
Capital Work-in-progress	6.1.3	**1418.61**		1257.18	
Non-current investments	6.2	**3761.08**		4579.62	
Deferred tax assets (net)	6.3	**2214.07**		1458.17	
Long-term loans and advances	6.4	**737.68**		1100.92	
Other non-current assets	6.5	**18.72**	**9611.13**	22.08	10057.16
CURRENT ASSETS	7				
Current investments	7.1	**560.45**		150.87	
Inventories	7.2	**3168.36**		9013.61	
Trade receivables	7.3	**17424.86**		19352.31	
Cash and Bank Balances	7.4	**6458.79**		17055.42	
Short-term loans and advances	7.5	**7267.72**		11588.07	
Other current assets	7.6	**6085.05**	**40965.23**	1755.17	58915.45
Total			**50576.36**		**68972.61**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN-02200405

(Anand Trivedi)
Director
DIN-01077784

(D S Dhesi)
Chairman cum Managing Director
DIN-1433541

Date : 29th May, 2014
Place : New Delhi

MMTC LIMITED					
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2014					
					(₹ in million)
	Note No.	**YEAR ENDED 31-03-2014**		**YEAR ENDED 31-03-2013**	
INCOME					
Revenue from operations	8	**281422.55**		328856.15	
Other Income	9	**2399.66**	**283822.21**	3337.06	332193.21
Total Revenue			**283822.21**		332193.21
EXPENSES					
Cost of materials consumed	10	**1613.10**		2677.61	
Purchases of Stock-in-Trade	11	**249552.80**		307030.16	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	**5773.45**		242.07	
Employee benefits expense	13	**1996.82**		2137.50	
Finance costs	14	**859.31**		2503.17	
Depreciation and amortization expense		**173.22**		165.53	
Other expenses	15	**21087.65**	**281056.35**	16024.79	330780.83
Total expenses			**281056.35**		330780.83
Profit before exceptional and extraordinary items and tax			**2765.86**		**1,412.38**
Exceptional Items	16		**(10.53)**		127.28
Profit before extraordinary items and tax			**2776.39**		**1285.10**
Extraordinary Items	17		**2104.42**		2443.64
Profit before tax			**671.97**		**(1,158.54)**
Tax expense:					
Current tax					
Provision for Taxation		**753.32**		270.22	
Earlier year		**8.42**		(81.94)	
Deferred tax		**(807.32)**		(739.28)	
Share of interest in Joint Ventures		**122.46**	**76.88**	17.34	**(533.66)**
Profit for the year before share of associates			**595.09**		**(624.88)**
Interest in share of profit from associate					
Share of profit from associates		**(732.84)**		(393.99)	
Less: Goodwill amoritised (Associates)		**43.83**	**(776.67)**	87.67	(481.66)
Net profit for the year after share of associates			**(181.58)**		**(1,106.54)**
Earnings per equity share of nominal value of ₹ 1/- each		**Before extra-ordinary items (net of taxes)**	**After extra-ordinary items (net of taxes)**	**Before extra-ordinary items (net of taxes)**	**After extra-ordinary items (net of taxes)**
Basic (in ₹)		**1.21**	**(0.18)**	**0.54**	**(1.11)**
Diluted (in ₹)		**1.21**	**(0.18)**	**0.54**	**(1.11)**
Significant Accounting Policies	2				
The accompanying notes are an integral part of the financial statements					

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN-02200405

(Anand Trivedi)
Director
DIN-01077784

(D S Dhesi)
Chairman cum Managing Director
DIN-1433541

Date : 29th May, 2014
Place : New Delhi

MMTC LIMITED

Consolidated Cash Flow Statement for the year ended 31-03-2014

(₹ in million)

	For the year ended 31-03-2014		For the year ended 31-03-2013	
A. Cash flows from operating activities				
Profit before Tax & Extra ordinary items		**2776.39**		**1285.10**
Adjustment for :				
Extra-ordinary items	**(2,104.42)**		(2,443.64)	
Loss on valuation of inventories	**76.53**		7.39	
Depreciation & amortisation expense	**217.05**		251.69	
Net Foreign Exchange (gain)/loss	**1,042.03**		(194.14)	
(Profit) /Loss on sale of Tangible Assets	**(0.71)**		(0.46)	
Interest income	**(1,448.45)**		(2,954.19)	
Dividend Income	**(32.64)**		(12.75)	
Finance Costs	**859.31**		2503.17	
Provision for diminution in value of CWIP	**-**		-	
Debt/claims written off	**10.74**		0.70	
Provision for doubtful Debts /Loans & Advances	**12.74**		62.53	
Diminution in value of investment property	**-**		(1.25)	
Provision no longer Required	**(103.45)**		(24.42)	
Provision for DWA risk	**1.19**		1.38	
Liabilities no longer Required	**(572.12)**		(150.74)	
		(2,042.20)		(2,954.73)
		734.19		**(1,669.63)**
Changes in assets & liabilities				
Inventories	**5,768.72**		481.15	
Trade Receivables	**2,010.78**		8,954.84	
Loans & Advances	**4410.72**		8,561.29	
Other current & non current assets	**(4,329.88)**		8,521.59	
Trade payables	**(10,562.75)**		(8,719.54)	
Other liabilities	**3,271.57**		(8,851.70)	
Provisions	**70.46**	**639.62**	118.70	9,066.33
		1,373.81		**7,396.70**
Taxes Paid		**(659.38)**		(586.11)
Net cash flows from operating activities		**714.43**		**6,810.59**
B. Cash flows from Investing Activities				
Purchase of tangible assets/intangible assets and Work in Progress	**(210.77)**		(245.89)	
Sale of tangible Assets	**4.75**		4.26	
Sale/Purchase of Investments	**(1.42)**		(10.83)	
Advance for purchase of shares	**(0.13)**		-	
Dividend received	**32.64**		12.75	
Interest received	**1448.45**		2954.19	
Godwill on consolidation	**(0.13)**	**1273.39**	(219.26)	2495.22
Net cash flows from investing activities		**1273.39**		**2495.22**
C. Cash flows from financing activities				
Borrowings	**(11,215.17)**		(18,787.54)	
Finance Costs	**(859.31)**		(2,503.17)	
Dividend (inclusive of tax) paid	**(100.00)**	**(12,174.48)**	(290.56)	(21,581.27)
Net cash flows from Financing Activities		**(12,174.48)**		**(21,581.27)**
Net increase/(decrease) in Cash & Cash Equivalents		**(10,186.66)**		**(12,275.46)**
Opening Balance of Cash & Cash Equivalents	**17205.45**		**29480.91**	
Closing Balance of Cash & Cash Equivalents	**7018.79**		**17205.45**	

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

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

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

	As at the end of	
	2013-14	2012-13
A. Cash and cash equivalents		
(a) Cheques, drafts on hand	**0.80**	563.73
(b) Cash on hand	**0.11**	0.07
(c) Balances with Banks		
- in current account	**73.04**	247.14
-in cash credit account (debit balance)	**18.55**	427.53
-term deposit with original maturity up to 3 months	**3202.82**	2838.40
- Short term investments with maturity of less than 3 months	**560.00**	150.03
B. Others- other Balances with Bank		
-As Margin money/under lien	**3.00**	3.00
-in term deposits with original maturity more than 3 months and upto 12 months	**2348.14**	11409.42
-in term deposits with original maturity more than 12 months	**0.13**	1.13
C. Share of interest in Joint Ventures	**812.20**	1565.00
Total	**7018.79**	**17205.45**

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN-02200405

(Anand Trivedi)
Director
DIN-01077784

(D S Dhesi)
Chairman cum Managing Director
DIN-1433541

Date : 29th May, 2014
Place : New Delhi

CONSOLIDATED ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014

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

1. General Information:

The company is incorporated and domiciled in India, and a Mini- Ratna public sector undertaking under the administrative control of Ministry of Commerce & Industry, Government of India. The registered office of the Company is situated at Core-1, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi-110003, India. The company has 11 regional offices at various places in India and a wholly owned subsidiary MMTC Transnational Pte Ltd. (MTPL), Singapore.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

2.2. PURCHASES AND SALES

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

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

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

c. Gold/Silver received under deposit:-

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

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

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

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

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

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

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

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

2.3. REVENUE RECOGNITION

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

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

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

iii. Interest on overdue recoverables where realisability is uncertain.

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

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

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

2.4. PREPAID EXPENSES

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

2.5. FIXED ASSETS

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

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

2.6. DEPRECIATION

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

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

2.7. INVESTMENTS

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

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

2.8. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

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

2.9. SEGMENT REPORTING

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

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

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

Secondary Segment: Secondary Segments have been identified based on the geographical location of the customer of the company i.e.

i. Outside India
ii. Within India (including high sea sales to customers in India)

2.10. EMPLOYEE BENEFITS

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

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

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

2.11. PHYSICAL VERIFICATION OF STOCKS

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

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

2.12. VALUATION OF STOCKS

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

a) EXPORTS:

i) Cost of export stocks is arrived at after including direct expenses incurred upto the point at which the stocks are lying. Similarly the realisable value is derived by deducting from the market price the expenses to be incurred from that point to the stage where they are sold.
ii) In respect of mineral ores the realisable value of ores is worked out at the minimum of the Fe/Mn contents of the grade of the ore as per export contract and is compared with the weighted average cost at weighted average Fe/Mn contents/weighted average moisture contents of the ore. The embedded stocks of Iron ore are excluded from inventory and hence not valued.

b) IMPORTS:

i) The cost of imported stocks is arrived at by working out the yearly regional weighted average cost except for Non-ferrous Metals where weighted average cost of remaining stock after including all expenses incurred upto the point at which they are lying is considered. However, where stocks are specifically identifiable, actual cost of the material including all expenses incurred upto the point at which they are lying is considered.
ii) Gold/Silver purchased from foreign suppliers against booking by exporters under replenishment option and not delivered at the year end are shown as stocks of company and valued at cost .

c) DOMESTIC:

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

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

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

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

2.13. PRIOR PERIOD ADJUSTMENTS

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

2.14. BORROWING COSTS

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

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

2.15. DEFERRED TAX

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

2.16. IMPAIRMENT OF ASSETS

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

2.17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) Provisions

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

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

(b) Others

(i) Provision is recognized when

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

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

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

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

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

(II) Contingent liabilities and contingent assets

i. Contingent liabilities are not recognized but are disclosed in the Notes to the Accounts. Interest, if any on contingent liabilities are generally not disclosed in the Notes to the Accounts being indeterminable.

