Making a WORLD of Difference

49th Annual Report 2011-2012

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

Board of Directors

VIJAYLAXMI JOSHI
Chairman cum Managing Director
w.e.f. 22.07.11

H S MANN
Chairman and Managing Director
upto 22.07.11

GOVERNMENT NOMINEE DIRECTORS

P K CHAUDHERY
upto 14.11.11

DR. RAJAN KATOCH
upto 22.05.12

MADHUSUDAN PRASAD
w.e.f. 03.01.12

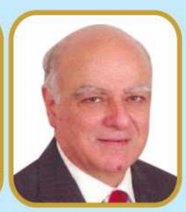
ANITA AGNIHOTRI
w.e.f. 22.05.12

INDEPENDENT DIRECTORS

ANIL BAIJAL
upto 11.06.12

ARUNA MAKHAN
upto 14.06.12

H L ZUTSHI
upto 11.06.12



ANIL RAZDAN
w.e.f. 13.07.11

S. KRISHNAN
from 14.07.11 to 18.10.11

G. S. VEDI
w.e.f. 14.07.11

ARUN BALAKRISHNAN
w.e.f. 16.07.11

FUNCTIONAL DIRECTORS

SUNIR KHURANA
Director (Marketing)

VED PRAKASH
Director (Marketing)

RAJEEV JAIDEVA
Director (Personnel)

M G GUPTA
Director (Finance)
w.e.f. 09.12.11

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

CONTENTS

Corporate Mission

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

Corporate Objectives

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

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

49th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE

Notice is hereby given that **49th Annual General Meeting** of the Members of MMTC Limited will be held at **SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003** on Friday, **the 28th September, 2012 at 1200 hours** to transact the following business:

ORIDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, Profit and Loss Account for the year ended 31st March 2012, Report of Board of Directors, Statutory Auditors' Report and the Comments thereupon of Comptroller & Auditor General of India.
2. To declare dividend on equity share capital for the financial year ended 31st March 2012.
3. To re-appoint Shri Ved Prakash, 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 Rajeev Jaideva, Director (Personnel) who retires by rotation at the AGM, as Director (Personnel) 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 (Personnel).
5. To re-appoint Shri Anil Razdan, Non Official Part time (Independent) Director who retires by rotation at the AGM, as Non Official Part time (Independent) Director of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Non Official Part time (Independent) Director.
6. To re-appoint Shri G S Vedi, Non Official Part time (Independent) Director who retires by rotation at the AGM, as Non Official Part time (Independent) Director of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Non Official Part time (Independent) Director.
7. To authorize Board of Directors of the company in terms of the provisions of Section 224(8)(aa) of Companies Act, 1956 to fix remuneration of the Statutory/Branch Auditors of the company appointed by Comptroller & Auditor General of India u/s 619 of the Companies Act, 1956 for the financial year 2012-13.

SPECIAL BUSINESS

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

> "RESOLVED THAT Shri M G Gupta, who was appointed as Whole Time Director (Finance) by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Office Order No. A-12022/28/2007-E.IV dated 9.12.2011 of Department of Commerce, Ministry of Commerce & Industry and by the Board of Directors in its 392nd meeting held on 12th December 2011 w.e.f. 09.12.2011 under Section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Whole Time Director (Finance) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

> "RESOLVED THAT Shri Madhusudan Prasad who was appointed as Part Time Director w.e.f. 03.01.2012, 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 2nd January 2012 and by the Board of Directors on 5th January 2012 as Part Time Director under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part Time Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

> "RESOLVED THAT Smt Anita Agnihotri, who was appointed as Part Time Director w.e.f.22.5.2012 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 the 22nd May,2012 and by the Board of Directors on 28.5.2012 under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part Time Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

> "RESOLVED THAT Shri Anand Trivedi, who was appointed as Whole Time Director (Marketing) w.e.f. 03.7.2012 by the President of India, in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry communication no. A-12022/5/2012-E.IV dated the 2nd July,2012 and by the Board of Directors 04.7.2012 under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Whole Time Director (Marketing) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

By Order of the Board

Dated: 28.08.2012
Place : New Delhi

sd/-
(Manohar Balwani)
GM & Company Secretary

GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

NOTES:

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

2. Transfer Books and Register of Members will remain closed from **15th to 28th September 2012** (both days inclusive). The Board of Directors, in its Meeting held on 28th August, 2012, has recommended a dividend @ 25% (Re.0.25 per share of face value Re.1.00 each) on the paid-up equity share capital of the company. The dividend, subject to the provisions of Section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid in October, 2012 to the Members whose names appear on the Company's Register of Members on September 28, 2012 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 **September 14, 2012.**

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

4. **Members are requested to:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 109A of the Companies Act, 1956 by nominating in the Form-2B as prescribed in the Companies (Central Government's) General Rules and Forms, 1956, any person to whom their shares in the Company shall vest on occurrence of events stated in the Form. Those holding shares in physical form may obtain from and send Form-2B in duplicate to RTA of the Company. In case of shares held in dematerialized form, the nomination /change of address has to be lodged with the respective DP.

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

14. Annual listing fee for the year 2012-13 has been paid to all Stock Exchanges wherein shares of the Company are listed.

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

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

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

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

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

Item No.8

In accordance with communication No-A-12022/28/2007-E.IV dated 9.12.2011 of Department of Commerce, Ministry of Commerce & Industry, Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Shri M G Gupta was appointed as Whole Time Director(Finance) on the Board of MMTC Limited w.e.f. 9th December 2011. Shri M G Gupta holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri M G Gupta as Whole Time Director (Finance) of the company.

Shri M G Gupta, aged 54 years, has a wide experience in the field of Corporate Finance & Accounts spanning over a period of more than 30 years inclusive of experience as Regional/Zonal Incharge of MMTC for a period of more than 5 years. Prior to his appointment as Director (Finance) Shri M G Gupta was serving MMTC as Chief General Manager (Finance & Accounts- In charge).

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

None of the Directors other than Shri M G Gupta, to the extent of his appointment as Whole Time Director (Finance), is concerned or interested in the above resolution.

Item No.9

In accordance with communication No 11/36/2011-FT(M&O) dated 2nd January 2012 from Department of Commerce, Ministry of Commerce & Industry, Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Shri Madhusudan Prasad, Additional Secretary, MOC&I was appointed as Part Time Director on the Board of MMTC Limited w.e.f. 3rd January 2012. Shri Madhusudan Prasad holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Shri Madhusudan Prasad as Part Time Director of the company.

Shri Madhusudan Prasad, aged 55 years, belongs to IAS 1981 Batch – Haryana Cadre and is a Post Graduate in Economics. Shri Madhusudan Prasad was serving as Financial Commissioner & Principal Secretary Govt of Haryana prior to his joining in the Department of Commerce, MOC&I as Additional Secretary in December 2011.

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

None of the Directors other than Shri Madhusudan Prasad to the extent of his appointment as Part Time Director is concerned or interested in the above resolution.

Item No.10

In accordance with communication No 11/36/2001-FT(M&O) dated 22nd May 2012 from Department of Commerce, Ministry of Commerce & Industry, Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Smt Anita Agnihotri was appointed as Part Time Director on the Board of MMTC Limited w.e.f. 22nd May 2012. Smt Anita Agnihotri holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Smt Anita Agnihotri as Part Time Director of the company.

Smt. Anita Agnihotri, aged 55 years held the charge of Member Secretary in National Commission for Women, Ministry of Women & Child Development prior to her joining the Ministry of Commerce & Industry as Additional Secretary & Financial Adviser in May 2012.

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

None of the Directors other than Smt Anita Agnihotri, to the extent of her appointment as Part Time Director, is concerned or interested in the above resolution.

Item No.11

In accordance with communication No-12022/5/2012-E.IV dated the 2nd July 2012 of the Department of Commerce, Ministry of Commerce & Industry, Government of India and pursuant to provisions of Section 260 of the Companies Act, 1956, Shri Anand Trivedi, was appointed as Whole Time Director (Marketing) on the Board of MMTC Limited w.e.f. 3rd July 2012. Shri Anand Trivedi holds the charge till the conclusion of this AGM.

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

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 level and Precious Metals Division at Corporate level.

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

None of the Directors other than Shri Anand Trivedi, to the extent of his appointment as Part Time Director, is concerned or interested in the above resolution.

BRIEF PROFILE OF DIRECTORS SEEKING RE-ELECTION AT THE 49TH AGM:

SHRI VED PRAKASH

Shri Ved Prakash, aged 52 years is B.Tech. from IIT Delhi, PGDM from IIM-Kolkata. Prior to his appointment as Director (Marketing) in MMTC, Shri Ved Prakash held the office of Chief General Manager (Marketing) in MMTC and has an experience of more than 27 years at different levels in MMTC.

SHRI RAJEEV JAIDEVA

Shri Rajeev Jaideva, aged 55 years, is B.A. (Economics), B.L., PGDPM&IR. Prior to his appointment as Director (Personnel) Shri Jaideva held the office of Chief General Manager(Personnel) in MMTC. He has a diverse working experience of three decades including in the area of Human Resource Management and Marketing Management in domestic and international field.

SHRI ANIL RAZDAN

Shri Anil Razdan, an ex-IAS Officer of 1973 Batch, aged, 62 years, is B.Sc. (Hons.) in Physics, LL.B. from Delhi University and a Visiting Fellow of the University of Oxford. Shri Razdan held the charge of Secretary, Ministry of Power, Govt of India prior to his superannuation. He is member of the Advisory Group of the Union Ministry of Power and Member of Adhoc Task Force on MOU in Department of Public Enterprises. He has also been appointed as Scientific Consultant on Energy Technologies to the Office of the Principal Scientific Advisor to the Govt of India in April 2010.

SHRI G S VEDI

Shri G S Vedi, B.Sc. & M.A., aged 61 years, held the charge of CMD of Punjab & Sind Bank prior to his superannuation on 30.6.2010. He has more than 40 years of experience in banking industry having worked in various capacities in both administrative offices and operations across the country. He had also worked as Executive Director in Canara Bank.

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DIRECTORS' REPORT

The Members
MMTC Limited,
New Delhi.

Ladies & Gentlemen,

On behalf of Board of Directors, I have pleasure in presenting 49th Annual Report on the performance of your company for the financial year ended 31st March 2012 along with audited statements of accounts and Statutory Auditor's Report.

RESULTS OF OPERATIONS

Your company, currently holding the no. 1 rank amongst trading companies in India, recorded a business turnover of Rs. 659,291 million during 2011-12 as against the business turnover of Rs.688,545 million registered last fiscal. This business turnover includes Exports of Rs. 20,454 million, Imports of Rs. 610,418 million and domestic trade of Rs. 28,419 million. The other trade related earnings contributed Rs.3,958 million. The trading profit earned by your Company stood at Rs.2,766 million as against Rs 3,300 million during last fiscal. The net profit earned by your company during 2011-12 amounted to Rs. 707 million.

The highlights of the Company's performance during 2011-12 are as below: -

(**Rs in Millions**)

	2010-11	**2011-12**
Net Sales/Trade Earnings	690,560.02	**663,248.84**
Cost of Sales	687,260.02	**660,482.84**
Trading Profit	3,300.00	**2,766.00**
ADD: Dividend and other Income	327.05	**811.94**
Less: Establishment & Administrative Overheads,etc	2,181.03	**2,383.44**
Less: Debts/Claims Written off	0.92	**1.34**
Less: Provisions for Doubtful Debts/ Claims/Investments	229.39	**114.10**
Profit Before Interest, Dep., Prior Period & Taxes	1,215.71	**1,079.06**
Add: Interest Earned (Net)	821.96	**693.91**
Profit Before Dep., Prior Period & Taxes	2,037.67	**1,772.97**
Less: Depreciation	123.42	**120.03**
Less: Prior Period Adjustment	15.22	**(109.26)**
Profit Before Taxes and extra ordinary items	1,899.03	**1,762.20**
Less: Adhoc Provision(Extraordinary item)	0.00	**1,002.05**
Less: Provision for Current Taxes	791.42	**432.40**
Less: Provision for Deferred Taxes	(108.82)	**(379.47)**
Profit After Taxes	1,216.43	**707.22**
Add: Balance brought forward from the previous year	6,119.65	**6,915.53**
Balance Which the director have appropriated as under to:		
(I) Proposed Dividend	250.00	**250.00**
(II) Dividend Tax	40.55	**40.56**
(III) General reserve	130.00	**75.00**
TOTAL		
Leaving a balance of to be carried forward	6,915.53	**7,257.19**

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

AWARDS & RANKINGS

Following Awards and Rankings were conferred on your Company during 2011-12:

- MOU Excellence Award for 2009-10.
- CAPEXIL's award for Highest Export in Minerals and Ores Sector for the year 2010-11(20th time in a row).
- DHL-CNBC-TV18 International Trade Award 2010-11, powered by ICRA.
- EEPC India Gold Trophy (Top Exporter) for the year 2009-10.
- EEPC India National Award for export excellence – "Star Performer Award" for the year 2010-11 in the product group of Basic Iron & Steel.
- EEPC India (Northern Region) Award (Silver Trophy) for the year 2010-11.
- Dun & Bradstreet Rolta Corporate Awards 2011- Top Indian Company in the Trading sector amongst "India's Top 500 Companies 2011".
- Dun & Bradstreet PSU Awards 2012- top Indian public Sector enterprises in the Trading sector.
- Public Relations Society of India's PRSI National Awards – 2011- second prize for Event Management for Festival of Gold organized by MMTC.
- BT Star PSU Excellence Award 2012 for excellence in Corporate Social Responsibility.
- 17th rank in BT 500 (publication of Business Today) amongst "India's most valuable companies"
- Trophy for commendable work done in the field of "Rajbhasha" under the aegis of Department of Commerce, MOC&I.

EQUITY SHARE CAPITAL & DIVIDEND

The Board of Directors recommends declaration of dividend @25% on the equity capital of Rs 1,000 million of the Company for the year 2011-12.

RESERVES

A sum of Rs. 12,797.35 million was available in the reserves and surplus of your Company as on 1st April 2011. Your Directors have proposed that out of Rs.416.66 million available out of the profits for the year 2011-12, after payment of dividend and tax thereon, an amount of Rs.75 million be transferred to General Reserves of the Company and balance profit of Rs.341.66 million be carried forward as retained profits. Accordingly an amount of Rs. 13,214.01 million shall be available in "Reserves and Surplus" of your Company as on 31st March 2012.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo of your Company during 2011-12 has been as under: -

	EARNINGS		OUTGO
	Rs. In Million		Rs. In Million
Exports	20,388.94	Imports	608,794.35
Others	310.28	Interest	469.40
		Others	676.01
Total	20,699.22	Total	609,939.76

SUBSIDIARY COMPANY

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd. Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. During the year 2011-12, MTPL achieved business turnover of USD 708.65 million. The Profit after tax earned by MTPL during 2011-12 amounted to USD 1.87 million. The net worth of MTPL stood at USD 15.21 million as on 31st March 2012. MTPL has so far paid total dividends of US$ 13.17 million as against capital of US$ 1 million contributed by your company besides multiplying its net worth by over 15 times since its inception.

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

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

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

Your company has set up Neelachal Ispat Nigam Limited (NINL) - an iron & steel plant of 1.1 million tonnes capacity, 0.8 million tonne coke oven and by product unit with captive power plant, jointly with Govt. of Orissa. The project has been granted Iron ore mining lease with an estimated reserves of 110 million tons. The phase-II of the Project (Steel making facilities) with an estimated cost of Rs.18,550 million is in the verge of completion & is likely to commence trial production shortly. During the year 2011-12, NINL achieved a sales turnover of Rs.20,558.06 million which includes export of 328,771 tonnes of pig iron worth Rs. 7,925.10 million, domestic sales of 247,429 tonnes of pig iron valued at Rs 6,527.20 million and 88,409 tonnes of BF coke valued at Rs. 2,358.30 million. During the year 2011-12 NINL generated a cash profit and net profit of Rs. 1,377.50 million and Rs. 294.50 million respectively

Future 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. 25.56 crores during the fiscal ended 31.3.2012.

(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." which deals in currency futures and options for pairs like rupee-dollar, rupee-yen, rupee-sterling pound and rupee-euro. The said Currency Futures Exchange has commenced operations in September 2010 and has reported a loss of Rs. 4.57 crores for the year 2011-12 with a cumulative loss of Rs.37.84 crores

(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 has since commenced commercial production in April 2011. M/s MMTC-Pamp India Private Limited has reported a net loss of Rs. 22.05 crores during the fiscal ended 31.3.2012

(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 special purpose vehicle (SPV) under the name and style of "MMTC-Gitanjali Private Limited" has been incorporated and retail outlets have already been opened in various cities/ towns in India. M/s MMTC-Gitanjali Private Limited has reported a net profit of Rs.0.12 crores during the fiscal ended 31.3.2012

(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). The berth is operationally ready since October 2010 but due to non-availability of iron ore for exports due to ban on exports of iron ore of Karnataka origin, the terminal has not been operationalized as yet. SIOTL has approached Ennore Port Ltd with a proposal to convert the facility from iron ore loading to coal unloading, who in turn have forwarded the proposal to Ministry of Shipping, Govt of India for its approval.

(vi) Your company had participated in development of a deep draught iron ore loading berth at Paradeep Port (Orissa) jointly with Noble Group Ltd. and Gammon Infrastructure Projects Ltd. under the name and style of M/s. Blue Water Iron Ore Terminal Private Ltd. The Paradeep port

Trust has obtained the forest clearance for the project only in July 2012 and has sought confirmation of BWIOTL for its acceptance. However in view of inordinate delay & consequential steep increase in the project cost, BWIOTL has decided to shelve the project and has sought approval of the same from all its shareholders.

(vii) Towards investing in mining exploration your Company has set up a joint venture company with M/s. TATA Steel Ltd. under the name and style of TM Mining Ltd.(TMML) for exploration and development of mines for minerals, ferrous and non-ferrous ores, precious metals, diamonds and coal etc., both in India and abroad. The company is continuously making efforts to explore possibilities and studying various proposals to identify suitable mines for exploration, erecting related projects etc.

(viii) To facilitate promotion of two-way trade, the SPV promoted by your Company in association with IL&FS has been allotted land to set up free trade and warehousing zones at Haldia and Kandla on lines similar to Special Economic Zones. To facilitate the same, process to induct strategic partner in the projects has been initiated.

(ix) Your company has been allotted a coal mine in the Jharkhand State having estimated reserves of about 287 million tonnes. Prospecting license for the same has since been issued by the concerned authorities and the pre-feasibility study completed. The work of detailed exploration in conformity with Govt of India norms is being awarded shortly. Your company has also signed an MOU with M/s Singareni Collieries Ltd, (A Govt of India Enterprise) for joint mining of coal from the said coal block.

INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

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

The aggregate manpower of the company as on 31st March 2012 stood at 1,673, including four Board level executives, the balance comprising of 603 Officers and 1,066 staff. This includes 18 officers, 168 staff / workers of erstwhile Mica Trading Company Ltd., which had been merged with your company pursuant to the orders of BIFR. While the composite representation of the total manpower consisted of women employees representing 19.44% (325 employees) of the total manpower, the representation of SC, ST, OBC & persons with disabilities (PWD) was to the extent of 21.54% (360 employees), 8.07% (135 employees), 2.03% (34 employees) and 1.97% (33 employees) respectively. During the year 19 officers were inducted through campus recruitment. Presidential Directives on reservations for SCs, STs, OBCs and PWD in services were followed fully in recruitment and promotion.

Aiming towards further enhancing / upgrading the skills of employees in the constantly changing business scenario 979 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 89 employees belonging to SC, 47 to ST and 153 women employees. In terms of man-days such training works out to 2,418 training man-days during the year 2011-12.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company is committed to uphold Official Language Policy of the Government. During the year 2011-12, your company consistently strived to adhere and implement the Official Language Policy to meet the targets given in the annual programme issued by the Department of Official Language, Ministry of Home Affairs, govt. of India. Towards this and to promote usage of the Official Language by employees of the company, several programs in the form of Hindi Workshops, Hindi Week/ Fortnight were organized at the Corporate Office and Regional Offices.

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

VIGILANCE

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

During the year under report Vigilance group of your Company was also instrumental in organizing "Vigilance Awareness Week" in various offices of MMTC from 30th October 2011 to 5th November 2011 whereat stress was laid upon "participative vigilance". 'Integrity Pact' was adopted as the inhouse theme in MMTC during the "Vigilance awareness week-2011".