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

2.18. TREATMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION /CONSTRUCTION PERIOD

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

2.19. OPERATING LEASES

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

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

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

2.21. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to MMTC Limited, its subsidiary Company and the interest of the Company in joint ventures, in the form of jointly controlled entities.

(a) The financial statements of the Parent Company and its Subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants on India.

(b) In translating the financial statements of non-integral foreign subsidiary for incorporation of its financial statements, the following procedures are adopted:-

i) the assets and liabilities, both monetary and non-monetary, of the non-integral foreign subsidiary translated at the closing rate as defined in the AS-11 issued by the Institute of Chartered Accountants of India;

ii) income and expense items of the non-integral foreign subsidiary are translated at average exchange rate and

iii) all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

(c) In case of Associates, where the Company, directly or indirectly through subsidiaries holds more than 20% of equity, have been accounted for using "Equity Method" of Accounting described by Accounting Standard (AS) 23 "Accounting for Investment in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

(d) The Company accounts for its share in the change in the net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserve for the balance, based on available information.

(e) The differences between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

(f) The Consolidated Financial Statements include the interest of the Company in Joint Venture Companies, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is considered as, separate line items in the Consolidated Financial Statements.

(g) As far as possible the Consolidated Financial Statement is prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented in the same manner as the Company's Separate Financial Statements.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2014

3. SHAREHOLDERS' FUND

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

(₹ in million)

	31-03-2014		31-03-2013	
	Number	Amount	Number	Amount
A. Authorised				
Equity Shares of Par Value ₹1/- each	**1,000,000,000**	**1000.00**	1,000,000,000	1,000.00
B. Issued, subscribed and fully paid				
Opening Balance as on 1st April 2013	**1,000,000,000**	**1000.00**	1,000,000,000	1,000.00
Addition			-	-
Deduction			-	-
Closing Balance as 31st March 2014	**1,000,000,000**	**1000.00**	**1,000,000,000**	**1000.00**
Share of interest in Joint Ventures				
Total		**1000.00**		**1,000.00**

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

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

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

No shareholder other than the promoters is holding more than 5% shares of the company. The shareholding of the promoters i.e. President of India as on 31-03-2014 is 900,000,000 shares (P.Y. 993,312,000 shares)

3.2 RESERVES & SURPLUS

(₹ in million)

	31-03-2014	31-03-2013
Reserves		
Capital reserve-Opening Balance	**4.40**	980.98
Add: Transferred from Surplus	**-**	(980.29)
Add: Share of Joint Ventures	**-**	3.71
Less: Deduction	**3.71**	-
Closing Balance	**0.69**	4.40
General reserve-Opening Balance	**6729.15**	5980.29
Add: Tranferred from Surplus	**102.14**	748.86
Add: Share of Interest in Joint Ventures	**19.17**	
	6850.46	6729.15
Less: Deduction	**-**	-
Closing Balance	**6850.46**	6729.15
Foreign Currency Translation Reserve -Opening Balance	**(407.76)**	202.90
Add: Addition	**442.53**	-
	34.77	202.90
Less: Deduction	**-**	610.66
Closing Balance	**34.77**	(407.76)
Sustainable Development Reserve-Opening Balance	**2.11**	-
Add: Addition	**-**	2.11
	2.11	2.11
Less: Deduction	**2.11**	-
Closing Balance	**-**	2.11
Corporate Social Responsibility Reserve-Opening Balance	**4.36**	-
Add: Addition	**-**	4.36
	4.36	4.36
Less: Deduction	**4.23**	-
Closing Balance	**0.13**	4.36
Research and Development Reserve-Opening Balance	**-**	-
Add: Addition	**3.54**	-
	3.54	-
Less: Deduction	**-**	-
Closing Balance	**3.54**	-
Total (A)	**6,889.59**	6,332.26
Surplus		
Surplus-Opening Balance	**7587.63**	8800.64
Add: Regrouping for earlier year	**(531.29)**	
Add: Net profit after tax transferred from Statement of Profit and Loss	**(345.56)**	(1,173.25)
Add: Share of interest in Joint Ventures transferred from statement of Profit and Loss	**163.96**	66.71
Sustainable Development Reserve	**2.11**	-
Corporate Social Responsibility Reserve	**4.23**	-
Amount available for appropriation	**6881.08**	7694.10
Appropriations:		
Final Dividend	**150.00**	100.00
Dividend Tax	**25.49**	-
Amount transferred to general reserve	**9.40**	-
Sustainable Development Reserve	**-**	2.11
Corporate Social Responsibility Reserve	**-**	4.36
Research and Development Reserve	**3.54**	-
Share of Interest in Joint Ventures	**80.40**	-
Surplus-Closing Balance (B)	**6612.24**	7587.63
Total (A+B)	**13501.83**	**13919.90**

Final Dividend @ ₹ 0.15/- per Equity Share of ₹ 1/- each amounting to ₹ 15 crore during 2013-14 has been proposed.

4. NON CURRENT LIABILITIES

4.1 LONG TERM BORROWINGS

(₹ in million)

	31-03-2014		31-03-2013	
Share of interest in Joint Ventures				
a. Secured	**89.80**		-	
b. Unsecured	**840.07**	**840.07**	968.91	968.91
Total		**929.87**		**968.91**

4.2 OTHER LONG TERM LIABILITIES

(₹ in million)

	31-03-2014		31-03-2013	
Trade payable				
-Other than MSMEs	**12.52**		104.38	
-MSMEs	**-**	**12.52**	-	104.38
Others				
-Sales Tax/CST/Custom duty	**6.02**		19.95	
-Others	**80.93**	**86.95**	66.85	86.80
		99.47		191.18
Share of Interest in Joint Ventures		**67.18**		110.64
Total		**166.65**		**301.82**

4.3 LONG TERM PROVISIONS

(₹ in million)

	31-03-2014		31-03-2013	
A. Employee Benefits				
i. Leave encashment	**238.93**		230.43	
ii. Post retirement medical benefits	**1297.34**		1207.47	
iii. Half pay leave	**189.51**		165.47	
iv. Service Award	**47.68**		52.39	
v. Compassionate Gratuity	**1.97**		2.19	
vi. Employees' Family Benefit Scheme	**49.52**	**1824.95**	43.99	1701.94
		1824.95		1701.94
Share of interest in Joint Ventures		**1.69**		3.46
Total		**1826.64**		**1705.40**

5. CURRENT LIABILITIES

5.1 SHORT TERM BORROWINGS

(₹ in million)

	31-03-2014		31-03-2013	
A. Loans repayable on demand				
From Banks				
Secured (against hypothecation of inventories , trade receivables and other current assets present and future)	**2245.95**		6342.03	
Unsecured	**2368.68**	**4614.63**	9074.14	15416.17
		4614.63		15416.17
Share of interest in Joint Ventures		**34.65**		409.24
Total		**4649.28**		**15825.41**

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

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

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

5.2 TRADE PAYABLE

(₹ in million)

	31-03-2014		31-03-2013	
A. Sundry Creditors				
i. Other than MSMEs	**12663.08**		19456.81	
ii. MSMEs	**-**	**12663.08**	-	19456.81
B. Bills payable		**1438.73**		3639.31
		14101.81		23096.12
Share of interest in Joint Ventures		**951.41**		1477.82
Total		**15053.22**		**24573.94**

Sundry Creditors include ₹ 173.66 million (P.Y. ₹ 2858.08 million) being notional value of 63 Kgs. (P.Y. 1017 Kgs.) of gold taken on loan from foreign suppliers and issued to the Customers of the Company on loan basis.

5.3 OTHER CURRENT LIABILITIES

(₹ in million)

	31-03-2014		31-03-2013	
a. Interest accrued but not due on borrowings		**33.99**		161.12
b. Interest accrued and due on borrowings		**1.47**		0.16
c. Income received in advance		**0.08**		0.05
d. Other payables (specify nature)				
-Forward cover -Amount payable to Bank	**5,541.55**		13901.30	
Less: Foreign Currency Receivable	**5,367.14**		13153.80	
	174.41		747.50	
-Sundry Creditors -others	**80.56**		119.29	
-Advance received from customers	**564.53**		998.02	
-Unpaid dividend	**0.13**		0.07	
-Despatch payable	**24.71**		49.09	
-Demurrage payable	**65.67**		84.74	
-Credit balance in sundry debtors	**1358.04**		554.59	
-Security deposit & EMD	**426.95**		244.39	
-Taxes & Employees dues remittance pending	**2219.93**		1068.86	
-Salaries & Allowances	**9.02**		9.72	
-Administrative Expenses	**143.08**		199.33	
-Amount payable towards unbilled purchases	**6022.58**		1435.09	
-Others (i)	**614.67**		3340.24	
		11704.28		8850.93
		11739.82		9012.26
Share of interest in Joint Ventures		**438.08**		331.02
Total		**12177.90**		**9343.28**

(i) Includes ₹ 54.65 million (P.Y. ₹ 54.24 million) towards MMTC's share in the expenditure incurred by JV company consequent to decision of promoters to wind up the project due to delay in receipt of environment clearance.

5.4 SHORT TERM PROVISIONS

(₹ in million)

	31-03-2014		31-03-2013	
A. Employee Benefits				
i. Bonus/Performance related pay	**59.89**		68.01	
ii. Earned Leave	**24.95**		45.64	
iii. Post Retirement Medical Benefit	**70.98**		78.74	
iv. Half Pay Leave	**24.34**		22.06	
v. Gratuity	**0.78**		0.43	
vi. Superannuation Benefits	**39.20**		66.46	
vii.Service Award	**6.82**		4.98	
viii.Compassionate Gratuity	**0.40**		0.42	
ix. Employees' Family Benefit Scheme	**10.50**		8.96	
x. Others	**-**	**237.86**	0.02	295.72
B. Others				
i. Taxation	**781.09**		829.24	
ii. Proposed dividend	**150.00**		201.97	
iii. Dividend Distribution Tax	**25.49**		-	
iv. Destinational Weight and Analysis Risk	**1.19**		1.38	
		957.78		1032.59
		1195.64		1328.31
Share of interest in Joint Ventures		**75.33**		5.64
Total		**1270.97**		**1333.95**

6 NON CURRENT ASSETS

6.1 FIXED ASSETS

6.1.1 Tangible Assets

(₹ in Million)

	Gross Blocks					Depreciation / Impairment						Net carrying value	
	01-04-2013	Addition	Other Adjustments	Disposals	**31-03-2014**	Opening balance as at 01-04-2013	Depreciation for the year*	Impairment/ (reversal of impairment)	Sub-Total	Deductions	**Balance as at 31-03-2014**	**31-03-2014**	31-03-2013
Land freehold													
-Office building	3.66				**3.66**				-		**-**	**3.66**	3.66
-Staff Quarters	1.33				**1.33**				-		**-**	**1.33**	1.33
Land leasehold													
-Office building	39.60			-	**39.60**	11.63	0.50	-	12.13	-	**12.13**	**27.47**	27.97
-Staff Quarters	2.67				**2.67**	1.09	0.03	-	1.12		**1.12**	**1.55**	1.58
Building													
-Office Building	127.67			0.06	**127.61**	53.07	2.82	3.38	59.27	0.06	**59.21**	**68.40**	74.59
-Staff Quarters/Residential Flats	69.63	0.40		-	**70.03**	52.05	1.41	-	53.46		**53.46**	**16.57**	17.58
-Water supply, Sewerage & Drainage	9.46	0.02			**9.48**	9.34	0.06	-	9.40		**9.40**	**0.08**	0.12
-Electrical Installations	18.21	0.04		-	**18.25**	15.86	0.38	0.16	16.40	-	**16.40**	**1.85**	2.35
-Roads & Culverts	3.58				**3.58**	2.41	0.03	0.77	3.21		**3.21**	**0.37**	1.17
-Audio/Fire/Airconditioning	12.52	0.15		0.43	**12.24**	12.37	0.05	-	12.42	0.42	**12.01**	**0.23**	0.15
Plant & Equipment	796.15	5.97		5.88	**796.24**	286.55	41.08	6.57	334.20	2.12	**332.08**	**464.16**	509.61
Furniture & Fixtures													
-Partitions	24.97	0.04		1.59	**23.42**	24.52	0.03	-	24.55	1.59	**22.96**	**0.46**	0.46
-Others	51.72	1.75		0.55	**52.92**	47.23	2.45	-	49.68	0.53	**49.16**	**3.76**	4.49
Vehicles	22.65			1.08	**21.57**	20.23	1.32	-	21.55	1.08	**20.47**	**1.10**	2.43
Office Equipments	57.85	2.13	-	1.27	**58.71**	46.28	3.86	-	50.14	1.24	**48.90**	**9.81**	11.58
Others:-													
Railway Wagon Rakes	553.64				**553.64**	366.32	55.36	-	421.68		**421.68**	**131.96**	187.32
Railway Loop Line at BNHT	26.17				**26.17**	26.17			26.17		**26.17**	**0.00**	0.00
Warehouse	34.11				**34.11**	18.04	1.37		19.41		**19.41**	**14.70**	16.07
Computer/ Data Processors	176.70	6.12	-	2.24	**180.58**	167.89	5.80		173.69	2.22	**171.47**	**9.11**	8.80
Share of interest in Joint Ventures	682.60	26.92	-	0.44	**709.08**	55.42	40.81		96.23	0.25	**95.98**	**613.10**	627.16
Total	2714.89	43.54	-	13.54	**2744.89**	1216.47	157.36	10.88	1384.71	9.51	**1375.20**	**1369.69**	1498.42
Last Year	**2564.14**	**167.76**	**-**	**17.01**	**2714.89**	**1072.49**	**157.19**	**-**	**1229.69**	**13.21**	**1216.47**	**1498.42**	

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

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

(c) Residential flats includes 41 shares (P.Y. 41 shares) of Cooperative Group Housing Society of the value of ₹ 0.002 million (PY ₹ 0.002 million). Conveyance of some of the flats of the original value as on 31.03.2014 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed.

(d) Cost of Office Building on lands not owned by the Company is ₹ 6.24 million (P.Y. ₹ 6.24 million) and provision for depreciation is ₹ 3.45 million (P.Y. ₹ 3.32 million)

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

(f) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million (P.Y. ₹ 11.63 million) & accumulated depreciation of ₹ 6.30 million (P.Y. ₹ 5.84 million) constructed on the leasehold land at Paradip which expired on 20.11.2011 Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

(g) * Includes ₹ 1.04 million and 0.98 million on account of accumulated depreciation in respect of Plant & Machinery transferred by RO Ahmedabad to DRO and Mumbai respectively. Further an amount of ₹ 0.19 million accumulated depreciation upto 31.03.2013 transferred from Intangible Assets.

(h) The company has carried out the assessment of impairment of assets & provision towards impairment loss in value of assets amounting to ₹ 10.88 million (P.Y. ₹ NIL million) has been made during the year.

6.1.2 Intangible Assets

(₹ in Million)

	Gross						Amortisation						Net Carrying Value	
	01-04-2013	Addition	Additions through Business Combinations	Other adjustments	Disposals	**31-03-2014**	Opening balance as at 01-04-2013	Amortisation for the year	Impairment / (reversal of impairment)	Sub-Total	Deductions	**Balance as at 31-03-2014**	**31-03-2014**	31-03-2013
Computer software	2.30	0.57		0.19		**2.68**	0.56	0.46		1.02	0.19	**0.83**	**1.84**	1.74
Goodwill on consolidation (Joint Ventures)	25.90	0.13		-	-	**26.03**	21.23	4.28		25.51		**25.51**	**0.52**	4.67
Goodwill on consolidation (Associates)	219.16	0.00				**219.16**	87.67	43.83		131.50		**131.50**	**87.66**	131.50
Others Share of interest in Joint Ventures	16.01	0.96			-	**16.97**	13.14	2.57		15.71		**15.71**	**1.26**	2.87
Total	263.37	1.66	-	0.19	-	**264.84**	122.60	51.14	-	173.74	0.19	**173.54**	**91.28**	140.77
Last Year	**42.07**	**222.81**	**-**	**1.51**	**-**	**263.37**	**25.06**	**97.55**	**-**	**122.60**	**-**	**122.60**	**140.77**	

Deductions include an amount of ₹ 0.19 million accumulated depreciation upto 31.03.2013 transferred to Tangible Assets.

6.1.3 Capital work-in-progress

(₹ in Million)

	Assets					Depreciation / Impairment						Net carrying value	
Assets	01-04-2013	Addition	Other Adjustments	Disposals	**31-03-2014**	Opening balance as at 01-04-2013	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	**Balance as at 31-03-2014**	**31-03-2014**	31-03-2013
Building													
-Building Under Construction	6.71				**6.71**	6.71			6.71		**6.71**	**-**	-
-Electrical Installations	6.70				**6.70**	6.70			6.70		**6.70**	**-**	-
-Roads & Culverts	0.47				**0.47**	0.47			0.47		**0.47**	**-**	-
Computer	0.09	-	0.09		**-**	-			-		**-**	**-**	0.09
Plant & Equipment	13.80		-		**13.80**	13.80			13.80		**13.80**	**-**	-
Development of Gomia Coal Block	54.86	10.58	-		**65.44**	-			-		**-**	**65.44**	54.86
Share of interest in Joint Ventures	1202.24	150.93	-	-	**1353.17**	-			-		**-**	**1353.17**	1202.24
Total	1284.87	161.51	0.09	-	**1446.30**	27.69	-	-	27.69	-	**27.69**	**1418.61**	1257.18
Last Year	**1208.77**	**173.32**	**-**	**97.23**	**1284.87**	**27.69**	**-**	**-**	**27.69**	**-**	**27.69**	**1257.18**	

6.2 NON CURRENT INVESTMENTS

(₹ in million)

	31-03-2014		31-03-2013	
I. TRADE INVESTMENTS				
A. Investment Property				
Bandra Kurla Complex		**36.31**		36.31
B. Investment in Equity instrument				
a) Associates				
i. Neelachal Ispat Nigam Limited				
Fully paid up 289,342,744 Equity shares of Rs.10/- each P.Y. Fully paid up 289,342,744 Equity shares of Rs. 10/- each)	**3796.85**		3796.85	
Add: Income from Associates till date	**121.74**		854.59	
Less: Goodwill	**219.16**	**3699.43**	131.50	4519.94
ii. Devona Thermal Power & Infrastructure Ltd.				
Fully paid up 13,000 Equity shares of Rs.10/- each (P.Y. Fully paid up 13,000 Equity shares of Rs.10/- each)	**0.13**		0.13	
Less: Goodwill	**0.13**	**-**	0.13	-
c) Others				
i. Indo French Biotech Limited				
Fully paid 4,750,000 Equity shares of Rs.10/- each (P.Y. Fully paid 4,750,000 Equity shares of Rs.10/- each)	**47.50**		47.50	
Less: Provision for Diminution in value of investment	**47.50**	**0.00**	47.50	0.00
ii. United Stock Exchange Limited				
Fully paid 30,000,000 Equity shares of Rs.1/- each (P.Y. Fully paid 30,000,000 Equity shares of Rs.1/- each)		**30.00**		30.00
D. Advance against Equity pending allotment -TM Mining Company Limited		**0.13**		-
		3765.87		4586.25
II. OTHER INVESTMENTS				
Share of interest in Joint Ventures		**(4.79)**		(6.63)
Total		**3761.08**		**4579.62**

All Non Current Investments are carried at cost less provision for permanent diminution in value, if any. The company is not having any quoted investments. Aggregate amount of un-quoted investments is ₹ 3874.48 million (P.Y. ₹ 3874.48 million). Aggregate amount of provision for diminution in value of investments is ₹ 47.50 million (P.Y. ₹ 47.50 million).