Your company has made an extraordinary ad-hoc provision of Rs 1,002.05 million in the accounts for the year ended 31st March 2012 against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at your company's Regional Office, Chennai relating to Bullion transactions. Your company has ordered a special audit for the years 2007-08 to 2010-11 which is being conducted through a firm of Chartered Accountants. A reference in the matter has been made to Central Vigilance Commission. A FIR has been filed by your company with CBI. Two separate cases no. RC MA1 2012A 0024 and RC MA1 2012A 25 have been registered by the CBI in the matter. Also Directorate of Enforcement has registered an offence under Prevention of money Laundering Act 2002 against two ex- officials of MMTC and the debtors from whom the amounts are recoverable by your company.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been a constructive partner in the communities in which it has operated since its inception in 1963, embracing responsibility and encouraging a positive impact on the environment, communities, stakeholders and the society at large. However, Corporate Social Responsibility was adopted as a Corporate Policy in the year 2006-07 which was subsequently aligned to the CSR Guidelines laid down by the Department of Public Enterprises in 2009-10. During 2011-12, your company's CSR activities have been further aligned to the "Millennium Development Goals" laid down by the Govt of India which include eradication of extreme hunger and poverty, achieve universal primary education, promote gender equality and empower women, ensure environmental sustainability and develop a global partnership for development. During 2011-12, Rs.30.00 million and Rs.4.5 million were spent by MMTC Ltd on CSR and SD activities respectively.

CORPORATE GOVERNANCE

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

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

CODE OF CONDUCT

Pursuant to Clause 49 (I)(D) of the Listing Agreement signed with Stock Exchanges, a detailed Code of Conduct for Board Members and Senior Management Personnel has been laid down and hoisted on the website of your company. All Board Members and Senior Management Personnel, except one General Manager (under suspension) on the regular rolls of the company as on 31st March 2012, to whom the said Code is applicable have affirmed compliance of the same for the period ended 31st March 2012. The said defaulting official has since been removed from the services of MMTC.

PUBLIC DEPOSIT SCHEME

As on 1st April 2012, there were no outstanding public deposits and the company did not invite/ accept any public deposit during the year ended 31st March 2012.

STATUTORY AUDITOR'S REPORT

The Statutory Auditors have not given any comments having an impact on the profit for the year 2011-12. Applicable disclosures have been made in the 'notes forming part of accounts' in respect of other observations contained in the report of statutory Auditors, as annexed, which have no financial impact on the profit for the year 2011-12.

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 31.03.2012 are still to be received and the same along with management's reply on the comments, if any, shall be placed on the table at the ensuing AGM.

CONSERVATION OF ENERGY

During the year 2011-12, 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 2011-12.

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31.3.2012;
iii) That the Directors have taken a proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv) That the Directors have prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

Following are the changes in the Board of Directors of your company since 1st April 2011: -

- Smt. Vijaylaxmi Joshi, Additional Secretary, Department of Commerce, MOC&I assumed the additional charge of Chairman-cum-Managing Director w.e.f. 22nd July 2011.
- Shri H S Mann relinquished the charge of Director (Marketing) & additional charge of Chairman & Managing Director on 22nd July 2011.
- Shri Anil Razdan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 13th July 2011.
- Shri S Krishnan held the charge of Part Time Non-official (Independent) Director on the Board of MMTC from 14th July 2011 till 18th October 2011.

- Shri G S Vedi took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th July 2011.
- Shri Arun Balakrishnan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 16th July 2011.
- Shri P K Chaudhery, relinquished the charge of Part Time Govt Nominee Director on the Board of MMTC w.e.f. 14th November 2011.
- Shri M G Gupta assumed the charge of Director (Finance) on the Board of MMTC w.e.f. 9th December 2011.
- Shri Madhusudan Prasad Additional Secretary, Department of Commerce, Ministry of Commerce & Industry took over as Part Time Govt Nominee Director on the Board of MMTC w.e.f. 3rd January 2012.
- Dr Rajan Katoch, relinquished the charge of Part Time Govt Nominee Director on the Board of MMTC w.e.f. 22nd May 2012.
- Smt Anita Agnihotri Additional Secretary & Financial Advisor, Department of Commerce, Ministry of Commerce & Industry took over as Part Time Govt Nominee Director on the Board of MMTC vice Dr Rajan Katoch w.e.f. 22nd May 2012.
- Shri Anil Baijal, relinquished the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 11th June 2012.
- Shri H L Zutshi relinquished the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 11th June 2012.
- Smt Aruna Makhan relinquished the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th June 2012.
- Shri Anand Trivedi assumed the charge of Director (Marketing) on the Board of MMTC w.e.f. 3rd July 2012.

The Board places on record its deep appreciation for the commendable services and the contributions made by Shri H S Mann, Shri Anil Baijal, Shri S Krishnan, Shri P K Chaudhery, Dr Rajan Katoch, Shri H L Zutshi,and Smt Aruna Makhan towards effective discharge of the functions of the Board and its Committees. The Board also welcomes Smt Vijaylaxmi Joshi, Shri Anil Razdan, Shri Madhusudan Prasad, Smt Anita Agnihotri, Shi Arun Balakrishnan, Shri G S Vedi, Shri M G Gupta and Shri Anand Trivedi and expresses confidence that the Company shall immensely benefit from their rich and varied experience.

In terms of provisions of Article 87(4)(A) of Articles of Association of the Company regarding rotational retirement of Directors, Shri Ved Prakash, Director (Marketing), Shri Rajeev Jaideva, Director (Personnel), Shri Anil Razdan, Non Official Part time Director and Shri G S Vedi, Non Official Part time Director, shall retire at the AGM and being eligible have offered themselves for reappointment.

ACKNOWLEDGEMENTS

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

By the Order of the Board

sd/-

Place: New Delhi
(Vijaylaxmi Joshi)

Dated: 28.08.2012
Chairman-cum-Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2011-12

Overview of global developments

As per the World Trade Organisations "World Trade Report 2012", the rate of world output growth fell to 2.4 per cent in 2011 from 3.8 per cent in the previous year; weighed down by the on-going sovereign debt crisis in Europe, supply chain disruptions from natural disasters in Japan and Thailand, and turmoil in Arab countries. This pace of expansion was well below the 3.2 per cent average over the 20 years leading up to the financial crisis in 2008. The World merchandise trade volume grew 5.0 per cent in 2011, and Asia's 6.6 per cent increase led all regions. India had the fastest export growth among major traders in 2011, with shipments rising 16.1 per cent. The total dollar value of world merchandise exports jumped 19 per cent to US$ 18.2 trillion in 2011 This increase was nearly as large as the 22 per cent rise in 2010 and was driven in large part by higher primary commodity prices.

As regards future prospects WTO economists are forecasting a slowdown in merchandise trade volume growth to 3.7% in 2012, with 2.0% export growth anticipated for developed economies and 5.6% for developing economies (including the CIS). On the import side, the WTO is projecting 1.9% growth for developed countries and 6.2% for developing economies and CIS. Further as per WTO economists World trade volume for 2013 is expected to recover to 5.6%. Exports of developed and developing economies should increase by 4.1% and 7.2%, respectively. On the import side, developed economies should record growth of 3.9% while developing economies should advance 7.8%.

Overview of developments in India during 2011-12

In the Budget speech before the Parliament the Finance Minster has stated that for the Indian economy, 2011-12 was a year of recovery interrupted. The sovereign debt crisis in the Euro zone intensified, political turmoil in Middle East injected widespread uncertainty, crude oil prices rose, an earthquake struck Japan and the overall gloom affected India. India's Gross Domestic Product (GDP) was estimated to grow by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years.

The Economic Survey 2011-12 presented to Parliament in February 2012 states that India's GDP is estimated to grow at 6.9 per cent in real terms in 2011-12. The growth is estimated to be 2.5 per cent in agriculture, 3.9 per cent in industry and 9.4 per cent in services. There is a significant slowdown in comparison to the preceding two years, primarily due to deceleration in industrial growth, more specifically in private investment. Rising cost of credit and weak domestic business sentiment, added to this decline. Outlook for real GDP growth has been expected to pick up to 7.6% in 2012-13 and 8.6% in 2013-14. Nevertheless despite difficult conditions in the global economy, Indian exports continued to be robust in 2011-12 and registered a growth rate of 14.3 percent in real terms over and above 22.7 per cent growth achieved in 2010-11, as per Advance Estimates. Imports are likely to end the year with a real growth rate of 17.5 per cent as against 15.6 per cent in 2010-11.

MMTC- 2011-12 in retrospect

Financial Review

Your Company achieved a business turnover of Rs. 659,291 million during 2011-12 as against the business turnover of Rs.688,545 million registered last fiscal. This business turnover includes Exports of Rs. 20,454 million, Imports of Rs. 610,418 million and domestic trade of Rs. 28,419 million. The other trade related earnings contributed Rs.3,958 million. Your Company earned trading profit of Rs.2766.10 million. The profit before tax and profit after tax earned by the company amounted to Rs.760.15 million and Rs.707.22 million respectively. Earning per share of face value of Re.1/- each for the financial year 2011-12 has been Rs.0.71. The company's improved management of financial resources yielded net interest earnings of Rs.694 million. The corporate tax liability of the Company during 2011-12 works out to Rs.533.50 million. MMTC continues to be a zero long-term debt company.

Your company has made an extraordinary ad-hoc provision of Rs 1,002.05 million in the accounts for the year ended 31st March 2012 against amount recoverable from debtors pertaining to previous years arising on account of certain acts of commission and omission at your company's Regional

Office, Chennai relating to Bullion transactions. Your company has ordered a special audit for the years 2007-08 to 2010-11 which is being conducted through a firm of Chartered Accountants. A reference in the matter has been made to Central Vigilance Commission. A FIR has been filed by your company with CBI. Two separate cases no. RC MA1 2012A 0024 and RC MA1 2012A 25 have been registered by the CBI in the matter. Also Directorate of Enforcement has registered an offence under Prevention of money Laundering Act 2002 against two ex- officials of MMTC and the debtors from whom the amounts are recoverable by your company.

Sources and Utilization of Funds

The sources of funds of the company as on 31st March 2012 comprises of shareholders fund amounting to Rs.14,272.12 million including equity share capital of Rs 1,000 million and non-current & current liabilities of Rs. 1,418.53 million and Rs.111,744.26 million respectively. These Funds have been deployed inter alia towards non-current assets amounting to Rs.7,485.97 million and current assets of Rs 119,948.94 million as on 31st March 2012.

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 effective Internal Audit Division, to coordinate with external auditing firms in conducting internal audit all through the year. During the year, a number of initiatives have been undertaken to further strengthen the internal controls by introducing concurrent audit of bullion transactions, special audit for bullion transactions for earlier years wherever it was felt necessary. Fixed asset verification by professional auditors was also undertaken in the Company. The exercise for further strengthening of Internal Audit by posting additional manpower has also been initiated and updation of Internal Audit Manual 2012 has also commenced for strengthening internal controls.

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 implemented by the Management.

Subsidiary Company

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd. Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. During the year 2011-12, MTPL achieved business turnover of USD 708.65 million. The Profit after tax earned by MTPL during 2011-12 amounted to USD 1.87 million. The net worth of MTPL stood at USD 15.21 million as on 31st March 2012. MTPL has so far paid total dividends of US$ 13.17 million as against capital of US$ 1 million contributed by your company besides multiplying its net worth by over 15 times since its inception.

Business Groupwise Review for 2011-12

Minerals

The developments like ban on Iron Ore mining and export from Bellary Hospet Sector, regulation of export from eastern sector, increase in railway freight for exports which is currently over 3 times that of domestic movement of ore, increase in domestic demand of ore and higher customs duty etc. have had an impact on the quantum of Indian Iron Ore exports during 2011-12 as compared to other International suppliers e.g. Australia and Brazil. During the year 2011-12, due to expiry of Long Term Contracts with JSMs and POSCO on 31st March 2011, no exports could be made to Japan and South Korean markets. The increase in domestic steel production capacity has also reduced the availability of Chrome and Manganese Ore for exports, the recent increase in export duty on Chrome Ore/Concentrate w.e.f. 17.03.2012 from Rs.3,000 PMT to 30% Ad valorem basis has further reduced availability of these ores for exports, full impact of which will be felt during FY 2012-13.

Despite above constraints Minerals group of your company contributed a turnover of Rs.10,792 million during the year 2011-12, which includes exports valued at Rs.9,552 million, imports amounting to Rs.27 million and domestic trade of Rs.1,213 million. The export made by the group includes Iron Ore valued at Rs.3,049 million, Chrome Ore/ Concentrate valued at Rs.6,160 million and Manganese Ore valued at Rs.343 million. The group imported Ferro Chrome valued at Rs.11.4 million and Manganese Ore valued at Rs.15.6 million. The domestic trade of this group includes Iron Ore valued at Rs.1,094 million and other minerals e.g. Dolomite, Limestone, Ferro Silcon, Silico Manganese, High Carbon Ferro Manganese, valued at Rs.119 million.

MMTC is in the process of finalizing long-term purchase commitments for three years beginning FY 2012-13 from Japan and South Korea. However 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 Moreover the increasing steel production in India, the domestic demand for Chrome ore and Manganese ore is also increasing. The exports of Chrome ore shall gradually decline due to higher export duty and limited availability of cargo for exports.

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.511,428 million during 2011-12. This performance was realized through diversified activities, which include imports of gold at Rs. 437,708 million, Silver worth Rs. 65,780 million and rough diamonds worth Rs.1,120 million as also domestic sale of gold bars/ medallion at Rs. 4,984 million, 'SANCHI' silverware at Rs. 933 million and sales at Jewellery exhibition/ showroom worth Rs 904 million.

The precious metals group of your company is continuously working on improving service to customers and now has 24.36% share of India's gold trade during 2011-12. The Precious Metals group is focusing on improving sales of value-added products, viz. Jewellery, medallions and silverware. The company has established a Joint Venture with M/s. Gitanjali (India's leading retail Jewellery company) and a Company by the name of MMTC Gitanjali Private Limited has already been incorporated and jewellery retail outlets opened in various cities across India. It is proposed to open more outlets to increase the retail-marketing network. A Joint Venture company for gold/silver refining and medallions manufacture has also been incorporated by the name of M/s. MMTC-Pamp India Private Limited. The medallion-manufacturing unit has since commenced commercial production in April 2011. The tie-up will give your company opportunity to market a certain percentage of the products of the Joint Venture company. Your company has also operationalised Assaying & Hallmarking centers at Delhi, Ahmedabad, Kolkata, and Jaipur. While the demand of bullion is expected to remain low in 2012-13 due to volatile gold & silver prices, exchange rate, government policy and the continuing economic crisis in Euro zone, the retail boom in jewellery is likely to offer emerging opportunities for your company to progress further.

Metals and Industrial Raw Material

The Metals group of the company contributed Rs. 23,552 million to MMTC's turnover during 2011-12. The contribution of the group comprised of export of Pig iron worth Rs. 9,404 millions produced by NINL – a MMTC promoted Iron & steel plant, Import of Steel worth Rs 478 million, Non-Ferrous Metals worth Rs 4,814 million & Industrial Raw Materials worth Rs. 583 millions and domestic sales of Rs.8,273 millions including sale of pig iron and slag produced at NINL worth Rs. 6,726 millions.

While Indigenous producers dominate the domestic market of copper, zinc, aluminum and lead, the International Markets for NFM continue to be influenced by developments in Euro Zone sovereign debt crisis and the slowdown in economic growth of major economies of the world. Despite these, aiming to further improve its performance during 2012-13, the group shall be improving upon its strategies/ business model for further diversification of its activities, tapping new markets/products while maintaining its focus on its core products/ markets, entering into strategic alliance with producers of Non Ferrous Metals besides improving customer relationship management, unrelenting focus on Institutional clientele and deeper market access.

Agro Products

The Agro products group of the company achieved a turnover of Rs. 20,302 millions during 2011-12, which includes imports of edible oils worth Rs.9,987 millions, Pulses worth Rs. 1,522 million, sunflower oil worth Rs.331 millions and maize worth Rs. 2 millions, besides domestic trading of Oil seeds worth Rs.3,841 millions, Rice worth Rs.3,480 millions RM Seeds worth Rs. 496 millions, Cotton worth Rs 447 millions & Sugar/ Wheat worth Rs 191 millions. The group also traded agro products at commodity exchanges and achieved a turnover of Rs.4 millions.

The agro trade primarily depends on Govt policies and vagaries of monsoon. At times when the surplus agro products are available in the country, the export opportunities emerge while in the period of shortages the agro products need to be imported. The Agro Group of the company shall continue to pursue plans and strategies to meet the shortages of edible oils, food grains & pulses in the country by imports and export of surplus availability of agro products like Wheat in the country. The group is geared up to meet the challenges stemming from wide variations in quantity/ product range available for imports/ exports besides broadening the commodity profile to ensure future sustainability of business growth of your company in this segment.

Fertilizers and Chemicals

The Fertilizer and Chemicals group contributed a turnover of Rs.57,446 million. The group's performance during 2011-12 included third country trading of Urea, DAP & MOP worth Rs.1,489 million, Import of Urea valued at Rs. 48,896 million, Muriate of Potash at Rs. 5,279 million, Di-Ammonium Phosphate at Rs. 1,445 million, Sulphur worth Rs. 219 million & technical grade urea worth Rs 31 million besides domestic trading of Ammonium Sulphate produced at NINL – the MMTC promoted Iron & Steel plant - valued at Rs. 87 million.

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

Despite the continuing efforts of the Govt. of India to enhance production of fertilizers domestically with a view to achieve self-sufficiency in food grains, India has to still import sizeable quantities of both finished and raw-fertilizers. Focus in countries across the globe recently has been on increasing the use of complex fertilizers with a view to provide NPK in desired ratio for better crop growth. This has been followed by the Indian Government also, which is evident from nutrient based subsidy policy announced in April, 2010. The government has been bringing more and more imported complex fertilizers also under the subsidy regime,which offer opportunity for the company. However, the volume of fertilizer imports and its prices are dependent on various factors including monsoon, Government Policy, domestic production and international demand-supply balance etc.

India is largely dependent on imported raw materials such as sulphur, rock phosphate and phos acid for indigenous phosphatic industry. Besides this, the country’s total requirements of MOP are fully imported. Such a scenario provides lot of potential for future growth in import of fertilizer and fertilizer raw materials, especially in view of enhanced focus of Government on increasing productivity of Agricultural sector with a view of taming the increased food inflation and ensuring food security for growing population. These shall facilitate the group to further increase the business volumes by capitalizing the emerging opportunities.

Coal & Hydrocarbons

The Coal & Hydrocarbons group contributed a turnover of Rs.35,671 million to the turnover recorded by your company. The turnover contributed by the group included import of steam coal valued at Rs.23,579 million and Coking Coal valued at Rs. 8,616 million besides domestic trading of LAM Coke worth Rs.2,364 million, Steam Coal worth Rs.211 million, Crude Tar worth Rs 894 million and Solar oil at Rs 7 million.

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.

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. The decision on the review petition filed with the appropriate authorities under the Industrial Disputes Act for closure of Mica division is yet to be pronounced by the Govt.

Others

The other products contributed Rs. 101 million to the turnover of the Company, which included Export of raw wool worth Rs.9.3 million and domestic trade worth Rs.0.5 million, besides sale of power amounting to Rs. 91 million, generated at the 15 MW wind power farms commissioned in March 2007 in Karnataka.

During the year 2012-13, 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, 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

Composition

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 Director (Marketing), one Whole Time Director (Personnel), one Director (Finance), two Part-Time Directors nominated by the Department of Commerce, Ministry of Commerce & Industry, Govt. of India and three Non-official Part Time (Independent) Directors. The President of India appoints all the Directors of MMTC. All the Directors except CMD are liable to retire by rotation and at least one third of the Directors liable for rotational retirement retire every year and if eligible, qualify for reappointment.

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

The composition of Board during the year 2011-12 was as under:

Sl. No.	Name of Director	Executive/ Non-Executive	Designation held	No. of Directorship in other Board as on 31.03.2012	No. of Board Committees of which Member/ Chairman*
1.	Mrs Vijaylaxmi Joshi (w.e.f.22.7.2011)	Executive	Chairman & Managing Director	Chairman-2	Member – 1
2.	Mr. H S Mann (Upto 22.7.2011)	Executive	Director (Marketing) (held additional charge as CMD from. 06.10.2010 to 22.7.2011)	Chairman – 3 Director - 1	Member – 1
3	Mr Sunir Khurana	Executive	Director (Marketing)	Chairman-1 Director - 3	-
4.	Mr Ved Prakash	Executive	Director (Marketing)	Director - 4	-
5.	Mr Rajeev Jaideva	Executive	Director (Personnel)	Director - 1	-
6.	Mr.M.G.Gupta (w.e.f. 09.12.2011)	Executive	Director (Finance)	Director - 3	Member-1
7.	Mr P K Chaudhery (upto 14.11.2011)	Non-Executive	Govt-Nominee Director	Director - 1	-
8.	Dr. Rajan Katoch (upto 22.05.2012)	Non-Executive	Govt-Nominee Director	Director - 2	Chairman -1 Member -2
9.	Mr. Madhusudan Prasad (w.e.f. 03.01.2012)	Non Executive	Govt-Nominee Director	-	Member-1
10.	Mr Anil Baijal	Non-Executive	Non-official (Independent) Director	Director - 7	Chairman –2 Member – 2
11.	Ms. Aruna Makhan	Non-Executive	Non-official (Independent) Director	Director - 1	Member – 4
12.	Mr H L Zutshi	Non Executive	Non-official (Independent) Director	Director - 5	Chairman –1 Member – 7
13.	Mr.Anil Razdan (w.e.f. 13.7.2011)	Non Executive	Non-official (Independent) Director	Director- 6	Member-2
14.	Mr Arun Balakrishnan (w.e.f.16.7.2011)	Non Executive	Non-official (Independent) Director	Director- 6	Chairman-1 Member-4
15.	Mr G.S.Vedi (w.e.f. 14.7.2011)	Non Executive	Non-official (Independent) Director	Director - 1	Member – 4
16.	Mr S Krishnan (From14.7.2011 to 18.10..2011)	Non Executive	Non-official (Independent) Director	Director - 1	–

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

Changes in Board of Directors

Following are the changes in the Board of Directors of your company since 1st April 2011:-

- Smt. Vijaylaxmi, Joshi, Additional Secretary, Department of Commerce,& Industry assumed the additional charge of CMD w.e.f. 22nd July, 2011 vice Shri H S Mann.

- Shri H S Mann relinquished the charge of Director (Marketing) & additional charge of Chairman & Managing Director on 22nd July 2011.

- Shri P K Chaudhary, Govt. Nominee Director on the Board of MMTC relinquished the charge on 14th November 2011.

- Dr. Rajan Katoch, AS& FA, Department of Commerce, Ministry of Commerce & Industry relinquished the charge of part time Director on the Board of MMTC on 22nd May 2012.

- Smt Anita Agnihotri AS& FA, Department of Commerce, Ministry of Commerce & Industry took the charge on the Board of MMTC vice Dr. Rajan Katoch w.e.f. 22nd May 2012.

- Shri Madhusudan Prasad took over the charge as Govt. Nominee Director on the Board of MMTC w.e.f. 3rd January 2012.

- Shri Anil Razdan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 13th July 2011.

- Shri S Krishnan held the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th July 2011 to 18th October 2011.

- Shri G S Vedi took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th July 2011.

- Shri Arun Balakrishnan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 16th July 2011.

- Shri M G Gupta took over the charge of Director (Finance) on the Board of MMTC w.e.f. 9th December 2011.

- Shri Anand Trivedi took over the charge of Director (Marketing) on the Board of MMTC w.e.f. 3rd July 2012.

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 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 whichever is earlier. The Directors so appointed by 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 2011-12 to Directors is summarized herein below:

Name of Director	Salary & benefits (Rs./lakhs)	Performance related pay for 2011-12 (Provision) (Rs./lakhs)	Bonus, Stock option, pension, severance fee	No. of shares of MMTC held as on 31.3.2012
Executive Directors				
Smt Vijaylaxmi Joshi (w.e.f. 22.7.2011)	NIL	NIL	NIL	NIL
Mr H S Mann, Ex-Director (Marketing) & CMD (upto 22.7.2011)	8.02	2.30	NIL	NIL
Mr Sunir Khurana	30.19	7.27	NIL	NIL
Mr Ved Prakash	22.87	6.70	NIL	NIL
Mr Rajeev Jaideva	22.53	6.54	NIL	NIL
Mr M G Gupta (w.e.f.09.12.2011)	21.45	5.51	NIL	NIL
Non-Executive ex-officio Directors				
Dr. Rajan Katoch	NIL	NIL	NIL	NIL
Mr P K Chaudhery	NIL	NIL	NIL	NIL
Mr Madhusudan Prasad	NIL	N IL	NIL	NIL
Non-official Directors(Independent)				
Mr Anil Baijal	NIL	NIL	NIL	NIL
Mrs Aruna Makhan	NIL	NIL	NIL	NIL
Mr H L Zutshi	NIL	NIL	NIL	NIL
Mr Anil Razdan	NIL	NIL	NIL	NIL
Mr G S Vedi	NIL	NIL	NIL	NIL
Mr Arun Balakrishnan	NIL	NIL	NIL	NIL
Mr S Krishnan	NIL	NIL	NIL	NIL

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 Eight times i.e. on 11.4.2011, 13.05.2011, 02.8.2011, 18.8.2011, 20.10.2011, 14.11.2011, 12.12.2011 and 10.02.2012. The attendance of the Directors at these Board Meetings and at the last AGM held on 30th September 2011 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 30.9.2011
(a)	**Functional Directors**			
	Shri H.S.Mann (03.04.2006 to 22.07.2011)	2	2	NR
	Smt Vijay Laxmi Joshi (22.07.2011 to 31.03.2012)	6	6	YES
	Mr Sunir Khurana (01.04.2011 to 31.03.2012)	8	8	YES
	Mr Ved Prakash (01.04.2011 to 31.03.2012)	8	8	YES

	Name of the Director	No. of Board Meetings Held during the period the Director was on Board	No. of Board Meetings attended	Presence at previous AGM held on 30.9.2011
	Mr Rajeev Jaideva (01.04.2011 to 31.03.2012)	8	8	YES
	Mr. M G Gupta (09.12.2011 to 31.03.2012)	2	2	NR
(b)	**Ex-officio Part Time Directors (Govt. Nominee)**			
	Mr. Madhusudan Prasad (03.01.2012 to 31.03.2012)	1	1	NR
	Mr P K Chaudhery (01.04.2011 to 14.11.2011)	7	2	NO
	Dr. Rajan Katoch (01.04.2011 to 31.3.2012)	8	5	NO
(c)	**Non-official Part Time (Independent) Directors**			
	Shri Anil Baijal (01.04.2012 to 31.03.2012)	8	8	YES
	Mrs Aruna Makhan (1.04.2011 to 31.3.2012)	8	8	YES
	Mr H L Zutshi (1.04.2011 to 31.3.2012)	8	7	NO
	Shri Anil Razdan (13.07.2011 to 31.03.2012)	6	5	YES
	Shri S Krishnan **(14.07.2011to 18.10.2011)**	2	2	NO
	Shri Arun Balakrishnan (16.07.2011 to 31.03.2012)	6	5	NO
	Shri Gurudev Singh Vedi (14.07.2011 to 31.3.2012)	6	6	NO

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

COMMITTEES OF THE BOARD

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

(a) Audit Committee of Directors
(b) Shareholders/Investors Grievance Committee
(c) Remuneration Committee of Directors
(d) Investment Committee of Directors
(e) Sale/Purchase Committee of Directors
(f) Committee of Directors
(g) Committee of Directors on Personnel Policies
(h) Committee of Directors on Subsidiary, Joint Venture & Associate Companies
(i) Functional Management Committee.

Audit Committee of Directors

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

During the year 2011-12, the Committee met eight times as detailed hereunder:-

S.No	Date of Meeting	Members present	Chairperson
1.	09.05.2011	Mr Anil Baijal Ms Aruna Makhan Dr. Rajan Kataoch	Mr Anil Baijal
2.	13.05.2011	Mr Anil Baijal Ms Aruna Makhan Dr. Rajan Kataoch	Mr Anil Baijal
3.	02.08.2011	Mr Anil Baijal Ms Aruna Makhan Dr. Rajan Katoch	Mr Anil Baijal
4.	18.08.2011	Mr Anil Baijal Ms Aruna Makhan	Mr Anil Baijal
5.	14.11.2011	Mr Anil Baijal Ms Aruna Makhan	Mr Anil Baijal
6.	07.12.2011	Mr Anil Baijal Ms Aruna Makhan Shri Anil Razdan Shri G S Vedi	Mr Anil Baijal
7.	10.02.2012	Mr Anil Baijal Ms Aruna Makhan Shri Anil Razdan Shri G S Vedi Dr Rajan Katoch	Mr Anil Baijal
8.	29.03.2012	Mr. Anil Baijal Ms Aruna Makhan Shri. Anil Razdan Shri G S Vedi	Mr Anil Baijal

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

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

Shareholders/Investors Grievance Committee

The present composition of Shareholders/Investors Grievance Committee constituted by the Board of Directors comprises non-executive govt. nominee Director (Additional Secretary & Financial Advisor, Deptt. of Commerce, Govt. of India) as Chairperson and CMD, MMTC & Director (Finance), MMTC as its members. Company Secretary continued to be the Secretary to the Committee. The Committee expeditiously considers and approves request for share transfers, rematerialisation and dematerialisation etc. and monitors resolution of grievances of the Shareholders/other investors.

During 2011-2012, one meeting of the Shareholders/Investors Grievance Committee of directors was held on 12.12.2011. The minutes of the meeting were submitted to Board of Directors for information.

Remuneration Committee of Directors

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

Investment Committee of Directors

To facilitate expeditious consideration of investments, deciding on issues relating to investments by MMTC and engagement of Consultants, the Board had constituted an Investment Committee of Directors comprising of CMD as the Chairman of the Committee and all Functional Directors as members of the Committee and Company Secretary as the Secretary to the Committee. The Board of Directors in its Meeting held on 14 November 2011 decided to dissolve the said Investment Committee of Directors.
During 2011-12, prior to its dissolution, twelve meetings of Investment Committee of Directors were held. The minutes of these meetings were regularly submitted to Board of Directors for information.

Sale/Purchase Committee of Directors

Recognizing that the pace of response is the key for achievement in international trading, the Board had constituted a Sale/Purchase Committee of Directors to facilitate quick deliberations and broad based consensus approval of various business proposals of value exceeding the powers delegated by the Board to CMD. The Committee comprised of the CMD as the Chairman of the committee, all Functional Directors as its members and Company Secretary as the Secretary to the Committee. The Board of Directors in its Meeting held on 14 November, 2011 decided to dissolve the said Sale/Purchase Committee of Directors. During 2011-12, prior to its dissolution, sixty-one meetings of Sale/Purchase Committee of Directors were held. The minutes of these meetings were submitted to the Board for information on a regular basis.

Committee of Directors

The Board had constituted a Committee of Directors with CMD as the Chairman of the Committee, all Functional Directors as Members and Company Secretary as Secretary to the Committee. The Board had authorized the committee to consider and approve policy decisions related to MMTC's functioning as well as the matters related to MMTC promoted projects to the level beyond the powers delegated by the Board to CMD. The Board of Directors in its Meeting held on 14 November, 2011 decided to dissolve the said Committee of Directors. During 2011-12, prior to its dissolution, twelve meetings of the Committee of Directors were held. The minutes of these meetings were submitted to the Board for information on a regular basis.

Functional Management Committee of Directors

The Board of Directors in its Meeting held on 14 November, 2011 has constituted a "Functional Management Committee of Directors" compromising of CMD, MMTC as the Chairman of the Committee, all Functional Directors as Members and Company Secretary as Secretary to the Committee. The said Committee has been delegated the powers to take decision(s) in all matters over and above the powers delegated to CMD by the Board of Directors from time to time, except the matters specified under the Companies Act, 1956/other statutes, to be considered & 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 2011-12 Twenty two meetings of this Committee were held. The minutes of these meetings were submitted to Board of Directors for information

Committee of Directors on Personnel Policies

The present composition of the Committee of Directors on Personnel Policies constituted by the Board includes Shri G S Vedi, Part Time Non-Official (Independent) Director as its Chairman, Shri Anil Razdan (Independent Director), Director (Finance) 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 2011-12 two meetings of this Committee were held. The minutes of these meetings were submitted to Board of Directors for information.

Committee of Directors on Subsidiary, Joint Venture & Associate Companies

The Board of Directors has constituted a "Committee of Directors on Subsidiary, Joint Venture and Associate Companies to consider and recommend approval of investments / disinvestments, approval of basic parameters / charter / Agreement and any changes therein to the Board of Directors, review with functional Management and Advice on strategic issues related to MMTC's investment; and the performance of projects / joint ventures / associate companies/ foreign offices/ subsidiaries of MMTC. The present composition of the Committee includes Shri Arun Balakrishnan, Part Time Non-official (Independent) Director as Chairman of the Committee with Shri Anil Razdan & Shri G S Vedi, Part Time Non-official (independent) Directors as Members and Company Secretary as Secretary to the Committee.

During 2011-12 two meetings of this Committee were held. The minutes of these meetings 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
46th Annual General Meeting	30.09.2009 at 1100 hrs	One
Extra ordinary General Meeting	20.07.2010 at 1100 hrs	Two
47th Annual General Meeting	21.09.2010 at 1130 hrs	--
48th Annual General Meeting	30.09.2011 at 1200 hrs	--

Since the last AGM, one special resolution was passed through Postal Ballot held during May 2012 – July 2012, the results of which were declared by the Chairman on 18th July 2012.

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) During the year 2011-12, the company has framed the "Whistle Blower Policy" which has been hoisted on MMTC's website.
(f) There were no cases of non-compliance by the Company and penalties, strictures being imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital markets during the last three years.
(g) Company's Equity Shares have since been listed on National Stock Exchange.

Means of communications

The quarterly, half-yearly and annual unaudited results of the Company are announced within 45 days of the end of respective period, 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 **49th Annual General Meeting** of the Company is scheduled to be held on **28th September 2012 at** 1200 Hrs at "SCOPE Complex"; 7 Institutional Area; Lodhi Road; New Delhi-110 003

(b) Financial Calendar for 2012-13

1st quarter results (unaudited) were declared on 14.8.2012.
2nd quarter results (unaudited) shall be declared on or before 15.11.2012
3rd quarter results (unaudited) shall be declared on or before 15.02.2013
4th quarter results (unaudited) shall be declared on or before 15.05.2013

Annual Audited Results for 2012-13 shall be declared on or before 30.09.2013.

(c) Dates of Book Closure

The Share Transfer Books and Register of Members shall remain closed from 15.9.2012 to 28.9.2012 (both days inclusive) for the purpose of AGM and declaration of dividend at the Annual General Meeting.

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

Year	**2008-09**	**2009-10**	**2010-11**
Rate	80%*	45%**	25%
Date	27.10.2009	15.10.2010	27.10.2011

Note : * Includes Interim Dividend @40% on the equity capital of the company paid on 25.3.2009.
** On enhanced post bonus equity capital

(e) Listing on stock exchanges : The Shares of the company continue to be listed at Delhi, Mumbai, Kolkata & Chennai Stock Exchanges. Also Company's Equity Shares have since been listed on National Stock Exchange.

(f) Market Price Data: The month wise market price data of MMTC's scrips quoted/traded at Bombay Stock Exchange during the financial year 2011-12, is given below:

Month	**High(Rs)**	**Low(Rs)**		**Month**	**High(Rs)**	**Low (Rs)**
April 2011	1110.00	926.10		October 2011	700.00	630.00
May 2011	999.00	890.00		November 2011	679.10	538.00
June 2010	1004.70	861.00		December 2011	573.00	438.55
July 2011*	988.00	880.00		January 2012	1009.00	507.90
August 2011	919.00	671.00		February 2012	922.00	757.05
September 2011	750.20	652.00		March 2012	889.65	761.00

(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 demateralised mode.

(h) Dematerialisation 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 2012, out of 100 crores equity shares of MMTC Ltd of face value of Re.1/- each, 99,33,12,000 shares are held by the President of India and 66,87,960 shares by others in dematerialized form leaving only 40 shares in physical form

(i) Share Transfer System: The shares of the Company are transferred within a maximum period of thirty 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 31.03.2012. 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. either at the office of RTA or with Company Secretary of MMTC Limited at the registered office of the company.

(j) **Distribution of shareholding as on 31.3.2012:** Pursuant to Clause 35 of the Listing Agreement with the Stock Exchanges, the Distribution of shareholding as on 31.3.2012 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	993312000	99.3312
Public shareholding			
Mutual Funds / UTI	4	5158733	0.5159
Financial Institutions/Banks	5	30230	0.0030
Foreign Institutional Investors	1	200	0.0000
Non-institutions			
Bodies Corporate	845	254645	0.0255
Individual holders having share capital upto Rs. 1 lakh.	37756	1208945	0.1209
Trust & Foundations	2	69	0.0000
Non-Resident Individual	393	35178	0.0035
TOTAL	39007	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 Manohar Balwani, Compliance Officer and Company Secretary at mbalwani@mmtclimited.com .

(l) **Address for Correspondence:**

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

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, 2012 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 condition:

(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, during July 16, 2011 till December 08, 2011, with the induction of four more independent directors on the Board of MMTC Ltd., the company had complied with the said condition.

(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 who was under suspension, and was subsequently removed from the services w.e.f. August 7, 2012.

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

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

Date: August 28, 2012

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

Annexure to Directors' Report

Conservation of Energy: Power and Fuel Consumption

Under section 217(1)(e) of the Companies Act 1956, statement containing particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the financial year ended 31.03.2012 for Disclosure of particulars with respect to Conservation of Energy:

Sl. No.			Current Year (2011-12)	Previous Year (2010-11)
1.	Electricity	Purchase (KWh) (At Annual Minimum Guarantee) Total cost (Rs. in lacs) Average Rate (Rs/kwh)	3,09,012 12.38 4.01	3,09,012 12.38 4.01
2.	Coal	Quantity (MT) Total cost (Rs. in lacs) Average Rate (Rs. per MT)	- - -	- - -
3.	Diesel Oil	Purchase (Lt.) Total Cost (Rs. in lacs) Average Rate(Rs. per Lt.)	- - -	- - -
4.	LDO	Purchase (Lt.) Total cost (Rs. in lacs) Average Rate (Rs.per Lt.)	- - -	- - -

Auditors' Report

To the Members of MMTC Limited

1. We have audited the attached Balance Sheet of MMTC Limited as at March 31, 2012, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date, both annexed thereto in which are incorporated the accounts of Corporate Office, Mica Division, Jhandewalan Regional Office and Sub-Regional Offices which are under Jhandewalan Regional Office audited by us and the other Regional Offices and Sub-Regional Offices audited by the other Auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) and read together with the Companies (Auditor's Report) Order, 2004 (hereinafter referred to as the order) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs (4) and (5) of the said Order.

4. Further to our comments in the Annexure referred to in paragraph (3) above, we report as follows: -

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

    (ii) Balances under Sundry Debtors/claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities have not been confirmed in some cases by the parties. Adjustments, if any, required upon such confirmation are not ascertainable. (Refer note no. 39)

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

    (iv) Attention is invited to an ad-hoc provision of ₹ 1002.05 million made on account of certain acts of commission & omission pertaining to recoverable from debtors at Regional Office Chennai. (Refer note no. 17)

5. We further report that: -

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except as otherwise stated in report;

   (b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of the books;

   (c) Proper returns, adequate for the purpose of our audit have been received from Regional Offices, Sub Regional Offices and Branches not audited by us. Reports of Regional Auditors have been considered while preparing our report;

   (d) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts and with the audited returns from the Regional Offices;

   (e) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;

   (f) Being a Government Company, pursuant to the gazette notification No.GSR 829 (E) dated 21-10-2003 issued by Government of India, provisions of clause (g) of sub-section (1) of section 274 of the companies Act 1956 are not applicable to the company.

6. We further report that, the impact of paragraphs 4(i) to 4(iii) above on the profit of the year and the assets and liabilities appearing in the Balance Sheet, could not be ascertained. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required, other than as stated above, and give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;

   (ii) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and

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

Date: 28th August, 2012

Place: New Delhi

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

D.K. Kapila
Sr. Partner
M. No. 016905

Annexure to the Auditors' Report

Referred to in paragraph 3 of the Auditor's Report of even date to the members of MMTC Limited on the financial statements for the year ended March 31, 2012.