6.3 DEFERRED TAX ASSETS (NET)

The deferred tax assets as at 31st March 2014 comprises of the following:

(₹ in million)

Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2013	Credit / (Charge) during 2013-14	**Deferred Tax asset / (Liability) as at 31.3.2014**
Depreciation	(176.69)	17.46	**(159.23)**
Prov. For Doubtful	1612.71	791.18	**2403.89**
DWA Risk	0.45	(0.45)	**-**
VRS Expenses	17.60	(0.70)	**16.90**
Interest received from IT Deptt.	0.16	(0.16)	**-**
Others	0.01	(0.01)	**-**
Interest in Joint Ventures	3.93	(51.42)	**(47.49)**
Total	**1458.17**	**755.90**	**2214.07**

6.4 LONG TERM LOANS AND ADVANCES

(₹ in million)

	31-03-2014		31-03-2013	
A. SECURITY DEPOSITS				
I. Secured, considered good	**49.46**		49.46	
II. Unsecured, considered good	**17.63**		36.73	
III. Doubtful	**47.49**		37.45	
	114.58		123.64	
Less: Provision for bad and doubtful advances	**47.49**	**67.09**	37.45	86.19
B. LOANS AND ADVACNES TO RELATED PARTIES				
I. Secured, considered good	**-**		-	
II. Unsecured, considered good	**10.25**		3.56	
III. Doubtful	**4.85**		4.85	
	15.10		8.41	
Less: Provision for bad and doubtful advances	**4.85**	**10.25**	4.85	3.56
C. OTHER LOANS AND ADVANCES				
I. Secured, considered good				
-Loan & advances to PSUs/Other Companies	**88.38**		2.19	
-Interest accrued & due/not due	**-**		3.48	
-Loan to Employees	**180.35**	**268.73**	186.86	192.53
II. Unsecured, considered good				
-Loan & advances to PSUs/Other Companies	**173.09**		156.03	
-Interest accrued & due/not due	**29.72**		63.04	
-Loan to Employees	**97.63**		91.04	
-Others	**55.07**		472.56	
III. Doubtful	**2362.73**		248.31	
	2718.24		1030.98	
Less: Provision for bad and doubtful advances	**2362.73**	**355.51**	248.31	782.67
		701.58		1064.95
Share of interest in Joint Ventures		**36.10**		35.97
Total		**737.68**		**1100.92**

Out of the above amount due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member is ₹ 0.19 million (P.Y. ₹ 0.70 million)

6.5 OTHER NON-CURRENT ASSETS

(₹ in million)

	31-03-2014		31-03-2013	
A. Long Term Trade Receivables				
i. Considered good (Secured against hypothecation of assets/ mortgage of title deeds and Bank Guarantees)	**-**		-	
ii. Unsecured Considered good	**14.60**		17.43	
iii. Considered doubtful	**4117.93**		4168.52	
	4132.53		4185.95	
Less : Provision for bad and doubtful receivables	**4117.93**	**14.60**	4168.52	17.43
B. Others		**-**		-
		14.60		17.43
Share of interest in Joint Ventures		**4.12**		4.65
Total		**18.72**		**22.08**

7 CURRENT ASSETS

7.1 CURRENT INVESTMENTS

(₹ in million)

	31-03-2014		31-03-2013	
A. Investment in Mutual Funds (Quoted)				
IDBI Mutual Fund -Liquid Fund (Daily Dividend) (NIL (P.Y. 150000 units of ₹ 1000/- each)	-		150.00	
SBI Premier Liquid Fund-Direct Plan-Daily Dividend 558185.8958 units of ₹ 1003.25 each (P.Y. NIL)	**560.00**	**560.00**	-	150.00
B. Investment in Government or trust securities				
9% Govt. Stock 2013		-		0.03
		560.00		150.03
Share of interest in Joint Ventures		**0.45**		0.84
Total		**560.45**		**150.87**

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

Aggregate market value of quoted investments as on 31.03.2014 ₹ 560.49 million (P.Y. ₹ 150.05 million) against cost of ₹ 560.00 million (P.Y. ₹ 150.00 million).

Aggregate amount of un-quoted investments is ₹ 0.45 million (P.Y. ₹ 0.87 million).

7.2 INVENTORIES

(₹ in million)

	31-03-2014		31-03-2013	
A. Raw materials	**260.13**		100.48	
B. Finished goods	**626.60**		845.59	
C. Stock-in-trade (includes goods in transit valued at ₹ 843.55 million (P.Y. ₹ 1996.69 million))	**2196.97**		7942.09	
D. Others (specify nature).	**0.25**	**3083.95**	0.65	8888.81
		3083.95		8888.81
Share of interest in Joint Ventures		**84.41**		124.80
Total		**3168.36**		**9013.61**

As taken, valued and certified by the management.

Inventories including goods in transit are valued at lower of the cost or realizable value as on 31st March 2014. Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 76.53 million (P.Y ₹ 7.39 million) during the year.

7.3 TRADE RECEIVABLES

(₹ in million)

	31-03-2014		31-03-2013	
A. Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment				
i. Secured, Considered good	**2367.48**		3969.65	
ii. Unsecured Considered good	**669.79**		1062.09	
iii. Doubtful	**202.17**		152.08	
	3239.44		5183.82	
Less: Provision for bad and doubtful debts	**202.17**	**3037.27**	152.08	5031.74
B. Other Trade Receivables				
i. Secured, Considered good	**1044.46**		12674.14	
ii. Unsecured Considered good	**13276.44**		1632.30	
iii. Doubtful	**-**		17.10	
	14320.90		14323.54	
Less: Provision for bad and doubtful debts	**-**	**14320.90**	17.10	14306.44
		17358.17		19338.18
Share of interest in Joint Ventures		**66.69**		14.13
Total		**17424.86**		**19352.31**

7.4 CASH AND BANK BALANCES

(₹ in million)

	31-03-2014		31-03-2013	
a. Cash and cash equivalents				
- Cheques, Drafts on hand		**0.80**		563.73
- Cash on hand		**0.11**		0.07
- Balances with Banks				
i. in Current Account	**73.04**		247.14	
ii. in Cash Credit Account (Debit balance)	**18.55**		427.53	
iii in Term Deposits with original maturity upto 3 months	**3201.32**	**3292.91**	2838.40	3513.07
b. Other Balances with Banks				
- As Margin money/lien	**3.00**		3.00	
- in term deposits with original maturity more than 3 months and upto 12 months	**2349.64**		11409.42	
- more than 12 months original maturity	**0.13**	**2352.77**	1.13	11413.55
		5646.59		15490.42
Share of interest in Joint Ventures		**812.20**		1565.00
Total		**6458.79**		**17055.42**

Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments ₹ 4.76 million (P.Y. ₹ 3.00 million).

Balances with banks includes ₹ 0.13 million (P.Y. ₹ 0.07 million) for unpaid dividend.

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

7.5 SHORT TERM LOANS AND ADVANCES

(₹ in million)

	31-03-2014		31-03-2013	
Others				
i. Bills Receivable	**-**		884.39	
Less: Bills Discounted	**-**		-	
Secured -Considered good		**-**		884.39
ii. Advance recoverable in cash or kind				
Secured -Considered good	**254.18**		3221.16	
Unsecured -Considered good	**5534.33**		5624.71	
Doubtful	**211.28**		275.00	
	5999.79		9120.87	
Less : Provision for Bad and Doubtful loans and advances	**211.28**	**5788.51**	275.00	8845.87
iii. Advance to Suppliers				
Secured -Considered good	**-**		-	
Unsecured -Considered good	**167.97**		230.94	
Doubtful	**98.26**		35.16	
	266.23		266.10	
Less : Provision for Bad and Doubtful loans and	**98.26**	**167.97**	35.16	230.94
iv. Income Tax (including advance income tax, TDS and refund due and VAT)				
Unsecured -Considered good		**932.17**		1205.04
		6888.65		11166.24
Share of interest in Joint Ventures		**379.07**		421.83
Total		**7267.72**		**11588.07**

Due by directors and other officers (Chief General Managers and Company Secretary) ₹ 0.12 million (P.Y. ₹ 0.10 million)

7.6 OTHER CURRENT ASSETS

(₹ in million)

	31-03-2014		31-03-2013	
Deferred Premium	**46.22**		304.22	
Gold/Silver stock towards unbilled purchases	**6022.58**		1435.09	
	6068.80		1739.31	
Less: Provision for doubtful amount, if any	**-**	**6068.80**	-	1739.31
Share of interest in Joint Ventures		**16.25**		15.86
Total		**6085.05**		**1755.17**

8 REVENUE FROM OPERATIONS

(₹ in million)

	2013-14		2012-13	
a. Sale of products		**257340.51**		294350.20
b. Sale of services		**39.62**		27.31
c. Other operating revenue				
-Despatch earned	**9.11**		43.61	
-Claims	**1903.97**		1401.32	
-Subsidy	**0.00**		294.86	
-Other Trade Income	**108.78**		219.32	
	2021.86		1959.11	
Less:				
d. Excise Duty	**1.37**	**2020.49**	10.52	1948.59
		259400.62		296326.10
Share of interest in Joint Ventures		**22021.93**		32530.05
Total		**281422.55**		**328856.15**

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

9 OTHER INCOME

(₹ in million)

	2013-14		2012-13	
a. Interest				
-Interest on fixed deposits	**857.02**		1953.23	
-Interest from customers on amount overdue	**81.36**		174.63	
-others	**510.07**	**1448.45**	826.34	2954.20
b. Dividend				
-Others		**32.64**		12.75
c. other non operating income (net of expenses directly attributable to such income)				
-Staff quarter rent	**5.88**		5.61	
-Misc. Receipts*	**231.65**		114.44	
-Liabilities written back	**572.12**		150.74	
-foreign exchange gain	**4.38**		1.50	
Less: foreign exchange loss	**-**	**814.03**	-	272.29
		2295.12		3239.24
Share of interest in Joint Ventures		**104.54**		97.82
Total		**2399.66**		**3337.06**

* Includes Rental Income of ₹ 31.24 million (P.Y. ₹ 31.97 million) from investment property at Bandra Kurla Complex, Mumbai shown under note 6.2 'Non Current Investment'.