(i) In respect of fixed assets:

(a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of the fixed assets.

(b) As explained to us, all the fixed assets have been physically verified by the Management during the year; which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us, no substantial part of the fixed assets has been disposed off by the Company during the year and therefore the going concern assumption is not affected.

(ii) In respect of its inventories:

(a) As explained to us, the inventories excepting in case of goods in transit, stocks lying in Central / State Warehouses (where confirmation were obtained from the parties and relied upon) were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion, procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of records of the inventory, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the books of account were not material *except in the case of inventory of pulses at Regional Office Mumbai which has been properly dealt with in the books of account*.

(iii) In respect of loans:

(a) As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.In view of this, sub clauses (b),(c) and (d) of clause (iii) are not applicable.

(b) As informed to us, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. In view of this, sub clauses (e), (f) and (g) of clause (iii) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods & services. **However, *there is inadequate internal control systems in-regard to obtaining confirmation / reconciliation of outstanding balances, accounting of tax deducted at***

source on payments made by other parties. **Further, on the basis of our examination and according to the information and explanations given to us, *we have come across instances where there is total lack of internal control system particularly at Regional Office Chennai, Regional Office Hyderabad and Jhandewalan Regional Office in areas of obtaining bank balance confirmation, confirmations of FDR / BG, procedure / system for obtaining buyer's credit, forward cover.***

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

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

(b) Periodic quantitative reconciliation of goods traded by the company (particularly bullion) between the ERP and other standalone inventory system.

(c) Active and prompt follow-up of old debts, advances, claims, court cases and recoveries etc arising out of execution of decrees/awards in favor of the company, by respective Commodity Division.

(v) (a) In our opinion and according to the information and explanations given to us, there are no contracts and arrangements referred to in Section 301 of the Companies Act 1956, particulars of which need to be entered into a register maintained under Section 301 of the Act.

(b) Accordingly the provisions of the clause V (b) of paragraph 4 of the order (as amended) are not applicable to the company

(vi) The directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there-under have been complied with, in respect of deposits accepted from the Public. We have been informed that, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or Tribunal in this regard.

(vii) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business. *However, keeping in view our observations regarding inadequacies in internal control systems, the internal audit system needs to be revamped, strengthened and its effectiveness be enhanced.*

(viii) As informed to us, the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 has not been prescribed by the Central Government.

(ix) (a) According to the information and explanations given to us and the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities 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 as applicable with the appropriate authorities and that no undisputed amounts payable in respect of the same were in arrears as at 31-03-2012 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues of income tax / sales tax / wealth tax / service tax /

custom duty / excise duty / cess (as applicable) as at March 31, 2012 which have not been deposited on account of any dispute, are referred to in Annexure ‘A’

(x) The Company does not have any accumulated losses and has not incurred cash losses in the current financial year 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 repayment of dues to any financial institution or bank or debenture holders during the year.

(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 chit fund or a Nidhi / Mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor’s Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor’s Report) Order, 2003 (as amended) are 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 prejudicial to the interest of the Company.

(xvi) According to the information and explanation given to us, the Company has not taken any term loans during the year. Hence, the provisions of clause 4(xvi) of the Companies (Auditor’s Report) Order 2003 (as amended) are not applicable to the Company.

(xvii) According to the information and explanations given to us and overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations 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 explanations 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 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 explanations given to us, *we have come across following instances of material fraud on the Company during the year, as reported by the Management:-*

(a) Regional Office, Chennai

Certain acts of commission & omission relating to bullion transactions pertaining to previous years were reported resulting into amounts recoverable from Debtors of ₹ 1002.05 million which were lying in the vendors account as at March 31, 2011 against which full provision has been created in the current year. The company has ordered a special audit into these transactions which is yet to be completed. In this connection, upon a complaint filed by the Company, CBI has registered two separate FIRs and has started detailed investigation also, Directorate of Enforcement have registered an offence under Prevention of Money Laundering Act 2002. (Refer Note no. 17)

(b) Regional Office, Mumbai

A foreign supplier has submitted forged shipping documents, through banking channels, to obtain payment of ₹ 28.30 million without making delivery. However, the company has obtained an interim stay from the Court restraining the bank from making the payment under the letter of credit. The same supplier is also fraudulently holding on to the master bill of lading which would enable the RO to take delivery and possession of goods valued at ₹ 64.57 million, already paid for and received at the Indian port. (Refer to note no. 40)

(c) Regional Office, Hyderabad

The company has received fake bills of lading covering two shipments of copper valued at ₹ 37.50 million against which no material was received. The foreign supplier has been paid in full through letter of credit after the company had received full payment from the customer. The company is in the process of initiating legal action against the foreign supplier. (Refer note no. 41)

(d) Regional Office, Jhandewalan

One of the customer who was given gold on loan has committed fraud on the company by providing fake bank guarantees amounting to ₹ 18.0 million against which full provision has been made. The case is under investigation upon filing of an FIR by the company with the Delhi Police. (Refer note no. 42)

Date: 28th August, 2012

Place: New Delhi

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

D.K. Kapila
Sr. Partner
M. No. 016905

ANNEXURE ‘A’ TO AUDITORS’ REPORT

Referred to in paragraph 9(b) of Annexure, a statement on the matters specified in the Companies (Auditors Report) Order, 2003 (as amended) of MMTC Limited for the year ended on 31st March 2012.

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	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	High Court
TNGST ACT	Sales Tax, Penalty & Interest	1,78,536	2001-02	Asst. Commissioner (Comm. Tax),Chennai

MUMBAI REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
BST ACT	Sales Tax	3,08,644	1986-87	Joint Comm. of Sales Tax
BST ACT	Sales Tax	5,19,887	1987-88	Joint Comm. of Sales Tax
BST ACT	Sales Tax	1,33,907	1988-89	Joint Comm. of Sales Tax
BST ACT	Sales Tax	14,96,06,778	1989-90	MST Tribunal
BST ACT	Sales Tax	23,30,46,478	1990-91	Dy. Comm., Sales Tax
BST ACT	Sales Tax	28,98,738	1991-92	Dy. Comm., Sales Tax
BST ACT	Sales Tax	11,14,933	1992-93	MST Tribunal
BST ACT	Sales Tax	45,03,961	2001-02	Dy. Comm., Sales Tax
Central Excise Act	Service Tax	1,14,38,000	2008-09	Comm. Central Excise & Customs

DELHI REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
Delhi Sales Tax	Sales Tax	11,65,303	1984-85	D.C. appeal
Delhi Sales Tax	Sales Tax	6,18,17,683	1986-87	Addl. Commissioner
Central Sales Tax	Sales Tax	39,14,524	1986-87	Addl. Commissioner
Delhi Sales Tax	Sales Tax	4,03,31,557	1987-88	Addl. Commissioner
Central Sales Tax	Sales Tax	28,54,992	1987-88	Addl. Commissioner
Delhi Sales Tax	Sales Tax	369,45,148	1988-89	Addl. Commissioner
Central Sales Tax	Sales Tax	33,51,524	1988-89	Addl. Commissioner
Delhi Sales Tax	Sales Tax	16,35,160	1987-88	Joint Commissioner

HYDERABAD REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
APGST	Sales Tax	1,49,770	1989-90	STAT
APGST	Sales Tax	29,61,551	1990-91	STAT, Vizag
APGST	Sales Tax	24,02,576	1991-92	STAT, Vizag
APGST	Sales Tax	13,96,269	1992-93	STAT, Vizag
APGST	Sales Tax	17,62,687	1992-93	STAT, Vizag
APGST	Sales Tax	6,30,615	1993-94	STAT, Vizag
CST	Central Sales	4,41,446	1993-94	ADC (CT)

	Tax			
CST	Central Sales Tax	2,04,481	1994-95	AC(LTU)
CST	Central Sales Tax	5,97,266	1995-96	ADC (CT)
APGST	Sales Tax	38,03,875	1995-96	STAT, Vizag
APGST	Sales Tax	28,80,309	1995-96	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 Sales Tax	6,35,504	1997-98	ADC (CT)
APGST	Sales Tax	55,65,147	1998-99	STAT, Vizag
APGST	Sales Tax	39,04,454	1999-2000	STAT, Vizag
APGST	Sales Tax	2,52,926	2000-2001	STAT, Vizag
APGST	Sales Tax	2,12,176	2001-02	AC (LTU)
APGST	Sales Tax	68,901	2002-03	AC (LTU)
APGST	Sales Tax	34,856	2003-04	AC (LTU)
APGST	Sales Tax	1,26,000	2004-05	AC (LTU)
VAT	VAT	6,76,058	2006-07	STAT
VAT	VAT	71,000	2007-08	AC(LTU)
VAT	VAT	5,00,000	2008-09	STAT, Vizag
VAT	VAT	11,90,100	2008-09	STAT, Vizag
Central Excise & Customs	Custom Duty	24,11,17,719	2008-09	Commissioner of Customs & Central Excise

BHUBANESHWAR REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
Orissa Sales Tax	Interest Penalty	9,58,035	1966-67	High Court of Orissa
Orissa Sales Tax	Interest Penalty	26,50,388	1978-79	High Court of Orissa
Orissa Sales Tax	Interest Penalty	6,53,452	1979-80	High Court Of Orissa
Orissa Sales Tax	CST	33,04,073	1981-82	High Court Of Orissa
Orissa Sales Tax	Orissa Sales Tax	78,46,464	1982-83	High Court Of Orissa
Orissa Sales Tax	Orissa Sales Tax	3,16,921	1982-83	High Court Of Orissa
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	Orissa Sales Tax	79,13,807	1983-84	-- do ---
Orissa Sales Tax	Orissa Sales Tax	3,29,926	1983-84	-- do ---
Orissa Sales Tax	Orissa Sales Tax	35,42,822	1983-84	-- do ---
Orissa Sales Tax	Orissa Sales Tax	86,48,326	1984-85	-- do ---
Orissa Sales Tax	Orissa 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	Orissa Sales Tax	21,17,92,315	2010-11	Appeal before Commissioner of Sales Tax, Cuttack
Central Excise Act	Service Tax	7,27,02,132	2003-06	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	13,08,31,221	2003-07	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	2,59,12,711	2007-08	Customs, Excise &

				Service Tax Appellate Tribunal
Central Excise Act	Service Tax	5,80,77,352	2008-10	Customs, Excise & Service Tax Appellate Tribunal
Central Excise Act	Service Tax	4,48,93,394	2010-11	Customs, Excise & Service Tax Appellate Tribunal

JAIPUR REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
R.S.T ACT	Sales Tax	1,28,87,058/-	2003-04	Rajasthan Tax Board (Rs 298 7058 deposited under protest)
R.S.T ACT	Sales Tax	5,32,992/-	2003-04	Rajasthan Tax Board (Rs 53300 deposited under protest)
R.S.T ACT	Sales Tax	26,07,605/-	1999-00	Rajasthan Tax Board
RAJ VAT ACT	VAT ACT	326,47,269/-	2010-11	DC(Appeals)
CST ACT	CST Act	59,92,494/-	2010-11	DC(Appeals)

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	A.P. High Court
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,HYD
A.P.G.S.T ACT	Sales Tax	2,70,83,841	1986-87	STAT, Hyderabad
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	STAT,HYD
A.P.G.S.T ACT	Sales Tax	4,79,000	1989-90	A.P. High Court
CST	Sales Tax	8,41,695	1994-95	STAT, Hyderabad
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	28,07,578	1997-98	STAT, Hyderabad
CST	Sales Tax	104,614	2007-08	STAT, Hyderabad
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
WBST ACT 1994	--do--	86,88,778	1996-97	Sales Tax Tribunal
WBST ACT 1994	--do--	33,74,028	1997-98	Appellate Board
WBST ACT 1994	--do--	37,11,769	1998-99	Sales Tax Tribunal
CST ACT 1956	Sales Tax	11,30,858	2005-06	Appellate Board
CST ACT 1956	Sales Tax	77,60,971	2006-07	DC Appeal
WB VAT ACT	VAT	8,28,126	2008-09	DC Appeal
CST ACT 1956	Sales Tax	2,05,794	2008-09	DC Appeal

JHANDEWALAN REGIONAL OFFICE

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

MMTC LIMITED

FINANCIAL STATEMENTS
FOR
THE FINANCIAL YEAR ENDED 31ST MARCH, 2012

MMTC LIMITED

BALANCE SHEET AS AT 31-03-2012

(₹ in Million)

	Note No.	AS AT 31-03-2012		AS AT 31-03-2011	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS	3				
Share Capital	3.1	**1000.00**		1000.00	
Reserves & Surplus	3.2	**13214.01**		12797.35	
			14214.01		13797.35
NON-CURRENT LIABILITIES	4				
Other Long term liabilities	4.1	**44.81**		43.85	
Long-term provisions	4.2	**1373.72**	**1418.53**	1252.40	1296.25
CURRENT LIABILITIES	5				
Short-term borrowings	5.1	**34298.67**		60834.67	
Trade payables	5.2	**32996.07**		34902.65	
Other current liabilities	5.3	**42376.60**		80716.65	
Short-term provisions	5.4	**2123.48**	**111794.82**	2747.66	179201.63
Total :			**127427.35**		**194295.23**
ASSETS					
NON-CURRENT ASSETS	6				
Fixed Assets	6.1				
Tangible assets	6.1.1	**972.61**		1072.14	
Intangible assets	6.1.2	**0.00**		0.05	
Capital Work-in-progress	6.1.3	**-**		5.14	
Non-current investments	6.2	**4672.87**		4852.79	
Deferred tax assets (net)	6.3	**714.96**		335.49	
Long-term loans and advances	6.4	**1095.05**		964.82	
Other non-current assets	6.5	**22.91**	**7478.40**	28.15	7258.58
CURRENT ASSETS	7				
Inventories	7.1	**9244.03**		6479.73	
Trade receivables	7.2	**27706.10**		25369.20	
Cash and Bank Balances	7.3	**28531.16**		67482.35	
Short-term loans and advances	7.4	**44191.90**		65395.73	
Other current assets	7.5	**10275.76**	**119948.95**	22309.63	187036.65
Total :			**127427.35**		**194295.23**
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

(Manohar Balwani)
GM & Company Secretary

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

(M G Gupta)
Director (Finance)

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman Cum Managing Director

Date : 28th,August, 2012
Place : New Delhi

MMTC LIMITED					
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012					
					(₹ in Million)
	Note No.	YEAR ENDED 31-03-2012		YEAR ENDED 31-03-2011	
INCOME					
Revenue from operations	8	**663248.84**		690560.03	
Other Income	9	**7270.11**	**670518.95**	5077.52	695637.55
Total Revenue			**670518.95**		695637.55
EXPENSES					
Cost of materials consumed	10	**-**		-	
Purchases of Stock-in-Trade	11	**651655.73**		645870.23	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	**(2776.36)**		14730.69	
Employee benefits expense	13	**1843.61**		1837.58	
Finance costs	14	**5764.25**		3928.50	
Depreciation and amortization expense		**120.03**		123.46	
Other expenses	15	**12150.81**	**668758.07**	27180.80	693671.26
Total expenses			**668758.07**		693671.26
Profit before exceptional and extraordinary items and tax			**1760.88**		**1966.29**
Exceptional Items	16		**(1.29)**		67.27
Profit before extraordinary items and tax			**1762.17**		**1899.02**
Extraordinary Items	17		**1002.05**		-
Profit before tax			**760.12**		**1899.02**
Tax expense:					
- Current tax					
Provision for Taxation		**533.50**		755.20	
Earlier years		**(101.09)**		36.21	
- Deferred tax		**(379.47)**	**52.94**	(108.82)	682.59
Profit for the period			**707.19**		**1216.43**
Earnings per equity share of nominal value of Re.1/- each					
Basic (in ₹)			**0.71**		**1.22**
Diluted (in ₹)			**0.71**		**1.22**
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

(Manohar Balwani)
GM & Company Secretary

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

(M G Gupta)
Director (Finance)

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman Cum Managing Director

Date : 28th,August, 2012
Place : New Delhi

MMTC LIMITED				
Cash Flow Statement for the year ended 31-03-2012				
				(₹ in million)
	For the year ended 31-03-2012		For the year ended 31-03-2011	
A. Cash flows from operating activities				
Profit before Tax & Extra ordinary items		1762.17		1899.02
Adjustment for :				
Extra-ordinary items	(1,002.05)		-	
Loss on valuation of inventories	12.06		107.76	
Depreciation & amortisation expense	120.48		123.41	
Net Foreign Exchange (gain)/loss	91.75		(233.38)	
(Profit) /Loss on sale of Tangible Assets	(0.12)		(0.76)	
Interest income	(6,593.01)		(4,750.48)	
Dividend income	(248.96)		(98.88)	
Finance Costs	5768.73		3928.50	
Debts/claims written off	1.35		0.92	
Provision for doubtful Debts /Loans & Advances	133.10		229.39	
Diminution in value of investment	0.03		-	
Diminution in value of investment property	1.25		1.25	
Provision for unutilised budget for CSR	-		0.97	
Provision no longer Required	(14.51)		(40.98)	
Liabilities no longer Required	(295.22)		(94.18)	
Provision for DWA risk	-	(2,025.11)	5.32	(821.14)
		(262.94)		1077.88
Changes in assets & liabilities				
Inventories	(2,776.36)		14760.86	
Trade Receivables	(2,338.66)		(10,104.55)	
Loans & Advances	20529.70		(50,122.40)	
Other current & non current assets	12033.86		(488.61)	
Trade payables	(1,806.93)		1062.51	
Other liabilities	(38,339.66)		43366.60	
Provisions	84.84	(12,613.22)	324.69	(1,200.90)
		(12,876.16)		(123.02)
Taxes Paid		(305.97)		(875.68)
Net cash flows from operating activities		(13,182.13)		(998.70)
B. Cash flows from Investing Activities				
Purchase of tangible assets	(15.86)		(13.83)	
Sale of tangible Assets	0.25		0.85	
Purchase of Investments	(0.13)		(101.76)	
Advance for purchase of shares	-		(1,794.64)	
Interest received	6593.01		4750.48	
Dividend Received	248.96	6826.23	98.88	2939.98
Net cash flows from investing activities		6826.23		2939.98
C. Cash flows from financing activities				
Borrowings	(26,536.00)		9186.70	
Finance Costs	(5,768.73)		(3,928.50)	
Dividend (inclusive of tax) paid	(290.56)	(32,595.30)	(524.74)	4733.46
Net cash flows from Financing Activities		(32,595.30)		4733.46
Net increase/(decrease) in Cash & Cash Equivalents		(38,951.19)		6674.74
Opening Balance of Cash & Cash Equivalents		67482.35		60807.61
Closing Balance of Cash & Cash Equivalents		28531.16		67482.35

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 represent:-

	As at the end of	
	2011-12	2010-11
(a) Cheques, drafts on hand	9.12	3.07
(b) Cash on hand	0.02	0.22
(c) Balances with Banks		
- in current account	2483.09	3017.72
-in cash credit account (debit balance)	174.29	12.43
-term deposit with original maturity up to 3 months	2280.11	7721.79
(d) Others*	23584.53	56727.12
* include deposits held as margin money/under lien ₹ 2392.80 million (P.Y. ₹ 11489.08 million)		
Total	28531.16	67482.35

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

(Manohar Balwani)
GM & Company Secretary

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

(M G Gupta)
Director (Finance)

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman Cum Managing Director

Date : 28th,August, 2012
Place : New Delhi

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2012

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

1. General Information:

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

a. The financial statements are prepared according to the historical cost convention on accrual basis and in line with the fundamental accounting principles of prudence, consistency and materiality.

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

c. Statement of Compliance

The financial statements are prepared on the basis of generally accepted accounting principles in India, accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as amended from time to time.

2.2. PURCHASES AND SALES

a. Purchases and sales are booked where the company has entered into purchase/sale contract/agreement with the sellers/buyers or received allocation letter from Government, on performance of the contract/agreement/allocation either wholly or partly.

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 exports.

d. 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.

e. 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.		