10 COST OF MATERIAL CONSUMED

(₹ in million)

	2013-14	2012-13
Raw Material	**1,586.70**	2,677.61
Consumables	**26.40**	-
	1,613.10	2,677.61
Share of interest in Joint Ventures	**-**	-
Total	**1613.10**	**2,677.61**

11 PURCHASES OF STOCK-IN-TRADE

(₹ in million)

Product Groups	**2013-14**		**2012-13**	
A) Purchases				
Precious Metals	**84441.94**		104987.17	
Metals	**15094.38**		16136.06	
Fertilizers	**39616.24**		29567.70	
Minerals	**22534.98**		15655.22	
Agro Products	**27281.96**		50586.50	
Coal and Hydrocarbons	**37961.80**		58137.75	
General Trade/Others	**-**	**226931.30**	9.12	275079.52
B) Stock received/ issued in kind				
Precious Metals		**(40.96)**		(19.85)
		226890.34		275059.67
Share of interest in Joint Ventures		**22662.46**		31970.49
Total		**249552.80**		**307030.16**

12 CHANGES IN INVENTORIES

(₹ in million)

	2013-14		**2012-13**	
A. FINISHED GOODS				
Opening Balance	**946.75**		1625.85	
Closing Balance	**945.42**		947.02	
Change in inventory of Finished Goods		**1.33**		678.83
B. STOCK-IN-TRADE				
Opening balance	**7941.08**		7357.82	
Closing balance	**2214.75**		7949.19	
Change in inventory of Stock-in-Trade		**5,726.33**		(591.37)
		5,727.66		87.46
Share of interest in Joint Ventures		**45.79**		154.61
Total		**5,773.45**		**242.07**

13 EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	2013-14		**2012-13**	
Salaries and wages				
Salaries and Allowances	**1286.42**		1215.16	
Leave encashment	**124.57**		129.16	
VR expenses	**21.83**		28.44	
Bonus	**(4.07)**		12.78	
Performance Related pay	**0.29**		6.25	
Medical Expenses	**235.63**		449.16	
Group Insurance	**0.46**		0.16	
Contribution to DLIS	**1.57**	**1666.70**	1.44	1842.55
Contribution to provident fund and other funds				
Provident Fund	**100.55**		92.38	
Gratuity Fund	**2.67**		31.77	
Family Pension Scheme	**14.49**		12.37	
Superannuation Benefit	**78.18**	**195.89**	62.77	199.29
Staff Welfare Expenses		**75.92**		45.90
		1938.51		2087.74
Share of interest in Joint Ventures		**58.31**		49.76
Total		**1996.82**		**2137.50**

14 FINANCE COSTS

(₹ in million)

	2013-14	2012-13
I. Interest expense	309.81	1557.22
II. Other borrowing costs	-	-
III.Applicable Net gain/loss on foreign currency transactions	0.05	0.37
IV Premium on forward contract	404.99	786.46
	714.85	2344.05
Share of interest in Joint Ventures	144.46	159.12
Total	859.31	2503.17

Interest expense include ₹. 23.33 million (P.Y. ₹. 1.51 million) paid for shortfall in payment of advance income tax.

15 OTHER EXPENSES

(₹ in million)

	2013-14		2012-13	
A. Operating Expenses				
Freight	7057.95		5416.68	
Demurrage	2.45		50.43	
Clearing, Handling, Discount & Other charges	3838.65		2141.36	
L/C negotiation and other charges	5.66		26.17	
Difference in exchange (i)	1046.41		(192.64)	
Customs duty	8139.87		7351.55	
Insurance	30.99		26.14	
Godown insurance	11.03		14.00	
Plot and Godown rent	8.47		4.20	
Packing Material	221.02		446.68	
Provision for destinational weight and analysis risk	1.19	20363.69	1.38	15285.95
B. Administrative Expenses				
Consumption of stores and spare parts	-		-	
Power & Fuel	1.67		1.24	
Rent	44.73		43.34	
Rates and taxes	15.39		16.81	
Insurance	1.77		1.59	
Repairs to buildings	49.45		36.16	
Repairs to machinery	1.42		1.14	
Electricity & Water Charges	23.42		23.36	
Advertisement & Publicity	16.51		30.59	
Printing & Stationery	6.59		7.33	
Postage & Telegram	2.54		1.70	
Telephone	16.31		16.49	
Telecommunication	7.26		10.94	
Travelling	44.31		50.05	
Vehicle	19.20		19.31	
Entertainment	7.54		7.83	
Legal	87.79		43.71	
Auditors Remuneration (ii)	7.79		8.02	
Bank Charges	12.10		5.12	
Books & Periodicals	0.48		0.57	
Trade	5.27		5.01	
Repair & Renewals	17.76		18.28	
Computer Expenses	1.15		0.64	
Subscription	4.54		4.95	
Training, Seminar & Conference	4.09		5.44	
Professional/Consultancy	29.01		23.31	
CSR & Sustainable Development	6.34		18.23	
Difference in exchange	(21.49)		(45.07)	
Service Tax	6.90		3.07	
Prior period items (iii)	15.17		(5.52)	
Exhibition, Fair and Sales Promotion	17.15		37.96	
Bad Debts/Claims/Assets written off/ withdrawn	10.74		0.70	
Provision for Bad & Doubtful Debts/ Claims/Advances	12.74		62.53	
Miscellaneous expenses	68.87	544.51	119.80	574.63
		20908.20		15860.58
Share of interest in Joint Ventures		179.45		164.21
Total		21087.65		16024.79

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

(a) Deferred forward premium of ₹ 48.84 million (P.Y. ₹ 304.22 million) for imports and ₹ (2.61) million (P.Y. ₹ NIL million) for exports is to be recognized in the Profit & Loss Account of the subsequent accounting year.

(ii) Amount paid to auditors'

(₹ in million)

	2013-14	2012-13
As Auditor	**4.48**	4.77
For Taxation Matters	**1.49**	1.15
For Company Law Matters	**-**	-
For Management Services	**-**	0.03
For Other Services	**1.79**	1.66
For Reimbursement of Expenses	**0.03**	0.41
	7.79	**8.02**

(iii) Prior period items

(₹ in million)

	2013-14	2012-13
Expenditure		
Cost of sales	**60.77**	383.52
Salaries & wages	**(0.90)**	-
Administrative Expenses	**3.03**	0.69
Interest	**0.09**	4.09
Depreciation	**-**	(1.03)
Others	**29.81**	11.10
Sub-Total	**92.80**	398.37
Income		
Sales	**57.34**	349.10
Interest	**3.21**	0.38
Other Receipts	**17.08**	54.42
Sub-Total	**77.63**	403.90
Total (Net)	**15.17**	**(5.52)**

16 EXCEPTIONAL ITEMS

Exceptional item includes the following:-

(₹ in million)

	2013-14		2012-13	
Write-down of inventories to net realisable value and its reversal	**76.53**		7.39	
Reversal of any provisions for the cost of resturcturing	**-**		-	
Disposals of items of fixed assets	**(0.71)**		(0.46)	
Disposals of long-term investments	**-**		-	
Legislative changes having retrospective application	**-**		-	
Litigation settlements	**17.10**		144.63	
Provisions no longer required	**(103.45)**		(24.42)	
Diminution in value of Investment property	**-**		-	
Share of interest in Joint Ventures	**-**	**(10.53)**	0.14	127.28
Total		**(10.53)**		**127.28**

17 EXTRAORDINARY ITEMS

Extraordinary items represent:

i. Consequent upon receipt of final report of special audit conducted by a firm of Chartered Accountants provision of ₹ NIL million (P Y ₹ 155.44 million) made in the books of accounts against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at Regional Office, Chennai relating to Bullion transactions. The credit balance of ₹ 68.40 million (P.Y. ₹ 13.40 million) and debit balance of ₹ 51.00 million(P.Y. ₹ 48.02 million) is yet to be reconciled but full provision against the debit balance has been made. The Company has also filed a complaint with CBI who has since registered two separate FIRs and started detailed investigations. Also Directorate of Enforcement has registered an offence under Prevention of Money Laundering Act, 2002 against two ex-officials and two debtors.

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

iii. The Company has made provision of ₹ 2104.42 million (P.Y ₹ NIL) in the books of accounts against total amount of ₹ 2106.38 million recoverable as on 31.03.2014 from various borrowers and National Spot Exchange (NSEL) arising on account of default in payment obligation of NSEL. An amount of ₹ 1.96 Million has subsequently been realized upto 15th May, 2014. The Company has filed legal suit in Mumbai High Court against NSEL and others and criminal complaint in EOW, Delhi Police which has been transferred to CBI Mumbai.