2.7. INVESTMENTS

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

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

2.8. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

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

2.9. SEGMENT REPORTING

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

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

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

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

2.10. EMPLOYEE BENEFITS

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

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

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

2.11. PHYSICAL VERIFICATION OF STOCKS

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

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

2.12. VALUATION OF STOCKS

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

a) EXPORTS:

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

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

b) IMPORTS:

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

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

c) DOMESTIC:

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

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

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

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

2.13. PRIOR PERIOD ADJUSTMENTS

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

2.14. BORROWING COSTS

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

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

2.15. DEFERRED TAX

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

2.16. IMPAIRMENT OF ASSETS

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

2.17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) Provisions

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

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

(b) Others

(i) Provision is recognized when

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

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

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

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

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

(II) Contingent liabilities and contingent assets

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

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

2.18. TREATEMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION /CONSTRUCTION PERIOD

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2012

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)
	31-03-2012		31-03-2011	
	Number	**Amount**	**Number**	**Amount**
A. Authorised				
Equity Shares of Par Value Rs.1/- each	1,000,000,000	1000.00	1,000,000,000	1000.00
B. Issued, subscribed and fully paid				
Opening Balance	1,000,000,000	1000.00	50,000,000	500.00
Addition*			450,000,000	
			500,000,000	500.00
Deduction			-	
Closing Balance	1,000,000,000	1000.00	1,000,000,000	1000.00

*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 31-03-2012 is 993,312,000 shares (P.Y. 993,312,000 shares)

3.2 RESERVES & SURPLUS

(₹ in million)

	31-03-2012		31-03-2011	
Reserves				
Capital reserve-Opening Balance		0.69		0.69
Add: Transferred from Surplus		0.00		0.00
Closing Balance		0.69		0.69
General reserve-Opening Balance		5881.13		6251.13
Add: Tranferred from Surplus		75.00		130.00
		5956.13		6381.13
Less: Deduction		0.00		500.00
Closing Balance		5956.13		5881.13
Surplus				
Surplus-Opening Balance		6915.53		6119.65
Add: Net profit after tax transferred from Statement of Profit and Loss		707.22		1216.43
Amount available for appropriation		7622.75		7336.08
Appropriations:				
Final Dividend		250.00		250.00
Dividend Tax		40.56		40.55
Amount transferred to general reserve		75.00		130.00
Surplus-Closing Balance		7257.19		6915.53
Total		**13214.01**		**12797.35**

4. NON CURRENT LIABILITIES

4.1 OTHER LONG TERM LIABILITIES

(₹ in million)

	31-03-2012		31-03-2011	
Trade Payable				
-Other than MSMEs	12.86		12.86	
-MSMEs	-	12.86	-	12.86
Others				
-Sales tax/CST/Custom duty	18.74		18.74	
-Others	13.21	31.95	12.25	30.99
Total		**44.81**		**43.85**

4.2 LONG TERM PROVISIONS

				(₹ in million)
	31-03-2012		31-03-2011	
A. Employee Benefits				
i. Leave encashment	214.73		211.29	
ii. Post Ret. Medical Benefits	924.78		808.28	
iii. Half pay leave	145.76		143.60	
iv. Service Award	46.15		48.52	
v. Compassionate Gratuity	2.38		2.65	
vi. Emp. Family Benefit Scheme	39.92	1373.72	38.06	1252.40
B. Others		-		-
Total		**1373.72**		**1252.40**

5. Current Liabilities

5.1 SHORT TERM BORROWINGS

				(₹ in million)
	31-03-2012		31-03-2011	
A. Loans repayable on demand				
From Banks				
(i) Secured (against hypothecation of inventories , trade receivables and other current assets present and future)	34298.67		50019.92	
(ii) Unsecured	-	34298.67	10814.75	60834.67
Total		**34298.67**		**60834.67**

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)
	31-03-2012		31-03-2011	
A. Sundry Creditors				
i. Other than MSMEs	26419.96		25476.54	
ii. MSMEs	-	26419.96	-	25476.54
B. Bills payable		6576.11		9426.11
Total		**32996.07**		**34902.65**

Sundry Creditors include ₹ 10217.50 million (P.Y. ₹ 11846.15 million) being notional value of 3747 Kgs. (P.Y. 5695 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)
	31-03-2012		31-03-2011	
a.Interest accrued but not due on borrowings		229.26		156.35
b. Interest accrued and due on borrowings		1.44		0.63
c. Income received in advance		-		-
d.Other payables (specify nature)				
-Sundry Creditors-Others	88.62		77.34	
-Advance received from customers	596.92		6818.08	
-Unpaid Dividend	0.05		-	
-Despatch payable	35.76		31.67	
-Demurrage payable	88.80		116.50	
-Credit balance in sundry debtors	1546.87		684.67	
-Security deposit & EMD	1105.73		640.16	
-Taxes & Employees dues remittance	815.00		1240.08	
-Forward cover etc.	24059.69		32130.97	
-Salaries & Allowances	61.68		59.60	
-Administrative Expenses	133.38		203.25	
- Amount payable towards unbilled purchases	9941.28		21584.98	
-Others	3672.11	42145.89	16972.37	80559.67
Total		**42376.60**		**80716.65**

5.4 SHORT TERM PROVISIONS

				(₹ in million)
	31-03-2012		31-03-2011	
A. Employee Benefits				
i. Bonus/Performance related pay	110.47		200.92	
ii. Earned Leave	25.32		19.59	
iii. Post Retirement Medical Benefit	57.22		50.53	
iv. Half Pay Leave	15.16		10.40	
v. Gratuity	-		27.18	
vi. Superannuation Benefits	287.55		220.57	
vii. Service Award	7.06		5.01	
viii. Compassionate Gratuity	0.29		0.23	
ix. Employees' Family Benefit Scheme	4.29		3.85	
x. Others	-		-	
		507.36		538.28
B. Others				
i. Taxation	1324.84		1912.53	
ii. Proposed dividend	250.00		250.00	
iii. Dividend Distribution Tax	40.56		40.56	
iv. Destinational Weight and Analysis Risk	-		5.32	
v. Corporate Social Responsibility	0.72	1616.12	0.97	2209.38
Total		**2123.48**		**2747.66**

6 NON CURRENT ASSETS

6.1 FIXED ASSETS

6.1.1 Tangible Assets

(₹ in million)

	GROSS BLOCK				DEPRECIATION/ IMPAIRMENT					NET CARRYING VALUE	
	1-4-2011	Addition	Disposals	31-03-2012	Opening balance as at 01-04-2011	Depreciation for the year	Sub-Total	Deductions	Balance as at 31-03-2012	31-03-2012	31-03-2011
Land freehold											
-Office building	3.66	-	-	3.66	-	-		-	-	3.66	3.66
-Staff Quarters	1.33	-	-	1.33	-	-		-	-	1.33	1.33
Land leasehold											
-Office building	40.14	-	-	40.14	10.77	0.50	11.28	-	11.28	28.86	29.36
-Staff Quarters	2.67	-	-	2.67	1.04	0.03	1.07	-	1.07	1.60	1.63
Building											
-Office Building	128.01	-	0.00	128.01	46.76	3.31	50.07	-	50.07	77.94	81.25
-Staff Quarters	65.66	-	0.00	65.66	49.28	1.28	50.56	-	50.56	15.10	16.38
-Water supply, Sewerage & Drainage	9.46	-	-	9.46	9.27	0.04	9.31	-	9.31	0.16	0.19
-Electrical Installations	17.52	-	0.01	17.51	15.47	0.31	15.78	0.01	15.78	1.74	2.05
-Roads & Culverts	3.58	-	-	3.58	2.23	0.09	2.32	-	2.32	1.26	1.35
-Audio/Fire/Airconditioning	13.00	0.02	0.56	12.46	12.83	0.02	12.85	0.56	12.29	0.17	0.17
Plant & Equipment	786.06	10.85	0.17	796.73	208.38	39.26	247.64	0.17	247.47	549.26	577.68
Furniture & Fixtures											
-Partitions	21.67	0.95	0.53	22.09	21.22	0.96	22.18	0.53	21.65	0.44	0.45
-Others	51.05	0.75	2.11	49.69	46.64	2.31	48.94	2.11	46.84	2.85	4.41
Vehicles	24.17	-	0.95	23.22	15.91	3.03	18.94	0.95	17.99	5.23	8.26
Office Equipments	66.95	4.07	9.54	61.47	54.52	4.42	58.94	9.39	49.56	11.91	12.43
Others:-											
Railway Wagon Rakes	553.64	-	-	553.64	255.59	55.36	310.96	-	310.96	242.68	298.05
Railway Loop Line at BNHT	26.17	-	-	26.17	26.17	-	26.17	-	26.17	0.00	0.00
Warehouse	34.11	-	-	34.11	15.31	1.36	16.68	-	16.68	17.44	18.80
Computer/ Data Processors	175.47	4.36	7.61	172.22	160.79	8.10	168.89	7.63	161.26	10.97	14.68
Total	**2024.33**	**21.00**	**21.48**	**2023.85**	**952.19**	**120.39**	**1072.58**	**21.35**	**1051.23**	**972.61**	**1072.14**
Last Year	**2064.14**	**15.67**	**55.48**	**2024.33**	**846.74**	**124.66**	**971.40**	**19.21**	**952.19**	**1072.14**	

(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 31.03.2012 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed.

(c) Cost of Office Building on lands not owned by the Corporation is ₹ 3.09 million (P.Y. ₹ 3.09 million) and provision for depreciation is ₹ 2.57 million (P.Y. ₹ 2.51 million)

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

(e) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million (P.Y. ₹ 11.63 million) & accumulated depreciation of ₹ 5.72 million (P.Y. ₹ 5.42 million) constructed on the leasehold land at Paradip which expired on 20.11.2010 Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

(f) Depreciation for the year includes ₹ 0.41 million shown under prior period items

6.1.2 Intangible Assets

(₹ in million)

	Gross Block						Amortisation						Net Carrying Value	
	1-4-2011	Addition	Additions through Business Combinations	Other adjustments	Disposals	31-03-2012	Opening balance as at 01-04-2011	Amortisation for the year	Impairment / (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2012	31-03-2012	31-03-2011
Computer software	0.19					0.19	0.14	0.05		0.19		0.19	-	0.05
Others	-					-	-			-		-	-	-
Total	0.19	-	-	-	-	0.19	0.14	0.05	-	0.19	-	0.19	-	0.05
Last Year	-	0.19	-	-	-	0.19	-	0.14	-	-	-	0.14	0.05	

6.1.3 Capital work-in-progress

(₹ in million)

	Assets					Depreciation / Impairment						Net carrying value	
	1-4-2011	Addition	Other Adjustments	Disposals	31-03-2012	Opening balance as at 01-04-2011	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2012	31-03-2012	31-03-2011
Building													
-Building Under Construction	6.71	0	0	0	6.71	6.71	0	0	6.71	0	6.71	0	0
-Electrical Installations	6.7	0	0	0	6.7	6.7	0	0	6.7	0	6.7	0	0
-Roads & Culverts	0.47	0	0	0	0.47	0.47	0	0	0.47	0	0.47	0	0
Plant & Equipment	18.94	0	-5.14	0	13.8	13.8	0	0	13.8	0	13.8	0	5.14
Total	**32.83**	**0**	**-5.14**	**0**	**27.69**	**27.69**	**0**	**0**	**27.69**	**0**	**27.69**	**0**	**5.14**
Last Year	34.87	0.85	-2.89	0	32.83	27.69	0	0	27.69	0	27.69	5.14	

6.2 NON CURRENT INVESTMENTS

			(₹ in million)	
	31-03-2012		31-03-2011	
I. TRADE INVESTMENTS				
A. Investment Property				
Bandra Kurla Complex		35.06		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 199,000,000 Equity shares of Rs. 10/- each)	3796.85		1990.00	
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	3796.98	0.13	1990.13
c) Joint Ventures				
i. Greater Noida Integrated Ware- housing Pvt. Ltd.				
Fully paid 2,600 Equity shares of Rs.10/- each (P.Y. Fully paid 2,600 Equity shares of Rs.10/- each)	0.03		0.03	
Less: Provision for Diminution in value of investment	0.03		-	
	0.00		0.03	
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 15,600,000 Equity shares of Rs.10/- each (P.Y. Fully paid 15,600,000 Equity shares of Rs.10/- each)	156.00		156.00	
iv. SICAL Iron Ore Terminal Limited				
Fully paid 33,800,000 Equity shares of Rs.10/- each (P.Y. Fully paid 33,800,000 Equity shares of Rs.10/- each)	338.00		338.00	
v. MMTC Gitanjali Pvt Limited				
Fully paid 2,506,400 Equity shares of Rs.10/- each (P.Y. Fully paid 2,506,400 Equity shares of Rs.10/- each)	25.06		25.06	
vi. Indian Commodity Exchange Limited				
Fully paid 52,000,000 Equity shares of Rs.5/- each (P.Y. Fully paid 52,000,000 Equity shares of Rs.5/- each)	260.00		260.00	
vii TM Mining Company Limited				
Fully paid 26,000 Equity shares of Rs.10/- each (P.Y. Fully paid 13,000 Equity shares of Rs.10/- each))	0.26	779.35	0.13	779.25
d) Others				
i. Indo French Biotech Limited				
Fully paid 4,750,000 Equity shares of Rs.10/- each (P.Y. Fully paid 4,750,000 Equity shares of Rs.10/- each)	47.50		47.50	
Less: Provision for Diminution in value of investment	47.50		47.50	
	0.00		0.00	
ii. United Stock Exchange Limited				
Fully paid 3,000,000 Equity shares of Rs.10/- each (P.Y. Fully paid 3,000,000 Equity shares of Rs.10/- each)	30.00	30.00	30.00	30.00
C. Investment in Government and trust securities				
9% Govt. Stock 2013 (P.Y. Rs 0.03 million)		0.03		0.03
D. Others				
Advance against equity pending allotment				
-Haldia Free Trade Warehousing Private Limited	-		160.00	
-Integrated Warehousing Kandla Projects Development Private Limited	-		18.77	
-Neelachal Ispat Nigam Limited	-	-	1806.85	1985.62
II. OTHER INVESTMENTS		-		-
Total		**4672.87**		**4852.79**

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 ₹ 4685.33 million (P.Y. ₹ 2878.35 million). Aggregate amount of provision for diminution in value of investments is ₹ 47.53 million (P.Y. ₹ 47.50 million).

A sum of ₹ 178.77 million appearing in investment as on 31-03-2011 represents the "Advance against Equity pending allotment" released to HFTWPL and IWKPDPL for purchase of land/payment of land lease rent. This amount has been converted into "Project Development fund" w.e.f. 30-03-2012 and has been shown under "Long Term Loans and Advances" and thus not appearing in investment as on 31-03-2012.

An amount of ₹ 1806.85 million appearing in investment as on 31-03-2012 under " Advance against equity pending allotment" has been converted into equity shares during the current year and accordingly shown under "Investment in equity instrument" in Neelachal Ispat Nigam Limited as on 31-03-2012.

6.3 DEFERRED TAX ASSETS (NET)

			(₹ in million)
Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2011	Credit / (Charge) during 2011-12	Deferred Tax asset / (Liability) as at 31.3.2012
Depreciation	(216.58)	21.71	(194.87)
Disallowance u/s -43B	-	-	-
Prov. For Doubtful debts	444.72	363.01	807.73
DWA Risk	1.72	(1.72)	-
VRS Expenses	16.19	(7.63)	8.56
Interest received from IT Deptt.	17.88	(17.88)	-
Others	71.56	21.98	93.54
TOTAL	**335.49**	**379.47**	**714.96**

6.4 LONG TERM LOANS AND ADVANCES

				(₹ in million)
	31-03-2012		**31-03-2011**	
A. SECURITY DEPOSITS				
I. Secured, considered good	8.24		-	
II. Unsecured, considered good	78.73		86.87	
III. Doubtful	36.82		36.82	
Sub-total	123.79		123.69	
Less: Provision for bad and doubtful advances	36.82	86.97	36.82	86.87
B. LOANS AND ADVANCES TO RELATED PARTIES				
I. Secured, considered good	-		-	
II. Unsecured, considered good	0.99		0.25	
III. Doubtful	4.85		4.85	
Sub-total	5.84		5.10	
Less: Provision for bad and doubtful advances	4.85	0.99	4.85	0.25
C. OTHER LOANS AND ADVANCES				
I. Secured, considered good				
Loans & Advances to PSUs/Other Companies	210.85		33.20	
Interest Accrued & Due/ Not Due	60.86		28.32	
Loans to Employees	173.76		170.21	
II. Unsecured, considered good				
Interest Accrued & Due/ Not Due	3.36		4.72	
Loans to Employees	49.55		67.38	
Others	508.71		573.87	
III. Doubtful	290.95		289.99	
Sub-total	1298.04		1167.69	
Less: Provision for bad and doubtful advances	290.95	1007.09	289.99	877.70
TOTAL		**1095.05**		**964.82**

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 ₹ 0.97 million (P.Y. ₹ Nil million)

6.5 OTHER NON-CURRENT ASSETS

			(₹ in million)	
	31-03-2012		31-03-2011	
Long Term Trade Receivables				
i. Considered good (Secured against hypothecation of assets/ mortgage of title deeds and Bank Guarantees)	0.96		1.78	
ii. Unsecured Considered good	21.95		26.37	
iii. Considered doubtful*	1315.86		127.31	
Sub-total	1338.77		155.46	
Less : Provision for bad and doubtful receivables *	1315.86	22.91	127.31	28.15
TOTAL		**22.91**		**28.15**

* includes ₹ 1002.05 million (P.Y. ₹ Nil million) towards recoverable and adhoc provision pending completion of reconciliation/investigations on account of certain acts of commission and omission at Regional Office, Chennai. (Refer Note No. 17)

7 CURRENT ASSETS

7.1 INVENTORIES

			(₹ in million)	
	31-03-2012		31-03-2011	
A. Raw materials	93.94		63.90	
B. Work-in-progress	-		-	
C. Finished goods	-		-	
D. Stock-in-trade	9148.89		6415.25	
(includes goods in transit valued at ₹ 1809.95 million (P.Y. ₹ 1564.95 million))				
E. Stores and spares	-		-	
F. Loose tools	-		-	
G. Packing Materials	1.20		0.58	
H. Others (specify nature).	-	9244.03	-	6479.73
Total		**9244.03**		**6479.73**

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.

Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 12.06 million (P.Y Rs. 107.76 million) during the year.

Inventory includes value of stock of ₹ 85.98 million received at ICD Ludhiana in respect of which the Bill of Entry has been filed by the RO, but the RO is unable to take delivery as Master Bill of Lading has not been furnished by the supplier.

7.2 TRADE RECEIVABLES

			(₹ in million)	
	31-03-2012		31-03-2011	
A. Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment				
i. Secured, Considered good	1015.72		39.50	
ii. Unsecured Considered good	1161.08		635.70	
iii. Doubtful	546.88		625.13	
	2723.68		1300.33	
Less: Provision for bad and doubtful debts	546.88	2176.80	625.13	675.20
B. Other Trade Receivables				
i. Secured, Considered good	11479.88		3470.73	
ii. Unsecured Considered good	14049.42		21223.27	
iii. Doubtful	-		-	
	25529.30		24694.00	
Less: Provision for bad and doubtful debts	-	25529.30	-	24694.00
Total		**27706.10**		**25369.20**

7.3 CASH AND BANK BALANCES

			(₹ in million)	
	31-03-2012		31-03-2011	
a. Cash and cash equivalents				
-Cheques, Drafts on hand		9.12		3.07
-Cash on hand		0.02		0.22
-Balances with Banks				
(a) in Current Account	2483.09		3017.72	
(b) in Cash Credit Account	174.29		12.43	
(c) in Term Deposits with original maturity upto 3 months	2280.11	4937.49	7721.79	10751.94
b. Other Balances with Banks				
-As Margin money/under lien	2392.80		11489.08	
-in term deposits with original maturity more than 3 months and upto 12 months	21170.49		43643.28	
-more than 12 months original maturity	21.24	23584.53	1594.76	56727.12
Total		**28531.16**		**67482.35**

Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments ₹ 2392.80 million (P.Y. ₹ 11489.08 million).

Balances with banks includes ₹ 0.05 million (P.Y. ₹ NIL 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.

7.4 SHORT TERM LOANS AND ADVANCES

			(₹ in million)	
	31-03-2012		31-03-2011	
A. Loans and advances to related parties		-		-
B Others				
i. Bills Receivable	1188.13		200.04	
Less: Bills Discounted	7.01		34.91	
Secured -Considered good		1181.12		165.13
ii. Advance recoverable in cash or kind				
Secured -Considered good	39239.96		44675.69	
Unsecured -Considered good	2135.67		17896.16	
Doubtful	176.55		178.27	
	41552.18		62750.12	
Less : Provision for Bad and Doubtful loans and advances	176.55	41375.63	178.27	62571.85
iii. Advance to Suppliers				
Secured -Considered good	0.26		10.60	
Unsecured -Considered good	308.80		607.93	
Doubtful	89.96		80.64	
	399.02		699.17	
Less : Provision for Bad and Doubtful loans and advances	89.96	309.06	80.64	618.53
iv. Income Tax (including advance income tax, TDS and refund due)				
Unsecured -Considered good		1326.09		2040.22
Total		**44191.90**		**65395.73**

Due by directors and other officers (Chief General Managers and Company Secretary) ₹ 2.45 million (P.Y. ₹ 0.79 million)

7.5 OTHER CURRENT ASSETS

			(₹ in million)	
	31-03-2012		31-03-2011	
Deferred Premium	334.49		724.65	
Gold/Silver stock towards unbilled purchases	9941.27		21584.98	
	10275.76		22309.63	
Less: Provision for doubtful amount, if any	-	10275.76	-	22309.63
Total		**10275.76**		**22309.63**

8 REVENUE FROM OPERATIONS

			(₹ in million)	
	2011-12		2010-11	
a. Sale of products		659290.67		688544.84
b. Sale of services		0.46		0.12
c. Other operating revenue				
-Despatch earned	5.25		0.04	
-Claims	370.22		653.76	
-Subsidy	2937.36		881.64	
-Other Trade Income	647.98	3960.81	479.63	2015.07
		663251.94		690560.03
Less:				
d. Excise Duty	3.10	3.10	-	-
Total		**663248.84**		**690560.03**

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)	
	2011-12		2010-11	
a. Interest				
-Interest on fixed deposits	3860.70		2522.95	
-Interest from customers on amount overdue	113.76		25.27	
-others	2483.71	6458.17	2202.25	4750.47
b. Dividend from subsidiary company		248.96		98.88
c. Net gain/ loss on sale of investments		-		-
d. other non operating income (net of expenses directly attributable to such income)				
-Staff Quarters Rent	5.40		4.33	
-Misc Receipts	157.97		109.28	
-Liabilities Written Back	295.22		94.18	
-foreign exchange gain	104.39		20.38	
Less: foreign exchange loss	-	562.98	-	228.17
Total		**7270.11**		**5077.52**

10 COST OF MATERIAL CONSUMED

			(₹ in million)	
	2011-12		2010-11	
Raw Material		-		-
Packing Material		-		-
Consumables		-		-
Loose Tools		-		-
Total		**-**		**-**

11 PURCHASES OF STOCK-IN-TRADE

			(₹ in million)	
Product Groups	2011-12		2010-11	
a) Purchase				
Precious Metals	503594.92		497747.15	
Non ferrous Metals	22746.45		20027.54	
Fertilizers	57397.86		19383.04	
Minerals	10427.92		28607.20	
Agro Products	22346.45		13938.73	
Coal and Hydrocarbons	34753.16		66036.06	
General Trade	396.93	651663.69	87.76	645827.48
b) Stock received/issued in kind				
Precious Metals		(7.96)		42.75
Total		**651655.73**		**645870.23**

12 CHANGES IN INVENTORIES

			(₹ in million)	
	2011-12		2010-11	
A. FINISHED GOODS				
Opening Balance	-		-	
Closing Balance	-		-	
Change in inventory of Finished Goods		-		-
B. WORK-IN-PROGRESS				
Opening Balance	-		-	
Closing Balance	-		-	
Change in inventory of Work-in-progress		-		-
C. STOCK-IN-TRADE				
Opening balance	6479.73		21306.11	
Closing balance	9256.09		6575.42	
Change in inventory of Stock-in-Trade		(2776.36)		14730.69
Total		**(2776.36)**		**14730.69**

13 EMPLOYEE BENEFITS EXPENSE

			(₹ in million)	
	2011-12		2010-11	
i. Salaries and wages		1685.64		1596.38
ii. Contribution to provident fund and other		125.17		144.64
iii. ESOP/ESPP		-		-
iv. Staff Welfare Expenses		32.80		96.56
Total		**1843.61**		**1837.58**

Salaries and wages include:-

			(₹ in million)	
	2011-12		2010-11	
i. Salaries and Allowances		1121.58		1063.36
ii. Leave encashment		123.37		71.42
iii. VR expenses		36.87		5.40
iv. Bonus		0.78		1.48
v. Performance Related pay		50.92		84.27
vi. Medical Expenses		283.96		308.24
vii. Superannuation Benefit		66.48		60.57
viii. Group Insurance		0.40		0.61
ix. Contribution to DLIS		1.28		1.03
Total		**1685.64**		**1596.38**

Contribution to provident fund and other funds:-

			(₹ in million)	
	2011-12		2010-11	
i. Provident Fund		80.36		74.98
ii. Gratuity Fund		35.15		58.13
iii. Family Pension Scheme		9.66		11.53
Total		**125.17**		**144.64**

Liability of ₹ 66.48 million (P.Y. ₹ 60.57 million) towards superannuation benefit has been made during the year as per DPE guidelines for wage revision.

14 FINANCE COSTS

				(₹ in million)
	2011-12		2010-11	
I. Interest expense		5035.63		3620.68
II. Other borrowing costs		-		7.72
III.Applicable Net gain/loss on foreign currency		-		-
IV).Premium on Forward Contract		728.62		300.11
Total		**5764.25**		**3928.50**

Interest expense include ₹. 14.34 million (P.Y. ₹.16.15 million) paid for shortfall in payment of advance income tax.

15 OTHER EXPENSES

				(₹ in million)
	2011-12		2010-11	
A. Operating Expenses				
Freight	1543.42		7902.86	
Demurrage	32.00		13.89	
Clearing, Handling, Discount & Other charges	928.37		6335.64	
L/C negotiation and other charges	31.40		26.36	
Difference in exchange (i)	195.57		(215.52)	
Customs duty	8807.41		12088.14	
Insurance	9.52		13.97	
Godown insurance	10.62		11.50	
Plot and Godown rent	24.12		54.24	
Packing Material	22.00		16.83	
Provision for destinational weight and analysis risk	0.00	11604.43	5.32	26253.24
B. Administrative Expenses				
Consumption of stores and spare parts	-		-	
Power & Fuel	-		-	
Rent	22.41		41.42	
Repairs to buildings	39.09		37.34	
Repairs to machinery	4.44		5.95	
Insurance	3.40		2.84	
Rates and taxes	24.83		8.19	
Prior period items (ii)	(109.26)		15.22	
Miscellaneous expenses (iii)	561.47		816.60	
		546.38		927.56
Total		**12150.81**		**27180.80**

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

(a) Deferred forward premium of ₹ 335.60 million (P.Y. ₹ 724.65 million) for imports and ₹ (1.10) million (P.Y. ₹ Nil million) for exports is to be recognized in the Profit & Loss Account of the subsequent accounting year.

(ii) Prior period items

				(₹ in million)
	2011-12		2010-11	
Expenditure				
Cost of sales		20.85		75.68
Salaries & wages		0.21		0.03
Administrative Expenses		5.88		2.27
Interest		4.49		1.52
Depreciation		0.41		(0.00)
Others		1.59		0.01
Sub-Total		33.43		79.50
Income				
Sales		1.85		57.30
Interest		134.84		6.97
Other Receipts		6.00		0.01
Sub-Total		142.69		64.28
Total (Net)		**(109.26)**		**15.22**

(iii) Miscellaneous expenses include:-

a) Net gain or loss on foreign currency translation

				(Amount in ₹)
	2011-12		2010-11	
Loss/(Gain) in exchange		0.57		(4.83)
		0.57		(4.83)

b) Amount paid to auditors'

				(₹ in million)
	2011-12		2010-11	
As Auditor		2.43		2.08
For Taxation Matters		1.14		0.98
For Company Law Matters		-		-
For Management Services		-		-
For Other Services		1.84		0.64
For Reimbursement of Expenses		0.13		0.41
Total		**5.54**		**4.11**

16 EXCEPTIONAL ITEMS

				(₹ in million)
	2011-12		2010-11	
Write-down of inventories to net realisable value and		12.06		107.76
Reversal of any provisions for the cost of		-		-
Disposals of items of fixed assets		(0.12)		(0.76)
Disposals of long-term investments		0.03		-
Legislative changes having retrospective application		-		-
Litigation settlements		-		-
Reversals of provisions		(14.51)		(40.98)
Diminution in value of investment property		1.25		1.25
		(1.29)		**67.27**

17 EXTRAORDINARY ITEMS

Extraordinary items represent ad-hoc provision of ₹ 1002.05 million (P Y ₹ Nil million) made in the 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 company has ordered special audit which is being conducted through a firm of Chartered Accountants. The special audit is expected to be completed shortly. The Company has also filed a complaint with CBI who has since registered two separate FIRs and started detailed investigations. Also Directorate of Enforcement have registered an offence under Prevention of Money Laundering Act, 2002 against two ex-officials and two debtors.

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

i. VALUE OF IMPORTS

				(₹ in million)
	2011-12		2010-11	
CIF value of imports				
Goods-in-Trade		608794.35		593434.07
Raw Materials		-		-
Components & Spare parts		-		-
Capital Goods		-		-
Total		608794.35		593434.07

ii. EXPENDITURE IN FOREIGN CURRENCY

				(₹ in million)
EXPENDITURE	2011-12		2010-11	
Royalty		-		-
Know-how		-		-
Professional and Consultation Fee		-		-
Interest		469.40		118.09
Foreign Offices		5.17		3.13
Foreign Tours		3.46		5.49
Despatch/ Demurrage		23.15		24.31
Load Port Supervision Charges		10.22		194.57
Watchman Charges		0.84		0.93
Ocean Freight		607.64		3054.14
Destinational weight & Analysis Risk		-		-
Agency Commission		-		-
Other matters:-		25.53		25.60
Total		**1145.41**		**3426.26**

iii. EARNINGS IN FOREIGN CURRENCY

			(₹ in million)	
EARNINGS	2011-12		2010-11	
FOB value of goods exported		20388.94		32068.83
Royalty, know-how, professional and consultancy fees		-		-
Interest and Dividends		248.96		98.88
Despatch/ Demurrage		13.87		14.32
Others (specify)		47.45		4.39
Total		**20699.22**		**32186.42**

iv. CONSUMPTION OF RAW MATERIALS, SPARE PARTS AND COMPONENTS

			(₹ in million)	
EARNINGS	2011-12		2010-11	
	Raw Materials	Spare Parts & Components	Raw Materials	Spare Parts & Components
IMPORTED				
i. Value	6116.26	-	3698.37	-
ii. As % of total	100.00	-	100.00	-
INDIGENOUS				
i. Value	-	-	-	-
ii. As % of total	-	-	-	-
TOTAL VALUE	6116.26	-	3698.37	-

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

I. Contingent Liabilities:

a) Guarantees issued by Banks on behalf of the Company ₹ 1460.40 million (P.Y. ₹ 845.61 million) and Corporate Guarantee amounting to ₹ 360.40 million (P.Y. ₹ 4506.69 million) in favour of customer has been given towards performance of contract against which backup guarantee have been obtained from associate suppliers.

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

c) Claims against the Company not acknowledged as debts ₹. 816.88 million (P.Y. ₹ 1953.16 million).

d) Letters of Credit opened by the Company remaining outstanding ₹ 8493.22 million (P.Y. ₹ 12254.56 million).

e) Bills discounted with banks ₹ 7.01 million (P.Y. ₹ 34.91 million).

f) Sales Tax Demand of ₹ 995.70 million (P.Y. ₹ 839.17 million) in dispute against which ₹ 94.92 million (P.Y. ₹ 107.49 million) has been deposited and ₹ 6.74 million (P.Y. ₹ 7.25 million) covered by bank guarantees.

g) Service Tax demand in respect of business auxiliary service amounting to ₹ 470.38 million (P.Y. ₹ 425.49 million).

h) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 987.79 million as on 31.03.2012 (PY ₹ 952.76 million).

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

j) A party has served a legal notice for non lifting of part quantity of coking coal in respect of supplies to M/s NINL, relating to delivery period 2008-09, claiming an amount of ₹ 4005.00 million ($ 78.72 million translated @ ₹ 50.88 being the closing rate of exchange as on 31.03.2012) (PY ₹ 3511.00 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, which has been refuted since the same is not tenable. MMTC has also put the party on notice to lodge counter claim for non supply of coking coal for the year 2009-10. The matter has been taken up at Govt. level as the supplier is also one of the major supplier of coking coal to other PSUs and all terms, conditions and prices are determined by an Empowered Joint Committee consisting of senior level nominees of Govt. and PSUs.

k) 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.

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. 7.5) as well as other current liabilities (note no. 5.3) .

			(₹ in million)	
Items	31-03-2012		31-03-2011	
	Qty.(kgs)	Value	Qty.(kgs)	Value
Gold	3469	9450.18	8450	17422.32
Gold Jewellery	44.29	124.82	-	2.31
Silver	6904	366.27	76561	4160.34

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

22. Based on interim orders of Hon'ble Court of Small Causes in the matter of mesne profit for the period from June,2000 to March,2002 relating to office premises at Mumbai, an amount of ₹ 32.33 million has been deposited with the Court and a bank guarantee of ₹ 33.92 million is also submitted pending decision on the appeal. Liability provision has been made in the accounts for the full amount. Interest, if any, on the above will be provided on final outcome of the case.

23 In respect of GR-1 forms outstanding beyond due date the Company has filed application with the authorized dealers for extension of time/waiver/ write off. Pending decision on the application, the liability, if any, that may arise is unascertainable. Enforcement Directorate has imposed penalty for ₹ 23.33 million (P.Y. ₹ 19.53 million) which are being contested. Against this, an amount of ₹ 1.90 million (P.Y. ₹ 1.60 million) has been deposited and bank guarantee of ₹ 10.30 million (P.Y. ₹ 7.30 million) furnished.

24. The ERP package 'RAMCO' implemented by the Company has more or less stabilized. Any further adjustments in processes and systems that may arise subsequent upon the findings of the systems audit shall be incorporated in due course.

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

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

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

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

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

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

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

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

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

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

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Present value of projected benefit obligations as at 01/04/2011	657.16	230.87	154.00	858.81	98.31
(ii)	Interest cost	52.57	19.62	13.09	73.00	
(iii)	Current service cost	17.47	10.08	6.41	10.85	
(iv)	Benefit paid	48.58	86.43	7.65	85.71	9.26
(v)	Actuarial(gain)/loss	26.29	65.90	(4.93)	125.04	11.04
(vi)	Present value of obligation as at 31st March,2012 (i+ii+iii-iv+v)	704.92	240.04	160.92	982.00	100.09

(b) Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2012:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Service cost	17.47	10.08	6.41	10.85	-
(ii)	Interest cost	52.57	19.62	13.09	73.00	-
(iii)	Actual return on plan assets	61.66	-	-	-	-
(iv)	Net Actuarial (gain) /loss recognized in the period	26.29	65.90	(4.94)	125.04	11.04
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	34.67	95.61	14.56	208.90	11.04

(c) Changes in the fair value of planned assets

(₹ in million)

	GRATUITY
Fair value of plan assets as at 1.4.2011	629.99
Actual return on plan assets	61.66
Contribution by employer	65.97
Benefit paid	48.58
Actuarial gain/(loss)	
Fair value of plan assets as at 31.3.2012	709.04

(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	9.47	(8.07)
ii)	Effect on defined benefit obligation	105.98	(91.01)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2012
(i)	Discount rate (Per Annum)	8.00% / 8.50% - LIC / Others
(ii)	Future cost increase	5.00% / 5.50% - LIC / Others
(iii)	Retirement age	60 Years
(iv)	Mortality table	LIC(1994-96) duly modified
(v)	Withdrawal rates	1% to 3% depending upon Age

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

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

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

a) Key Management Personnel

i. Smt. Vijaylaxmi Joshi Chairman-cum- Managing Director(w.e.f. 22.07.2011)
ii. Shri H.S. Mann Director & additional charge of Chairman and Managing Director (up to 22.07.2011)
iii. Shri Sunir Khurana Director
iv. Shri Ved Prakash Director
v. Shri Rajeev Jaideva Director
vi. Shri M.G. Gupta Director(w.e.f. 09.12.2011)
vi. Shri Anand Trivedi Director(w.e.f. 03.07.2012)

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

B. Details of transactions during the year 2011-12 **(₹ in million)**

Particulars	Subsidiary	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	22042.01	20791.69	64.54		42898.24
Sale of goods	5106.23	10187.59	1957.52		17251.34
Sale of fixed assets					
Dividend Received	248.96				248.96
Finance including loans and equity contribution in cash or in kind			5.13		5.13
Corporate Guarantees					
Other payment Demurrage / Dispatch					
Other receipt Demurrage / Dispatch					
Remuneration				40.01	40.01
Outstanding Balance					
Receivable	12.72	3763.16	221.12	3.42	4000.43
Payable	1018.62	28.06	1.14		1047.82

28. Earning per Share:

Particulars	2011-12	2010-11
Profit after Tax (₹ in million)	707.19	1216.43
Total number of Equity Shares (million)	1000.00	1000.00
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share) (P.Y. Face value ₹ 1/- per share)	0.71	1.22

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

(₹ in million)

Sl. No.	Name of the Joint Venture Company	% of Company's ownership Interest	Assets	Liabili-ties	Income	Expen-diture	Cont. Liabil-ities	Capital Commit-ments
1.	Free Trade Warehousing Pvt. Ltd.	26	139.64	136.54	3.45	0.64		
2.	Greater Noida Integrated Warehousing Pvt. Ltd.	26		0.01		0.02		
3.	MMTC Pamp India Pvt. Ltd.	24.11	682.22	584.99	577.87	593.70	82.17	4.80
4.	Sical Iron Ore Terminal Ltd.	26	1095.21	757.25	0.30	123.04	16.02	18.42
5.	MMTC Gitanjali Pvt Ltd.	26	111.76	88.40	129.12	128.53	74.70	0.30
6	Indian Commodity Exchange Ltd.	26	140.54	45.61	27.73	93.54		
7	TM Mining Company Ltd.	26	0.10	0.05		0.15		

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

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

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.11	Adjustment during year	Addition during year	Closing Balance as on 31.03.12
Destinational Weight & Analysis Risk	5.32	5.32	0	0
Bonus/PRP	200.92	141.23	50.78	110.47
Superannuation Benefit	220.57	0	66.98	287.55
Provision for Taxation	1912.54	1120.24	532.54	1324.84
Proposed Dividend	250.00	250.00	250.00	250.00
Tax on Proposed Dividend	40.55	40.55	40.56	40.56
Un allocated budget for Corporate Social Responsibility	0.97	0.25	0	0.72

32. Income tax of ₹ 1325.78 million (P.Y. ₹ 2037.23 million) under the head Short Term Loans and Advances consists of ₹ 293.80 million (P.Y. 309.83 million) paid to Income Tax Department against the disputed demands of ₹ 293.80 million (P.Y. ₹ 309.83 millions) for various assessment years and advance tax/TDS of ₹ 1031.98 million (PY ₹ 1727.39 million) towards income tax liability for financial years 2010-11 & 2011-12. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.

33.Loans & Advances include ₹ 157.37 million (P.Y. ₹ 157.37 million) being the amount deposited with the High Court in respect of a case which is still pending. Necessary liability towards principal amount already exists and the provision, if any, towards interest will be made after final decision of the Court.

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

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

36. Against the disputed demand of custom duty, penalty etc amounting to ₹ 247.43 million (P.Y. ₹ 247.43 million) in respect of utilization of Target Plus License for import of RBD palmolin oil, liability of ₹ 247.43 million (P.Y. ₹ 247.43 million) already exists in the accounts. Liability on account of interest, if any, will be provided on final decision of the case.

37. A claim for ₹ 18.89 million (P.Y. ₹ 20.62 million) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 15.28 million (P.Y. ₹ 17.01 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. The associate has submitted a proposal for consideration of Dispute Settlement Committee and accordingly paid an amount of ₹ 1.73 million during the year.