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

I. Contingent Liabilities:

a) Guarantees issued by Banks on behalf of the Company ₹ 3654.78 million (P.Y. ₹ 4448.26 million) and Corporate Guarantee amounting to ₹ 3361.56 million (P.Y. ₹ 2017.15 million) in favour of customer have been given towards performance of contract against which backup guarantees amounting to ₹ 7152.38 million have been obtained from associate suppliers.

b) Corporate Guarantees of ₹ 13793.70 million (P.Y. ₹ 14409.10 million) given by the company in favour of financial institutions/banks on behalf of Neelachal Ispat Nigam Limited (NINL), steel plant jointly setup by the Compnay for securing principal and interest in respect of loans to NINL.

c) Claims against the Company not acknowledged as debts ₹. 3652.51 million (P.Y. ₹ 2274.05 million).

d) Letters of Credit opened by the Company remaining outstanding ₹ 7496.56 million (P.Y. ₹ 6142.11 million).

e) Sales Tax Demand of ₹ 2445.44 million (P.Y. ₹ 988.89 million) in dispute against which ₹ 192.94 million (P.Y. ₹ 115.96 million) has been deposited and ₹ 0.74 million (P.Y. ₹ 6.74 million) covered by bank guarantees.

f) Service Tax demand in respect of business auxiliary service amounting to ₹ 809.70 million (P.Y. ₹ 486.48 million).

g) A backup supplier of steam coal has claimed an amount of ₹ 504.30 miilion towards increased railway freight, belt sampling rejection, rake rejection and interest for delayed payment in relation to Coal Supply on back to back basis to a customer during 2011-12 to 2012-13 which has been disputed by the customer.

h) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 7615.00 million as on 31.03.2014 (PY ₹ 1697.08 million).

i) A party has claimed an amount of **₹** 4716.93 million ($ 78.72 million translated @ ₹ 59.92 being the closing rate of exchange as on 31.03.2014) (PY ₹ 4273.71 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, towards non lifting of part quantity of coking coal in respect of supplies to M/s NINL on back to back terms, relating to delivery period 2008-09. MMTC also lodged counter claim for non-supply of coking coal for the year 2009-10. The matter was under arbitration, the proceedings of which have been completed. The award has since been received on 21st May, 2014. Two of the three arbitrators have given majority award against the company and the third arbitrator has given minority award in favour of the company. The award is being legally examined and based on the legal advice further action for challenging the same in Delhi High Court shall be taken within the stipulated period. The liability, if any, on this account shall be to the account of NINL.

j) Custom department have raised demand of ₹ 620.17 million (P.Y. ₹ 1850.13 million) at various RO's during the current year on account of differential custom duty/interest/penalty etc. on import of Steam Coal supplied by the company to Power utilities through associate suppliers on back to back terms on fixed margin basis. The liability if any on account of custom duty shall be to the account of the backup supplier.

k) Excise duty demand of ₹ 96.59 million (P.Y. ₹ NIL million) for which company has already represented before Excise Department.

l) Demand of custom duty/penalty etc. of ₹ 256.99 million (P.Y. ₹ 241.12 million) in respect of import of RBD Palm Oil against target plus license. Firm liability in respect of the same has been withdrawn during the current year based on the order of CESTAT staying recovery of the said demand and waiving the pre-deposit by virtue of prima facie case in favour of the company.

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

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

o) Share in Contingent Liabilities of Joint Ventures based on their audited/un-audited statement of accounts ₹ 22.49 million (P.Y. ₹ 137.46 million).

p) Share in Contingent Liabilities of Associates based on their audited/un-audited statement of accounts ₹ 3525.79 million (P.Y. ₹ 3002.84 million).

II. Commitments:

a) Estimated amount of contracts remaining to be executed on capital account and not provided for **₹** 9.75 million (P.Y. ₹ 2.82 million).

b) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Joint ventures based on their audited/un-audited statement of accounts ₹ 101.46 million (P.Y. ₹ 49.94 million).

c) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Associates based on their audited/un-audited statement of accounts ₹ 1164.56 million (P.Y. ₹ 1710.02 million).

GENERAL DISCLOSURES:-

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

(₹ in million)

Items	31-03-2014		31-03-2013	
	Qty.(kgs)	Value	Qty.(kgs)	Value
Gold	**2218**	**5956.10**	434	1354.48
Gold Jewellery	**-**	**5.40**	-	6.87
Silver	**1550**	**61.08**	1475	73.74

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

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

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

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

ii. Post Retirement Medical Benefit (PRMB) – Available to retired employees at empanelled hospitals for inpatient treatment and also for OPD treatment subject to a ceiling fixed by the Company. The DPE guidelines provides for creation of separate corpus for employees retired prior to 01.01.2007 and those retiring after 01.01.2007. The Company is having as existing Post Retirement Medical Scheme. The Company has been providing liabilities based on Actuarial Valuation as per the scheme.

During the current year Company has taken decision to create a corpus and its management through a trust which will be implemented from 2014-15 and accordingly notified a revised scheme for employees retired prior to 01.01.2007. After creation of trust and corpus, contribution to the corpus will be regulated in accordance with the DPE guidelines from 2014-15.

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

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

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

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

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

v. Provident Fund – The Company's contribution paid/payable during the year to Provident Fund is recognized in the Statement of Profit & Loss. The Company's Provident Fund Trust is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trusts vis-à-vis statutory rate. The company does not anticipate any further obligations in the near foreseeable future having regard to the assets of the funds and return on investment.

vi. Pension Scheme – During the year, the Company has recognized ₹ 78.17 million (P.Y. ₹ 62.77 million) towards Defined Contribution Superannuation Pension Scheme in the Statement of Profit & Loss.

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

Reconciliation of present value of defined benefit obligations:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave	Post Retirement Medical Benefit	Long Service Benefits
(i)	Present value of projected benefit obligations as at 01/04/2013	756.54	275.30	187.53	1286.21	112.93
(ii)	Interest cost	60.52	23.40	15.94	109.33	
(iii)	Current service cost	9.88	12.33	8.76	17.94	
(iv)	Benefit paid	59.09	84.14	6.70	64.03	
(v)	Actuarial(gain)/loss	(3.14)	36.08	8.32	18.87	3.97
(vi)	Present value of obligation as at 31st March,2014 (i+ii+iii-iv+v)	764.71	262.97	213.85	1368.32	116.90

(b)Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2014:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave	Post Retirement Medical Benefit	Long Service Benefits
(i)	Service cost	9.88	12.33	8.76	17.94	
(ii)	Interest cost	60.52	23.40	15.94	109.33	
(iii)	Actual return on plan assets	66.38	-	-	-	
(iv)	Net Actuarial (gain) /loss recognized in the period	(3.14)	36.08	8.32	18.87	3.97
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	0.89	71.81	33.03	146.14	3.97

(c) Changes in the fair value of planned assets

(₹ in million)

	GRATUITY
Fair value of plan assets as at 1.4.2013	759.88
Actual return on plan assets	66.38
Contribution by employer	12.37
Benefit paid	59.09
Actuarial gain/(loss)	-
Fair value of plan assets as at 31.3.2014	779.54

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

(₹ in million)

Sl.No.	Particulars	One percentage Increase in inflation rate	One percentage decrease in inflation rate
i)	Effect on the aggregate of the service cost and interest cost	6.69	(9.68)
ii)	Effect on defined benefit obligation	165.35	(135.09)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2014
(i)	Discount rate (Per Annum)	8.00%- Gratuity 8.50%- Others
(ii)	Future cost increase	6.00% -Gratuity 6.50% -Others

(iii)	Retirement age	60 Years
(iv)	Mortality table	IALM(2006-08)
(v)	Withdrawal rates	1% to 3% depending upon Age

f) In case of gratuity the Company has taken policy from LIC to discharge its obligation and expenses are recognized based on Actuarial Valuation done by LIC.

(g) The Company has present value of obligation in respect of Post Retirement Medical Benefit of ₹ 1368.32 million (P.Y. ₹ 1286.21 million) as on 31.03.2014 as per Actuarial Valuation and accordingly created liability in terms of AS-15. The Company has also obtained second Actuarial Valuation of present value of obligation as on 31.03.2013 for the purpose of allocation of corpus between employees retired prior to 01.01.2007 and retiring after 01.01.2007. The effect of change in present value of obligation as on 31.03.2013 from ₹ 1286.21 million to ₹ 1150.31 million as reflected in the second actuarial valuation has been duly considered under 'actuarial gains and losses' in the actuarial valuation done as at 31.03.2014 and accounted for accordingly.

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

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

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

a) Key Management Personnel

i. Shri D.S. Dhesi Chairman-cum Managing Director
ii. Shri Ved Prakash Director
iii. Shri Rajeev Jaideva Director
iv. Shri M.G. Gupta Director
v. Shri Anand Trivedi Director
vi. Shri P.K.Jain Director (w.e.f. 15.05.2013)
vii. Shri Tapas Kumar Sengupta, Managing Director,MTPL
viii Shri Vijay Kumar Gupta, Director,MTPL

b) Subsidiary

MMTC Transnational Pte. Ltd., Singapore

c) Associate

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

d) Joint Ventures:-

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

Details of transactions during the year 2013-14

(₹ in million)

Particulars	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	15490.51	3767.75		19258.26
Sale of goods	10809.91	73.61		10883.52
Sale of fixed assets				
Dividend Received				
Finance including loans and equity contribution				

in cash or in kind				
Corporate Guarantees				
Other payment Demurrage / Dispatch				
Other receipt Demurrage / Dispatch				
Remuneration			28.28	28.28
Outstanding Balance				
Receivable	6489.71		0.28	6489.99
Payable	4.82	0.84		5.66

25. Earnings per Share:

Particulars	2013-14		2012-13	
	Before Extra-ordinary items	After Extra-ordinary items	Before Extra-ordinary items	After Extra-ordinary items
Profit after Tax (₹ in million)	1207.55	(181.58)	544.26	(1106.54)
Total number of Equity Shares (million)	1000	1000	1000	1000
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share) (P.Y. Face value ₹ 1/- per share)	1.21	(0.18)	0.54	(1.11)

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

(₹ in million)

Sl. No	Name of the Joint Venture Company	% of Company's ownership Interest	Country of Incorporation	Assets	Liabilities	Income	Expenditure	Cont. Liabilities	Capital Commitments
1.	Free Trade Warehousing Pvt. Ltd.	26	India	151.35	148.28	0.50	0.29	10.52	0.00
2.	Greater Noida Integrated Warehousing Pvt. Ltd.	26	India	0.00	0.02	0.00	0.01	0.00	0.00
3.	MMTC Pamp India Pvt. Ltd.	26	India	1689.35	1349.34	23352.21	23036.60	10.59	14.10
4.	Sical Iron Ore Terminal Ltd.	26	India	1346.40	1008.48	0.00	0.00	0.28	87.36
5.	MMTC Gitanjali Ltd.	26	India	89.53	62.49	82.84	85.71	1.09	0.00
6	Indian Commodity Exchange Ltd.	26	India	91.45	44.63	14.73	36.86	0.00	0.00
7	TM Mining Company Ltd.	26	India	0.02	0.07	0.00	0.11	0.00	0.00
8	Blue Water Iron Ore Terminal Pvt. Ltd.*	18	India	0.17	0.53	0.00	0.31	0.00	0.00

* Un-audited

27. As required by Accounting Standard(AS) 28 " Impairment of Assets " notified by the Institute of Chartered Accountants of India, the company has carried out the assessment of impairment of assets & provision towards impairment loss in value of assets amounting to ₹ 10.88 million (P.Y. ₹ NIL million) has been made during the year.

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

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.2013	Adjustment during year	Addition during year	Closing Balance as on 31.03.2014
Destinational Weight & Analysis Risk	1.38	1.38	1.19	1.19
Bonus/PRP	68.01	4.34	(3.78)	59.89
Superannuation Benefit	66.46	105.44	78.18	39.20
Provision for Taxation	829.24	801.47	753.32	781.09
Proposed Dividend	201.97	201.97	150.00	150.00
Tax on Proposed Dividend	0.00	0.00	25.49	25.49

29. Income tax of ₹ 931.62 million (P.Y. ₹ 1204.71 million) under the head Short Term Loans and Advances consists of ₹ 366.63 million (P.Y. ₹ 357.23 million) paid to Income Tax Department against the disputed demands of ₹ 592.96 million (P.Y. ₹ 367.16 millions) for various assessment years and advance tax/TDS of ₹ 564.99 million (PY ₹ 847.48 million) towards income tax liability for financial years 2013-14. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.

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

31. The company had imported pulses on the directives of the Govt. of India during the year 2007-08 to 2010-11. The Government has allowed reimbursement of losses up to 15% of landed cost and trading margin @ 1.2% of CIF value. An amount of ₹ 165.53 million (P.Y. ₹ 165.53 million) on account of claim lodged during 2011-12 which is within 15% of landed cost is yet to be received. Further an amount of ₹ 27.40 million is also shown recoverable from GOI on account of deduction towards interest on excess payment during 2008-09. The scheme was discontinued w.e.f. 2011-12.

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

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

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

Loanee	Balance as at 31.03.2014	Maximum outstanding during the year
Neelachal Ispaat Nigam Ltd.	₹ 0.03 million	₹ 3.93 million
	(P.Y. ₹ 3.56 million)	(P.Y. ₹ 3.56 million)

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

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

35. At Regional Office, Mumbai, during the year 2011-12, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 32.63 million (P.Y. ₹ 29.64 miilion) without making delivery of the material (copper). However, the company has obtained an interim stay restraining the bank from making the payment under the letter of credit with undertaking to pay interest from due date of payment. The same supplier is also fraudulently holding on to the master bills of lading of another shipment of copper which would enable the Regional Office, Mumbai to take delivery and possession of goods valued at ₹ 85.98 million (P.Y. ₹ 85.98 million), already paid for and received at the Indian port whose legal judgment is expected soon. Against this the company is holding EMD of ₹ 44.51 million from the backup customer.

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

37.The Company has incurred an amount of ₹ 65.43 million (P.Y ₹ 54.86 million) on development of Gomia Coal Block allotted to the company in the year 2006 which has been shown under 'Capital Work in Progress'. During the year, the Ministry of Coal has demanded a bank guarantee of ₹ 298.00 million from the company due to delay in development of the block. The matter has been taken up with the Ministry of Coal to waive the BG keeping in view Coal Methane Block (CBM) allotted to ONGC in 2002 for gas extraction. The final outcome is awaited.

38. The company has reworded its Accounting Policy No. 2.17 II (i) to read as "Contingent liabilities are not recognized but are disclosed in the Notes to the Accounts. Interest, if any on contingent liabilities are generally not disclosed in the Notes to the Accounts being indeterminable" so as to clarify the accounting practice followed by the Company.

The above changes have no financial impact on the company.

39. There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2014.

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

41. Whole time Directors are allowed usage of staff cars for private use up to 1,000 km per month on payment of ₹ 2000 per month in accordance with guidelines issued by Department of Public Enterprise (GOI).

42. The list of Subsidiaries, Associates and Joint Ventures included in the Consolidated Financial Statements are as under:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2014
MMTC Transnational Pte Ltd.	Singapore	100%

NAME OF ASSOCIATES	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2014
Neelachal Ispat Nigam Limited	India	49.78%
Devona Power & Infrastructure Limited	India	26.00%

NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2014
Greater Noida Integrated Warehousing Pvt. Ltd.	India	26.00%
Free Trade Warehousing Pvt. Ltd.	India	26.00%
MMTC PAMP India Pvt. Ltd.	India	26.00%
SICAL Iron Ore Terminal Ltd.	India	26.00%
MMTC Gitanjali Ltd.	India	26.00%
Indian Commodity Exchange Limited	India	26.00%
TM Mining Company Limited	India	26.00%

Accounts of Blue Water Iron Ore Terminal Pvt. Ltd. have not been considered for consolidation since the company has not made any contribution towards capital/ equity of Blue Water Iron Ore Terminal Pvt. Ltd.

43. Details of subsidiary of MMTC Transnational Pte Ltd is as follows:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31-03-2014
MMTC Transnational (Moscow) Pte Ltd.	Russia	100%

The status of MMTC Transnational (Moscow) Pte Ltd. is a dormant company and investment in the same have already been impaired by the ultimate holding company MMTC Transnational PTE Ltd., Singapore.

44. In view, of different sets of environment in which the Joint Ventures/Associates/Subsidiary are operating, the accounting policies followed by the Joint Ventures/Associates/Subsidiary are different from the accounting policies of the company. The details are given as under:-

Particulars	Name of Joint Ventures/Associates/ Subsidiary	Accounting Policies		Proportion of MMTC's share (Gross Amount)
		MMTC Limited	Joint Venture/ Associates/Subsidiary	
Depreciation & Amortization	Neelachal Ispat Nigam Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Sical Iron ore Terminals Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Indian Commodity Exchange Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	MMTC Gitanjali Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	MMTC Pamp India Private Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	MMTC Transnational Pte. Ltd, Singapore	Depreciation Rates are as per accounting policy of MMTC Limited	Depreciation charged at 33.33% per annum	₹ 0.35 million were excess charged for depreciation and amortization in the accounts.

Inventory Valuation	MMTC Transnational Pte. Ltd, Singapore	Weighted average cost	Specific identification method	Not Quantifiable
	MMTC Gitanjali Limited	Weighted average cost	on FIFO basis & on an average vender-wise	Not Quantifiable
	MMTC Pamp India Private Limited	Weighted average cost	On FIFO Basis	Not Quantifiable
Foreign Currency Translation	Neelachal Ispat Nigam Limited	Non monetary items are reported using the exchange rate at the date of the transaction	Transactions for both capital and revenue during the year in foreign currencies are being recognized at the rate prevalent in force on the date of settlement of transactions	Not Quantifiable
	Neelachal Ispat Nigam Limited	Exchange difference in respect of liabilities relating to fixed assets charged to Profit and Loss account	Exchange differences in respect of liabilities relating to fixed assets are adjusted in the carrying amount of such assets	Not Quantifiable
Basis of preparation of Financial Statment	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Singapore Financial Reporting Standards	Not Quantifiable
Revenue Recognition	MMTC Transnational Pte. Ltd, Singapore	Interest income recognized on accrual basis	Interest income recognized on effective interest method	Not Quantifiable
	Sical Iron ore Terminals Limited	Dividend income recognized on cash basis	Dividend income recognized on time proportion basis	Not Quantifiable
Trade and other receivable	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable

Trade and other payables	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Terminal Benefits	MMTC Transnational Pte. Ltd, Singapore	Defined Benefit Plan	Defined Contribution Plan	Not Quantifiable
Financial Assets and Liabilites	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised Cost	Not Quantifiable
Borrowings	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable

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

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

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(G. Anandanarayanan)
Assistant Company Secretary

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

(M G Gupta)
Director (Finance)
DIN-02200405

(Anand Trivedi)
Director
DIN-01077784

(D S Dhesi)
Chairman cum Managing Director
DIN-1433541

Date : 29th May, 2014
Place : New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR THE YEAR 2013-14

(Primary Disclosures)

(₹ in million)

	BUSINESS SEGMENTS															
Particulars	**PRECIOUS METAL**		**METALS**		**MINERALS & ORES**		**HYDROCARBON**		**AGRO PRODUCTS**		**FERTILIZERS**		**OTHERS**		**TOTAL**	
SEGMENT REVENUE	**31st March 14**	**31st March 13**	**31st March 14**	**31st March 13**	**31st March 14**	**31st March 13**	**31st March 14**	**31st March 13**	**31st March 14**	**31st March 13**	**31st March 14**	**31st March 13**	**31st March 14**	**31st March 13**	**31st March 14**	**31st March 13**
External Sales																
- With in India	**113686.46**	168692.48	**4181.21**	11946.75	**2831.84**	1761.27	**55963.48**	56368.35	**17157.48**	29821.26	**37523.58**	17615.33	**95.06**	112.72	**231439.11**	286318.16
- Outside India	**2592.97**		**11278.83**	3211.13	**20410.78**	13900.33	**74.78**	974.56	**11247.52**	15504.13	**2325.09**	6999.27			**47929.97**	40589.41
Total (A)	**116279.43**	168692.48	**15460.04**	15157.88	**23242.62**	15661.60	**56038.26**	57342.91	**28405.00**	45325.39	**39848.67**	24614.60	**95.06**	112.72	**279369.08**	326907.57
Inter-Segment sales																
- With in India																
- Outside India																
Total (B)																
Total Segment Revenue (A+B))	**116279.43**	168692.48	**15460.04**	15157.88	**23242.62**	15661.60	**56038.26**	57342.91	**28405.00**	45325.39	**39848.67**	24614.60	**95.06**	112.72	**279369.08**	326907.57
Total revenue of each segment as a percentage of total revenue of all segments	**41.62%**	76.80%	**5.53%**	3.54%	**8.32%**	1.69%	**20.06%**	5.49%	**10.17%**	3.65%	**14.26%**	8.75%	**0.03%**	0.07%	**100.00%**	100.00%
Segemental Result																
- With in India	**1900.91**	1113.46	**106.04**	295.59	**80.65**	50.48	**510.19**	665.82	**222.60**	329.27	**96.78**	82.57	**76.57**	88.53	**2993.74**	2625.72
- Outside India	**0.06**		**347.02**	95.65	**579.44**	402.82	**2.54**	6.90	**164.93**	286.53	**23.52**	192.71			**1117.51**	984.61
Total Segmental Result	**1900.97**	1113.46	**453.06**	391.24	**660.09**	453.30	**512.73**	672.72	**387.53**	615.80	**120.30**	275.28	**76.57**	88.53	**4111.25**	3610.33
Unallocated Corporate expenses net of unallocated income															**3250.17**	4203.86
Operating Profit															**861.08**	(593.53)
Interest Expenses															**309.81**	1557.22
Interest Income															**1448.45**	2954.19
Income taxes															**76.88**	(533.66)
Profit from ordinary activities															**1922.84**	1337.10
Extraordinary loss/Income															**2104.42**	2443.64
Net Profit															**(181.58)**	(1,106.54)
OTHER INFORMATION																
Segment assets	**3809.94**	7787.49	**1257.94**	1568.91	**2074.05**	2415.06	**13318.49**	20149.42	**4756.11**	4813.71	**2189.17**	2649.38	**447.31**	499.14	**27853.01**	39883.11
Unallocated Corporate assets															**22723.35**	29089.50
Total assets															**50576.36**	68972.61
Segment Liabilities	**2507.03**	2388.13	**81.99**	397.91	**2337.34**	2422.57	**9825.49**	20953.01	**2379.26**	10998.04	**2184.50**	4424.86	**70.17**	195.95	**19385.78**	41780.47
Unallocated Corporate liabilities															**16688.75**	12272.25
Total liabilities															**36074.53**	54052.72
Segment Capital expenditure		0.83														0.83
Unallocated Capital Expenditure															**206.44**	464.32
Total Capital Expenditure															**206.44**	465.15
Segment Depreciation	**5.31**	2.22			**55.36**	55.36							**36.36**	36.36	**97.04**	93.95
Unallocated Depreciation															**76.18**	159.25
Total Depreciation															**173.22**	253.20
Non-cash expenses other than depreciation															**29.42**	60.41