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

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

Loanee	Balance as at 31.03.2012	Maximum outstanding during the year
Neelachal Ispaat Nigam Ltd.	₹0.99 million	₹ 1.19 million
	(P.Y. ₹ 0.17 million)	(P.Y. ₹ 1.46 million)

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

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

40. At Regional Office, Mumbai, during the year, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 28.30 million without making delivery of the material (copper). However, the company has obtained an interim stay restraining the bank from making the payment under the letter of credit. The same supplier is also fraudulently holding on to the master bills of lading of another shipment of copper which would enable the Regional Office, Mumbai to take delivery and possession of goods valued at ₹ 64.57 million, already paid for and received at the Indian port.

41. At Regional Office, Hyderabad fake bills of lading covering two shipments of copper valued at ₹ 37.50 million were received during the year 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 is in the process of initiating legal action against the foreign supplier and has issued a legal notice.

42. At Regional Office, Jhandewalan, during the year, two bank guarantees amounting to ₹ 18 million submitted by one of the customer against gold supplied on loan, were found to be fake. The company has made full provision in the accounts. The case is under investigation upon filing of an FIR by the company with the Delhi Police.

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

(i) Accounting policy no. 2.2 (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" has been added to reflect the accounting practice followed by the Company.

(ii) Changes in the wording of accounting policy no. 2.2 (c) (i) the word "consignment" has been replaced with the word "deposit" .

(iii) Changes in the accounting policy no 2.2 (c) (ii) The policy regarding " purchase of gold for domestic sale is accounted for on withdrawal from the consignment stock and fixation of price with the suppliers " replaced with "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", so as to disclosed the true nature of the transaction.

(iv) Changes in the accounting policy no 2.2 (c) (iii) The policy for "Gold/silver withdrawn on loan basis where from consignment stock, are shown as loan given to parties 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" replaced with "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", so as to disclosed the true nature of the transaction.

(v) Changes in the accounting policy no. 2.9 The word "including high sea sales to customers in India" has been added in accounting policy for Secondary Segment for sales with in India.

(vi) Accounting policy no 2.12 (c) (i) has been added and 2.12 (c) (ii) has been shifted from Imports to Domestic and inserted the words " where stocks are specifically identifiable, actual cost of the material including all expenses incurred up to the point at which they are lying is considered ", in line with the practice followed by the Company.

The above changes have no impact on the profit of the company.

44. There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2012.

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

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

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

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

As per our report of even date attached

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

For and on behalf of Board of Directors

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

(Manohar Balwani)
GM & Company Secretary

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

(M G Gupta)
Director (Finance)

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman Cum Managing Director

Date :28th, August, 2012
Place : New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF SEGMENTAL PERFORMANCE FOR THE YEAR 2011-12

(Primary Disclosures)

MMTC LTD

(₹ in million)

	BUSINESS SEGMENTS															
Particulars	PRECIOUS METAL		METALS		MINERALS & ORES		HYDROCARBON		AGRO PRODUCTS		FERTILIZERS		OTHERS		TOTAL	
SEGMENT REVENUE	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11
External Sales																
- With in India	511427.32	506852.95	13818.49	12465.55	1239.98	2146.16	35671.00	95098.93	20301.54	16215.41	55957.29	18657.13	420.81	174.75	638836.43	651610.88
- Outside India	0.35		9404.16	8135.68	9552.28	28041.57			9.34	20.24	1488.58	736.59			20454.70	36934.08
Total (A)	511427.67	506852.95	23222.65	20601.23	10792.26	30187.73	35671.00	95098.93	20310.88	16235.65	57445.87	19393.71	420.81	174.75	659291.13	688544.96
Inter-Segment sales																
- With in India																
- Outside India																
Total (B)																
Total Segment Revenue (A+B))	511427.67	506852.95	23222.65	20601.23	10792.26	30187.73	35671.00	95098.93	20310.88	16235.65	57445.87	19393.71	420.81	174.75	659291.13	688544.96
Total revenue of each segment as a percentage of total revenue of all segments	77.57%	73.61%	3.52%	2.99%	1.64%	4.38%	5.41%	13.81%	3.08%	2.36%	8.71%	2.82%	0.06%	0.03%	100.00%	100.00%
Segemental Result																
- With in India	858.08	749.35	251.50	223.54	34.72	60.67	644.32	817.72	229.48	-102.13	131.00	92.97	86.95	84.94	2236.05	1927.06
- Outside India	0.02		282.12	246.42	240.70	1120.37			0.28	0.59	6.97	5.25			530.09	1372.64
Total Segmental Result	858.09	749.35	533.62	469.96	275.42	1181.04	644.32	817.72	229.76	-101.54	137.96	98.22	86.95	84.94	2766.14	3299.70
Unallocated Corporate expenses net of unallocated income															2556.87	2535.92
Operating Profit															209.28	763.78
Interest Expenses															5040.12	3622.20
Interest Income															6593.01	4757.44
Income taxes															52.94	682.59
Profit from ordinary activities															1709.24	1216.43
Extraordinary loss/Income															1002.05	
Net Profit															707.19	1216.43
OTHER INFORMATION																
Segment assets	35755.11	111026.93	3940.40	1897.97	919.18	3728.68	22688.11	23380.40	15131.87	12330.50	7776.96	1308.55	552.37	559.73	86764.00	154232.76
Unallocated Corporate assets															40663.35	40062.44
Total assets															127427.35	194295.20
Segment Liabilities	27261.40	93674.25	3614.48	2306.53	925.72	4904.98	32844.89	21598.15	18509.22	15369.84	7417.02	1466.81	257.16	318.35	90829.90	139638.91
Unallocated Corporate liabilities															22383.44	40858.95
Total liabilities															113213.35	180497.86
Segment Capital expenditure		0.35														0.35
Unallocated Capital Expenditure															21.00	13.48
Total Capital Expenditure															21.00	13.83
Segment Depreciation	1.30	1.19			55.36	55.36							36.36	36.36	93.03	92.92
Unallocated Depreciation															28.66	31.76
Total Depreciation															121.74	124.67
Non-cash expenses other than depreciation															139.91	231.28

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED……

STATEMENT OF SEGMENTAL PERFORMANCE FOR 2011-12
(SECONDARY DISCLOSURE)

(₹ in million)

GEOGRAPHICAL SEGMENTS

	OUTSIDE INDIA		WITHIN INDIA		TOTAL	
	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11
SEGMENT REVENUE						
External Sales	**20,454.70**	36,934.08	**638,836.43**	651,610.88	**659,291.13**	688,544.96
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**20,454.70**	36,934.08	**638,836.43**	651,610.88	**659,291.13**	688,544.96
Segement Result	**530.09**	1,372.64	**2,236.05**	1,927.06	**2,766.14**	3,299.70
Segment assets	**688.68**	3,578.31	**86,075.33**	150,654.45	**86,764.00**	154,232.76
Capital expenditure	**-**	-	**-**	0.35	**-**	0.35

INFORMATION FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2012
PURSUANT TO PARA 5 OF PART -II OF REVISED SCHEDULE-VI OF THE COMPANIES ACT ,1956

GOODS FORMING 10% OR MORE OF THE TOTAL VALUE OF TURNOVER / PURCHASE

(Value in ₹ Million) (qty in Kgs)

	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
IMPORTS								
GOLD (OGL)	209	431	1,72,940	4,25,421	1,73,058	4,31,894	19	52
GOLD (DTA)	2	4	2,321	5,822	2,313	5,813	10	27
SILVER	346	19	11,79,607	62,863	11,76,420	64,688	2,600	160
SILVER (DTA)	-	-	19,932	1,081	19,932	1,091	-	-

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**	
		2011-12	2010-11
2	The Financial year of the Subsidiary Company ended on	**31st March 2012**	31st March 2011
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)	**1.9**	2.3
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)	**2.3**	6.5

(MANOHAR BALWANI)
GM & Company Secretary

(VIJAY PAL)
Chief General Manager(F&A)

(M. G. GUPTA)
Director (Finance)

(SUNIR KHURANA)
Director

(VIJAYLAXMI JOSHI)
Chairman-cum-Managing Director

MMTC TRANSNATIONAL PTE LTD
(Incorporated in Singapore. Registration Number: 199407265M)

FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

DIRECTORS' REPORT

For the financial year ended 31 March 2012

The directors present their report to the shareholder together with the audited financial statements for the financial year ended 31 March 2012.

Directors

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

Vijaylaxmi Joshi	(appointed on 22 July 2011)
Sunir Khurana	
Ved Prakash	
Rajeev Jaideva	
Madan Gopal Gupta	
Tapas Kumar Sengupta	(appointed on 18 May 2011)
Vijay Kumar Gupta	(appointed on 18 May 2011)

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, except as follows:

	Holding registered in name of a director, spouse or infant children	
	At 31.3.2012 (par value of RS. 1 each)	At 1.4.2011 (par value of RS. 1 each)
MMTC Limited		
(Ordinary shares)	nil	20
Sunir Khurana		

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 received remuneration as a result of their employment with related corporations.

Share options

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

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

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

Independent auditors

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

On behalf of the directors

Sd/-

TAPAS KUMAR SENGUPTA
Director

Sd/-

VIJAY KUMAR GUPTA
Director

STATEMENT BY DIRECTORS
For the financial year ended 31 March 2012

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 2012 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

Sd/-

TAPAS KUMAR SENGUPTA
Director

Sd/-

VIJAY KUMAR GUPTA
Director

4th June 2012

INDEPENDENT AUDITORS' 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 2012, 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 notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements 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 as to 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 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 entity's internal controls. 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 2012, and its results, changes in equity and cash flows 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.

sd/-
PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 4 June 2012

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2012

	Note	**2012 US$**	2011 US$
Sale of goods		**708,647,874**	710,292,097
Other income - net	3	**2,775,466**	3,374,060
Purchases for resale		**(703,280,272)**	(705,385,499)
Employee compensation	4	**(948,844)**	(1,047,254)
Depreciation	12	**(43,332)**	(35,650)
Rental expense - operating lease		**(280,783)**	(183,385)
Net currency translation loss		**(16,269)**	(34,210)
Bank charges		**(233,768)**	(277,657)
Other expenses	5	**(2,243,192)**	(2,411,697)
Finance expense	6	**(2,292,683)**	(1,344,696)
Profit before income tax		**2,084,197**	2,946,109
Income tax expense	7	**(212,078)**	(631,070)
Profit after tax and total comprehensive income		**1,872,119**	2,315,039

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

BALANCE SHEET
As at 31 March 2012

	Note	**2012 US$**	2011 US$
ASSETS			
Current assets			
Cash and bank deposits	8	**17,210,492**	17,969,683
Trade and other receivables	9	**32,191,796**	30,713,513
Other current assets	10	**137,766**	84,028
Inventories		**5,478**	5,478
		49,545,532	48,772,702
Non-current assets			
Investment in a subsidiary	11		-
Property, plant and equipment	12	**56,606**	90,639
		56,606	90,639
Total assets		**49,602,138**	48,863,341
LIABILITIES			
Current liabilities			
Trade and other payables	13	**25,719,571**	18,044,935
Borrowings	14	**5,444,217**	12,382,858
Current income tax liabilities	7	**225,714**	206,756
Total liabilities		**34,389,502**	30,634,549
NET ASSETS		**15,212,636**	18,228,792
EQUITY			
Share capital	16	**1,000,000**	1,000,000
Retained profits		**14,212,636**	17,228,792
Total shareholder's equity		**15,212,636**	18,228,792

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2012

	Note	Share capital US$	Retained profits US$	Total US$
2012				
Beginning of financial year		**1,000,000**	**17,228,792**	**18,228,792**
Total comprehensive income			1,872,119	1,872,119
Dividend paid	17		(4,888,275)	(4,888,275)
End of financial year		**1,000,000**	**14,212,636**	**15,212,636**
2011				
Beginning of financial year		**1,000,000**	**17,032,223**	**18,032,223**
Total comprehensive income		-	2,315,039	2,315,039
Dividend paid	17	-	(2,118,470)	(2,118,470)
End of financial year		**1,000,000**	**17,228,792**	**18,228,792**

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

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2012

	Note	2012 US$	2011 US$
Cash flows from operating activities			
Profit after tax		**1,872,118**	2,315,039
Adjustments for:			
Income tax expense		**212,078**	631,070
Depreciation		**43,332**	35,650
Loss on disposal of fixed assets		**674**	5,520
Interest income		**(403,746)**	(225,704)
Interest expense		**2,292,683**	1,344,696
		4,017,140	4,106,271
Change in working capital			
Trade and other receivables		**(1,443,279)**	3,501,666
Other Current assets		**(53,738)**	429,685
Trade and other payables		**7,642,885**	(16,553,945)
Inventories			-
Cash (used in)/generated by from operations		**(10,163,008)**	(8,516,323)
Income tax paid		**(193,120)**	(925,126)
Net cash (used in)/provided by operating activities		**9,969,888**	(9,441,449)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(9,973)**	(108,168)
Interest received		**368,742**	196,241
Net cash provided by investing activities		**358,769**	88,073
Cash flows from financing activities			
Dividends paid		**(1,856,524)**	(2,118,470)
Interest paid		**(2,292,683)**	(1,344,696)
Proceeds from borrowings		**5,444,217**	12,382,858
Repayment of borrowings		**(12,382,858)**	(400,000)
Net cash provided by/(used in) financing activities		**(11,087,848)**	8,519,692
Net increase in cash and bank balances		**(759,191)**	(833,684)
Cash and bank balances at beginning of financial year		**17,969,683**	18,803,367
Cash and bank balances at end of financial year	8	**17,210,492**	17,969,683

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2012

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

1. General information

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

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2011

On 1 April 2011, the Company adopted the new or amended FRS and interpretation to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

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

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

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

2.2 Revenue recognition

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

Revenue is recognised as follows:

(a) *Sale of goods*

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

(b) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Currency translation

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

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

2.4 Bank balances
Trade and other receivables
Deposits

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

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

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

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

2.5 Income taxes

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

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

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

2.6 Inventories

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

2.7 Investments in subsidiaries

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

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

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

2.8 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried 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 on a reducing balance basis so as to write off the cost of property, plant and equipment over their expected useful lives of 3 years.

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

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

2.9 Impairment of non-financial assets

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

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

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

2.10 Trade and other payables

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

2.11 Operating lease payments

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

2.12 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.13 Employee compensation

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

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

2.14 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.

2.15 Borrowing costs

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

2.16 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.

2.17 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.

2.18 Dividends

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

3. Other income - net

	2012 US$	2011 US$
Interest income		
- short-term bank deposit	**403,746**	225,704
- customers	**431,692**	589,783
	835,438	815,487
Write-back of provision for trade claims	**-**	1,128,601
Demurrage and Despatch claims recoverable	**1,901,114**	2,199,203
Sundry income	**38,914**	383,839
Loss on derivative contracts	**-**	(1,108,041)
	2,775,466	3,374,060

4. Employee compensation

	2012 US$	2011 US$
Wages and salaries	**724,639**	823,127
Employer's contribution to defined contribution plans such as Central Provident Fund	**67,203**	65,040
Other benefits	**157,002**	159,087
	948,844	1,047,254

Other benefits include the rental expenses for the residential premises provided to the employees which amounted to US$ 91,364 (2011: US$ 92,519).

5. Other expenses

	2012	2011
	US$	US$
Demurrage and Despatch	**1,930,425**	2,154,174
Other Expenses	**312,767**	257,523
	2,243,192	2,411,697

6. Finance expenses

	2012	2011
	US$	US$
Interest expenses:		
-trust Receipts	**206,446**	107,316
-discounted bills	**2,086,237**	1,237,380
	2,292,683	1,344,696

7. Income taxes

(a) Income tax expense

	2012	2011
	US$	US$
Tax expense attributable to profit is made up of:		
Current income tax	**225,714**	206,756
Under provision in prior financial years:		
Current income tax	**(13,636)**	424,314
	212,078	631,070

The Company was granted Global Trader Programme ("GTP") status with effect from 1 April 2000 and further renewed w.e.f 1st April 2010 till 31 March 2015. Income covered by GTP status is taxed at a concessionary rate of 10%. Non-qualifying income is taxed at the standard rate of 17% (2011: 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:

	2012	2011
	US$	US$
Profit before income tax	**2,084,197**	2,946,109
Tax calculated at a tax rate of 17% (2011: 17%)	**354,313**	500,839
Effects of:		
Singapore statutory stepped income exemption	**(19,433)**	(19,483)
Income subject to a lower tax rate	**(109,143)**	(142,343)
Expenses not deductible for tax purposes	**11,824**	7,353
Income not subject to tax	**(11,847)**	(139,610)
	225,714	206,756

(b) Movements in current income tax liabilities

	2012	2011
	US$	US$
Beginning of financial year	**206,756**	500,812
Income tax paid	**(193,120)**	(925,126)
Tax payable on profit for current financial year	**225,714**	206,756
Under-provision in prior financial years	**(13,636)**	424,314
End of financial year	**225,714**	206,756

8. Cash and bank deposits

	2012 US$	2011 US$
Cash and bank balances	**198,262**	824,838
Fixed deposits with banks	**17,012,230**	17,144,845
	17,210,492	17,969,683

Cash and bank deposits are denominated in the following currencies:

	2012 US$	2011 US$
United States Dollar	**17,168,864**	17,892,124
Singapore Dollar	**41,627**	77,559
	17,210,492	17,969,683

At balance sheet date, the fixed deposits bear interest rates ranging from 0.55% to 3.26% (2011: 1.15% to 3.00%) per annum with the maturity dates ranging between 0.5 month to 11 months (2011: 1 months to 6 months).

9. Trade and other receivables

	2012 US$	2011 US$
Trade receivables:		
- third parties	**11,772,701**	20,047,787
- holding corporation (note 13)	**20,308,512**	10,583,729
Interest receivable	**103,653**	68,650
Other receivables	**6,930**	13,347
	32,191,796	30,713,513

Trade and other receivables are denominated in the following currencies:

	2012 US$	2011 US$
United States Dollar	**32,184,866**	30,704,056
Singapore Dollar	**6,930**	9,457
	32,191,796	30,713,513

10. Other current assets

	2012 US$	2011 US$
Deposits	**98,048**	84,028
Prepayments	**39,718**	-
	137,766	84,208

11. Investment in a subsidiary

	2012 US$	2011 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	
			2012	2011
			%	%
MMTC Transnational (Moscow) Pte Ltd	Dormant	Russia	**100**	100

12. Property, plant and equipment

	Leasehold improvements	Furniture and fittings	Computer equipment	Office equipment	Total
	US$	US$	US$	US$	US$
2012					
Cost					
Beginning of financial year	71,910	39,657	35,006	19,700	166,273
Additions	-	-	6,450	3,523	9,973
Disposals	-	-	(1,812)	(1,720)	(3,532)
End of financial year	71,910	39,657	39,644	21,503	172,714
Accumulated depreciation					
Beginning of financial year	11,984	25,269	23,843	14,538	75,634
Depreciation charge	23,968	7,512	8,540	3,313	43,332
Disposals	-	-	(1,812)	(1,046)	(2,858)
End of financial year	35,952	32,781	30,571	16,804	116,108
Net book value					
End of financial year	**35,958**	**6,876**	**9,073**	**4,699**	**56,607**
2011					
Cost					
Beginning of financial year	33,070	21,509	27,030	16,808	98,417
Additions	71,910	20,627	10,353	5,278	108,168
Disposals	(33,070)	(2,479)	(2,377)	(2,386)	(40,312)
End of financial year	71,910	39,657	35,006	19,700	166,273
Accumulated depreciation					
Beginning of financial year	29,531	15,807	16,138	13,300	74,776
Depreciation charge	11,984	11,218	9,620	2,828	35,650
Disposals	(29,531)	(1,756)	(1,915)	(1,590)	(34,792)
End of financial year	11,984	25,269	23,843	14,538	75,634
Net book value					
End of financial year	**59,926**	**14,388**	**11,163**	**5,162**	**90,639**

13. Trade and other payables

	2012 US$	2011 US$
Trade payables:		
- third parties	**25,296,465**	10,389,407
- holding corporation	**249,985**	7,513,724
Accrued operating expenses	**141,370**	141,804
Provision for trade claims	**3,031,751**	-
	28,719,571	18,044,935

Trade and other payables are denominated in the following currencies:

	2012 US$	2011 US$
United States Dollar	**28,538,332**	17,896,235
Singapore Dollar	**158,668**	132,884
Others	**22,571**	15,816
	28,719,571	18,044,935

14. Borrowings

	2012 US$	2011 US$
Short-term loan	**5,444,217**	12,382,858

The short term loan has a maturity of 30 days (2011: 6 days) from the balance sheet date.