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED......

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR 2013-14

(SECONDARY DISCLOSURE)

(₹ in million)

G E O G R A P H I C A L   S E G M E N T S

	OUTSIDE INDIA		WITHIN INDIA		TOTAL	
	31st March 14	31st March 13	31st March 14	31st March 13	31st March 14	31st March 13
SEGMENT REVENUE						
External Sales	**47,929.97**	40,589.41	**231,439.11**	286,318.16	**279,369.08**	326,907.57
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**47,929.97**	40,589.41	**231,439.11**	286,318.16	**279,369.08**	326,907.57
Segement Result	**1,117.51**	984.61	**2,993.74**	2,625.72	**4,111.25**	3,610.33
Segment assets	**2,333.73**	2,593.80	**25,519.28**	37,289.31	**27,853.01**	39,883.11
Capital expenditure	**-**	-	**-**	0.83	**-**	0.83

AUDITORS

Office of the Comptroller & Auditor General of India vide their letter No. CA. V/COY/CENTRAL GOVERNMENT, MMTC (11) /551 dated 22nd August, 2013 have communicated the appointment of Auditors of the company under section 619(2) of the Companies Act, 1956 for the financial year 2013-14. The details are given below:-

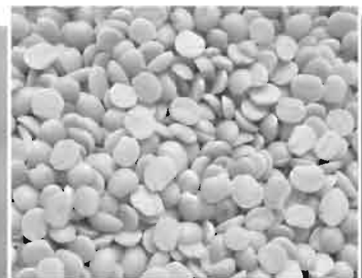
Statutory Auditor	**Region**
Jain Kapila Associates New Delhi	-RO Delhi including SROs -CO, New Delhi (Including foreign offices), Office of Mica Division Consolidation and merger of all branches

Branch Auditors

Rajesh K Jhunjhunwala & Co. Cuttack	-Bhubneshwar Regional Office including Sub-Offices/ distribution centers
G K Choksi & Co. Ahmedabad	-Ahmedabad Regional Office including Sub-Offices/ distribution centers
Sundar Srini & Sridhar Bangalore	-Bangalore Regional Office including Sub-Offices/ distribution centers
Kailash Chand Jain & Co. Mumbai	-Mumbai Regional Office including Sub-Offices/ distribution centers
C N Hunnargikar & Co. Belgaum	-Goa Regional Office including Sub-Offices/ distribution centers
Chaturvedi & Co. Kolkata	-Kolkata Regional Office including Sub-Offices/ distribution centers -Mica Division at Kolkata, Abhraknagar, Jhumritalaya & Giridih
C Ramachandram & Co. Hyderabad	-Hyderabad Regional Office including Sub-Offices/ distribution centers
Bhandawat & Co. Ajmer	-Jaipur Regional Office
Anand & Ponnappan Chennai	-Chennai Regional Office including Sub-Offices/ distribution centers - MICA Division at Gudur
Basha & Narasimhan Visakhapatnam	-Visakhapatnam Regional Office including Sub-Offices/distribution centers








MMTC LIMITED

Regd. Office : Core-1, SCOPE Complex,7 Institutional Area, Lodhi Road,New Delhi-110003

CIN : L51909DL1963GOI004033

ATTENDANCE SLIP

51st ANNUAL GENERAL MEETING TO BE HELD ON THURSDAY, the 18th September 2014 AT 11.30 AM

NAME AND ADDRESS OF THE ATTENDING MEMBER (IN BLOCK LETTERS)	
Folio No/DP ID/Client ID	
No. of Shares held	
NAME OF PROXY (IN BLOCK LETTERS, TO BE FILLED IN IF THE PROXY ATTENDS INSTEAD OF THE MEMBER	

I, hereby record my presence at the 51st Annual General Meeting of the Company held on Thursday, 18th September 2014 at the Weightlifting Auditorium, Sports Authority of India, Gate No. 19, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003.

Signature of Member /Proxy

NOTES :

1. The attendance slip should be signed as per the specimen signature registered with M/s MCS Ltd, Registrar & Transfer agent (RTA)/Depository Participant(DP). Such duly completed and signed Attendance slip(s) should be handed over at the RTA counter(s) at the venue against which RTA will provide admission card. Entry to the hall will be strictly on the basis of admission card as provided by RTA. Members in person and Proxy-holders **may please carry photo-ID card for identification purpose**
2. **Shareholder(s) present in person or through registered proxy shall only be entertained.**

MMTC LIMITED

Regd. Office : Core-1, SCOPE COMPLEX,7 Institutional Area, Lodhi Road,New Delhi-110003

CIN : L51909DL1963GOI004033

FORM OF PROXY

Name of Member(s)	
Registered address :	
Folio No./DP ID-CLIENT ID	
Email ID	

I/We being the member(s) of ________shares of the above named company, hereby appoint :

1	Name :			
	Address :		Signature :	
	E Mail-ID :			
Or failing him				
2.	Name :			
	Address :		Signature :	
	E Mail-ID :			
Or failing him				
3	Name :			
	Address :		Signature :	
	E Mail-ID :			

As my/our proxy to attend and vote(on poll) for me/us and on my/our behalf at the Annual General Meeting of the company, to be held on Thursday,18th September 2014 at the Weightlifting Auditorium, Sports Authority of India, Gate No. 19, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi-110003.

S No.	Resolution	For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements of the Company for the year ended March 31, 2014, the Reports of the Board of Directors, Statutory Auditors Report and Comments of Comptroller and Auditor General of India.		
2.	Declaration of Final Dividend for the year 2013-14		
3.	Re-appointment of Shri Anand Trivedi,who retires by rotation		
4.	Re-appointment of Shri P.K.Jain,who retires by rotation		
5.	Fixation of Remuneration of Statutory Auditors for the Year 2014-15		
Special Business			
6.	Appointment of Shri B.P. Pandey as Part Time Govt. Nominee Director		
7.	Approval for amendment to AOA of the company - Insertion of new clause of Articles in the existing AOA		

Signed this ....day of ....20...........

Affix Revenue Stamp of Re. 1/-

Signature of shareholder_____________Signature of Proxy holder(S)________________

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN

सौन्दर्य
की अनुभूति
PURITY 92.5% GUARANTEED
साँची
सिल्वर इन स्टाइल
एमएमटीसी आपके लिये लाया है
सिल्वरवेयर का उत्कृष्ट कलेक्शन, जो आपकी
जीवन–शैली की समृद्धि को बढ़ाता है।
कलात्मक कलाकृतियों के आकर्षक संग्रह
में से चुनिये अनूठे और यादगार उपहार।
शुद्धता जिस पर आप करें सदा विश्वास...
• सजावटी उत्पाद • उपयोगी उत्पाद • मेज का समान • धार्मिक उत्पाद
MMTC JEWELS
For your Institutional Bulk Orders / Corporate Purchases, please contact: GM (Precious Metal), MMTC Limited, Core-1, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003, Ph.: 011-24381362, 24362200 Extn. - 1374.
For all your purchases during the festive season and throughout the year, visit our MMTC Jewels showrooms at : Delhi - MMTC Limited, Core-1, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003, Ph.: 011-24365805, MMTC Limited, F-8-11, Jhandewalan Flatted Factories Complex, Rani Jhansi Road, New Delhi - 110055, Ph.: 011-23513793, IPL Swaranlaya: Indian Potash Limited, Potash Bhawan, 10 B, Rajendra Park, Pusa Road, New Delhi - 110 060, Ph.: 25781540, 25732438.
एमएमटीसी
लिमिटेड
MMTC
LIMITED
भारत सरकार का उपक्रम
A GOVT. OF INDIA ENTERPRISE
touching lives, adding value
For nearest MMTC showroom / stockists and enquiries call our All India Toll Free No. 1800 1800 000 (9 am to 9 pm)
For exciting display of Sanchi Silverware & Medallions log on to www.mmtcretail.com

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

कारपोरेट कार्यालय
नई दिल्ली

एमएमटीसी लिमिटेड की ओर से
एम.जी. गुप्ता, निदेशक (वित्त)
द्वारा प्रकाशित
कारपोरेट कम्युनिकेशन्स प्रभाग
द्वारा निर्मित एवं मुद्रित

CORPORATE OFFICE
New Delhi

Published by
M.G. Gupta, Director (Finance)
on behalf of **MMTC Limited**
Produced & Printed by
Corporate Communications Division

Printed by : Censer Advertising Pvt. Ltd. - 09810118199