The interest rate of the borrowings at the balance sheet date is 1.09% (2011: 1.20%) 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 (2011: 1,461,502) ordinary shares with no par value, amounting to a total of US$1,000,000 (2011: US$1,000,000).

17. Dividends

	2012 US$	2011 US$
Ordinary dividend paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of US$ 1.27 (2011: US$ 1.45) per share	**1,856,524**	2,118,470
Interim exempt (one-tier) dividend paid in respect of current financial year of US$2.07(2011: US$Nil) per share	**3,031,751**	-
	4,888,274	2,118,470

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:

	2012	2011
	US$	US$
Purchase commitments	**27,503,948**	18,754,565
Sales commitments	**27,515,948**	18,820,692

(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:

	2012	2011
	US$	US$
Not later than one year	**342,196**	117,158
Later than one year but not later than five years	**308,045**	57,374
	650,241	174,532

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

	2012	2011
	US$	US$
Sales to holding corporation	**451,694,916**	426,029,281
Purchases from holding corporation	**108,073,286**	153,580,460

(b) Key management personnel compensation is as follows:

	2012	2011
	US$	US$
Salaries and other short-term employee benefits	**309,672**	357,015
Post-employment benefits - contribution to defined contribution plans	**4,467**	4,332
	314,139	361,347

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

20. Financial risk management

Financial risk factors

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

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

(a) Market risk

(i) Foreign currency exchange rate risk

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

(ii) Interest rate risk

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

(iii) Price risk

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

(b) Credit risk

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

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

(c) Liquidity risk

The Company manages liquidity risk by maintaining cash and available funding through an adequate amount of committed credit facilities sufficient to enable it to meet its operational requirements.

The Company's major classes of financial liabilities are trade and other payables and borrowings and their contractual maturities are less than one year.

(d) Capital risk

The Company's objectives when managing capital are to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

The Company monitors capital on the basis of the total shareholder's equity as shown on the balance sheet.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2012 and 2011.

21. Reclassification

Certain comparative figures have been reclassified to conform with current year's presentation. The reclassifications are as follows

	2011 US$
Other income – net	
As reported	1,219,886
Reclassified to Other expenses	2,154,174
Adjusted balance	3,374,060
Other expense	
As reported	(257,523)
Reclassified to Other expenses	(2,154,174)
Adjusted balance	(2,411,697)

22. 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 2012. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

21. 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 4 June 2012

MMTC LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
FOR
THE FINANCIAL YEAR ENDED 31ST MARCH, 2012

Auditors' Report on Consolidated Financial Statements

To the Members of MMTC Limited

We have examined the attached consolidated Balance Sheet of MMTC Limited ("The Company") its Subsidiary, Associates and Joint Ventures as at March 31, 2012, Consolidated Statement of Profit & Loss for the year ended on that date annexed thereto, and the consolidated Cash Flow statement for the year ended that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of subsidiary whose financial statements reflect total assets of ₹ 2,539.38 million as at March 31, 2012 and total revenue of ₹ 33,939.19 million for the year ended on that date, associates whose net carrying cost of investments is ₹ 6025.71 million and in Joint Ventures whose financial statements reflect total assets of ₹ 2,162.52 million as at March 31, 2012 and total revenue of ₹ 738.27 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 report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statement' and AS-27 'Financial Reporting of Interests in Joint Ventures' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its Subsidiary, Associates and Joint Ventures included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its Subsidiary, Associates and Joint Ventures, we report that:

(i) ***Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer note no. 22).***

(ii) ***Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities have not been confirmed in some cases by the parties. Adjustments, if any, required upon such confirmation are not ascertainable. (Refer note no. 48)***

(iii) ***An ad-hoc provision of ₹ 1002.05 million made on account of certain acts of commission & omission pertaining to recoverable from debtors at Regional Office Chennai. (Refer note no. 17)***

(iv) ***The internal control mechanism needs to be strengthened in following areas which may have consequential effect on the accounts for the year. (effect not ascertainable):***

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

*(b) **Periodic quantitative reconciliation of goods traded by the company (particularly bullion) between the ERP and other standalone inventory system.***

*(c) **Active and prompt follow-up of old debts, advances, claims, court cases and recoveries etc arising out of execution of decrees/awards in favour of the company, by respective Commodity Division.***

In respect of matters described in the above para's, from the available information, the extent of adverse effect on the profit for the year and the assets and liabilities appearing in the Balance Sheet cannot be ascertained on account of uncertainties associated with the final outcome on realization / settlement of dues / claims which are mostly old.

In our opinion, the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement comply with Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

We are of the opinion that the said 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 Consolidated Balance Sheet, of the state of affairs of the MMTC Group as at March 31, 2012; and

(B) In the case of the Consolidated Statement of Profit and Loss, of the Profit of the consolidated operations of the Company for the year ended on that date; and

(C) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

Date: 28th August, 2012

Place: New Delhi

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

D.K. Kapila
Sr. Partner
M. No. 016905

MMTC LIMITED					
BALANCE SHEET AS AT 31-03-2012					
					(₹ in million)
	Note No.	AS AT 31-03-2012		AS AT 31-03-2011	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS	3				
Share Capital	3.1	**1000.00**		**1000.00**	
Reserves & Surplus	3.2	**15964.81**	**16964.81**	**14665.95**	**15665.95**
NON-CURRENT LIABILITIES	4				
Long-term borrowings	4.1	**992.14**		**863.74**	
Other Long term liabilities	4.2	**105.94**		**50.71**	
Long-term provisions	4.3	**1374.43**	**2472.51**	**1252.89**	**2167.34**
CURRENT LIABILITIES	5				
Short-term borrowings	5.1	**34589.72**		**61390.35**	
Trade payables	5.2	**33487.62**		**34921.78**	
Other current liabilities	5.3	**42586.24**		**80893.32**	
Short-term provisions	5.4	**2295.61**	**112959.19**	**2758.91**	**179964.36**
TOTAL :			**132396.52**		**197797.65**
ASSETS					
NON-CURRENT ASSETS	6				
Fixed Assets	6.1				
Tangible assets	6.1.1	**1491.65**		**1252.96**	
Intangible assets	6.1.2	**17.01**		**25.16**	
Capital Work-in-progress	6.1.3	**1181.09**		**1336.04**	
Non-current investments	6.2	**6075.40**		**5181.15**	
Deferred tax assets (net)	6.3	**713.29**		**335.20**	
Long-term loans and advances	6.4	**1074.54**		**999.64**	
Other non-current assets	6.5	**91.84**	**10644.82**	**142.52**	**9272.67**
CURRENT ASSETS	7				
Current investments		**-**		**-**	
Inventories	7.1	**9502.15**		**6561.69**	
Trade receivables	7.2	**28271.49**		**25887.15**	
Cash and Bank Balances	7.3	**29480.91**		**68345.88**	
Short-term loans and advances	7.4	**44220.39**		**65416.05**	
Other current assets	7.5	**10276.76**	**121751.70**	**22314.21**	**188524.98**
Total :			**132396.52**		**197797.65**
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

(Manohar Balwani)
GM & Company Secretary

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

(M G Gupta)
Director (Finance)

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman Cum Managing Director

Date : 28th,August, 2012
Place : New Delhi

MMTC LIMITED					
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012					
					(₹ in million)
	Note No.	**YEAR ENDED 31-03-2012**		**YEAR ENDED 31-03-2011**	
INCOME					
Revenue from operations	8	**670224.07**		696130.29	
Other Income	9	**7079.49**	**677303.56**	5043.88	701174.17
Total Revenue			**677303.56**		701174.17
EXPENSES					
Cost of materials consumed	10	**326.08**		-	
Purchases of Stock-in-Trade	11	**657913.28**		651053.68	
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	12	**(2,943.40)**		14681.24	
Employee benefits expense	13	**1923.36**		1908.94	
Finance costs	14	**5902.56**		3993.40	
Depreciation and amortization expense		**144.33**		137.02	
Other expenses	15	**12545.69**	**675811.90**	27511.53	699285.80
Total expenses			**675811.90**		699285.80
Profit before exceptional and extraordinary items and tax			**1491.66**		**1888.37**
Exceptional Items	16		**(1.26)**		53.29
Profit before extraordinary items and tax			**1492.92**		1835.08
Extraordinary Items	17		**1002.05**		-
Profit before tax			**490.87**		1835.08
Tax expense:					
Current tax					
Provision for Taxation		**544.27**		764.49	
Earlier year		**(101.74)**		55.25	
Deferred tax		**(379.47)**		(108.82)	
Share of interest in Joint Ventures		**1.38**	**64.44**	1.54	712.46
Profit for the period			**426.43**		1122.62
Interest in share of profit from associate					
Share of profit from associates		**146.57**		(861.89)	
Less: Goodwill amoritised (Associates)		**0.03**	**146.54**	0.03	(861.92)
Net profit for the period			**572.97**		260.70
Earnings per equity share of nominal value of ₹ 1/- each					
Basic (in ₹)			**0.57**		0.26
Diluted (in ₹)			**0.57**		0.26
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

(Manohar Balwani)
GM & Company Secretary

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

(M G Gupta)
Director (Finance)

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman Cum Managing Director

Date : 28th,August, 2012
Place : New Delhi

MMTC LIMITED

Consolidated Cash Flow Statement for the year ended 31-03-2012

(₹ in million)

	For the year ended 31-03-2012		For the year ended 31-03-2011	
A. Cash flows from operating activities				
Profit before Tax & Extra ordinary items		1492.92		1835.08
Adjustment for :				
Extra-ordinary items	(1,002.05)		-	
Loss on valuation of inventories	12.06		11.49	
Depreciation & amortisation expense	144.80		137.13	
Net Foreign Exchange (gain)/loss	(73.38)		(227.27)	
(Profit) /Loss on sale of Tangible Assets	(0.06)		(0.70)	
Interest income	(6,632.85)		(4,787.05)	
Finance Costs	5908.43		3993.39	
Provision for diminution in value of CWIP	0.00		3.19	
Debts claims written off	1.35		0.00	
Provision for doubtful Debts /Loans & Advances	133.11		232.57	
Diminution in value of investment	0.00		1.25	
Diminution in value of investment property	1.25		0.00	
Provision for unutilised budget for CSR	0.00		0.97	
Provision no longer Required	(14.51)		(58.20)	
Liabilities no longer Required	(295.22)		(94.18)	
Provision for DWA risk	0.00	(1,817.07)	5.32	(782.09)
		(324.15)		1052.99
Changes in assets & liabilities				
Inventories	(2,952.52)		14793.08	
Trade Receivables	(2,445.07)		(11,087.16)	
Loans & Advances	20530.39		(4,579.84)	
Other current & non current assets	12141.85		11,642.15	
Trade payables	(1,629.72)		(2,268.20)	
Other liabilities	(37,957.99)		(10,632.67)	
Provisions	534.21	(11,778.85)	320.90	(1,811.74)
		(12,103.00)		(758.75)
Taxes Paid		(315.18)		(920.46)
Net cash flows from operating activities		(12,418.18)		(1,679.21)
B. Cash flows from Investing Activities				
Purchase of tangible assets	(220.46)		(475.35)	
Sale of tangible Assets	0.33		0.91	
Sale/Purchase of Investments	2.96		336.62	
Advance for purchase of shares	0.00		(1,748.16)	
Interest received	6632.85		4787.05	
Godwill on consolidation	(0.15)	6415.53	(2.75)	2898.32
Net cash flows from investing activities		6415.53		2898.32
C. Cash flows from financing activities				
Borrowings	(26,663.33)		9865.42	
Finance Costs	(5,908.43)		(3,993.39)	
Dividend (inclusive of tax) paid	(290.56)	(32,862.32)	(524.74)	5347.29
Net cash flows from Financing Activities		(32,862.32)		5347.29
Net increase/(decrease) in Cash & Cash Equivalents		(38,864.97)		6566.40
Opening Balance of Cash & Cash Equivalents	68345.88		61779.48	
Closing Balance of Cash & Cash Equivalents	29480.91		68345.88	

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 represent:-

	As at the end of	
	2011-12	2010-11
(a) Cheques, drafts on hand	9.12	3.07
(b) Cash on hand	0.07	0.22
(c) Balances with Banks		
- in current account	2493.17	3054.60
-in cash credit account (debit balance)	174.29	12.43
-term deposit with original maturity up to 3 months	2408.75	7762.04
(d) Others *	24325.55	57453.51
* include deposits held as margin money/under lien ₹ 2392.80 million (P.Y. ₹ 11489.08 million)		
(e) Share of interest in Joint Ventures	69.96	60.01
Total	29480.91	68345.88

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

(Manohar Balwani)
GM & Company Secretary

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

(M G Gupta)
Director(Finance)

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman Cum Managing Director

Date : 28th,August, 2012
Place : New Delhi

CONSOLIDATED ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-03-2012

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

1. General Information:

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

a. The financial statements are prepared according to the historical cost convention on accrual basis and in line with the fundamental accounting principles of prudence, consistency and materiality.

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

c. Statement of Compliance

The financial statements are prepared on the basis of generally accepted accounting principles in India, accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as amended from time to time.

2.2. PURCHASES AND SALES

a. Purchases and sales are booked where the company has entered into purchase/sale contract/agreement with the sellers/buyers or received allocation letter from Government, on performance of the contract/agreement/allocation either wholly or partly.

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 exports.

d. 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.

e. 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.		
F. Goodwill is amortised over a period of five years		

2.7. INVESTMENTS

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

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

2.8. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

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

2.9. SEGMENT REPORTING

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

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

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

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

2.10. EMPLOYEE BENEFITS

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

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

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

2.11. PHYSICAL VERIFICATION OF STOCKS

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

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

2.12. VALUATION OF STOCKS

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

a) EXPORTS:

i) Cost of export stocks is arrived at after including direct expenses incurred upto the point at which the stocks are lying. Similarly the realisable value is derived by deducting from the market price the expenses to be incurred from that point to the stage where they are sold.
ii) In respect of mineral ores the realisable value of ores is worked out at the minimum of the Fe/Mn contents of the grade of the ore as per export contract and is compared with the weighted average cost at weighted average Fe/Mn contents/weighted average moisture contents of the ore. The embedded stocks of Iron ore are excluded from inventory and hence not valued.

b) IMPORTS:

i) The cost of imported stocks is arrived at by working out the yearly regional weighted average cost except for Non-ferrous Metals where weighted average cost of remaining stock after including all expenses incurred upto the point at which they are lying is considered. However, where stocks are specifically identifiable, actual cost of the material including all expenses incurred upto the point at which they are lying is considered.
ii) Gold/Silver purchased from foreign suppliers against booking by exporters under replenishment option and not delivered at the year end are shown as stocks of company and valued at cost.

c) DOMESTIC:

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

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

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

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

2.13. PRIOR PERIOD ADJUSTMENTS

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

2.14. BORROWING COSTS

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

2.15. DEFERRED TAX

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

2.16. IMPAIRMENT OF ASSETS

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

2.17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) Provisions

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

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

(b) Others

(i) Provision is recognized when

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

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

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

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

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

(II) Contingent liabilities and contingent assets

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

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

2.18. TREATEMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION /CONSTRUCTION PERIOD

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

2.19. OPERATING LEASES

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

Contingent rents are recognized as an expense in the income statement in the financial year in which termination takes place.

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

2.20. 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 is 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 31-03-2012

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)

	31-03-2012		31-03-2011	
	Number	**Amount**	**Number**	**Amount**
A. Authorised				
Equity Shares of Par Value Rs.1/- each	1,000,000,000	1000.00	1,000,000,000	1,000.00
B. Issued, subscribed and fully paid				
Opening Balance as on 1st April 2011	1,000,000,000	1000.00	50,000,000	500.00
Addition*			450,000,000	
			500,000,000	500.00
Deduction			-	
Closing Balance as 31st March 2012	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 31-03-2012 is 993,312,000 shares (P.Y. 993,312,000 shares)

3.2 RESERVES & SURPLUS

	31-03-2012		31-03-2011	
Reserves				
Capital reserve-Opening Balance		96.79		96.79
Add: Transferred from Surplus		884.19		0.00
Closing Balance		980.98		96.79
General reserve-Opening Balance		6059.48		6429.58
Add: Tranferred from Surplus		75.00		129.91
		6134.48		6559.48
Less: Deduction		154.19		500.00
Closing Balance		5980.29		6059.48
Foreign Currency Translation Reserve -Opening Balance		(230.09)		(234.68)
Add: Addition		432.99		4.59
		202.90		(230.09)
Less: Deduction		0.00		0.00
Closing Balance		202.90		(230.09)
Surplus				
Surplus-Opening Balance		8739.77		8899.52
Add: Net profit after tax transferred from Statement of Profit and Loss		548.23		375.53
Add: Share of interest in Joint Ventures transferred from statement of Profit and Loss		(121.80)		(114.81)
Amount available for appropriation		9166.20		9160.23
Appropriations:				
Final Dividend		250.00		250.00
Dividend Tax		40.56		40.56
Amount transferred to general reserve		75.00		129.91
Surplus-Closing Balance		8800.64		8739.77
Total		**15964.81**		**14665.95**

4. NON CURRENT LIABILITIES

4.1 LONG TERM BORROWINGS

(₹ in million)

	31-03-2012		31-03-2011	
A. Term Loan		-		-
B. Deferred payment liabilities		-		-
C. Deposits		-		-
D. Loans and advances from related parties		-		-
E. Others (specify nature)		-		-
		-		-
Share of interest in Joint Ventures				
a. Secured	-		-	
b. Unsecured	992.14	992.14	863.74	863.74
Sub-Total				
a. Secured	-		-	
b. Unsecured	992.14	992.14	863.74	863.74
TOTAL		992.14		863.74

4.2 OTHER LONG TERM LIABILITIES

(₹ in million)

	31-03-2012		31-03-2011	
Trade payable				
-Other than MSMEs	12.86		12.86	
-MSMEs	-	12.86	-	12.86
Others				
-Sales Tax/CST/Custom duty	18.74		18.74	
-Others	13.21	31.95	12.25	30.99
		44.81		43.85
Share of Interest in Joint Ventures		61.13		6.86
Total		105.94		50.71

4.3 LONG TERM PROVISIONS

(₹ in million)

	31-03-2012		31-03-2011	
A. Employee Benefits				
i. Leave encashment	214.73		211.29	
ii. Post retirement medical benefits	924.78		808.28	
iii. Half pay leave	145.76		143.60	
iv. Service Award	46.15		48.52	
v. Compassionate Gratuity	2.38		2.65	
vi. Employees' Family Benefit Scheme	39.92		38.06	
		1373.72		1252.40
B. Others		-		-
		1373.72		1252.40
Share of interest in Joint Ventures		0.71		0.49
Total		1374.43		1252.89

5. Current Liabilities

5.1 SHORT TERM BORROWINGS

(₹ in million)

	31-03-2012		31-03-2011	
A. Loans repayable on demand From Banks Secured (against hypothecation of inventories , trade receivables and other current assets present and future)	34311.41		50575.60	
Unsecured	278.31	34589.72	10814.75	61390.35
		34589.72		61390.35
Share of interest in Joint Ventures		-		-
Total		34589.72		61390.35

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)

	31-03-2012		31-03-2011	
A. Sundry Creditors				
i. Other than MSMEs	26672.52		25411.17	
ii. MSMEs	-	26672.52	-	25411.17
B. Bills payable		6576.11		9426.11
		33248.63		34837.28
Share of interest in Joint Ventures		238.99		84.50
Total		33487.62		34921.78

Sundry Creditors include ₹ 10217.50 million (P.Y. ₹ 11846.15 million) being notional value of 3747 Kgs. (P.Y. 5695 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)

	31-03-2012		31-03-2011	
a. Interest accrued but not due on borrowings		229.26		156.35
b. Interest accrued and due on borrowings		1.44		0.63
c. Income received in advance	-			-
d. Other payables (specify nature)				
-Sundry Creditors -others	88.76		77.34	
-Advance received from customers	597.13		6818.26	
-Unpaid dividend	0.05		0.00	
-Despatch payable	37.48		31.67	
-Demurrage payable	88.80		116.50	
-Credit balance in sundry debtors	1546.87		684.67	
-Security deposit & EMD	1105.73		640.16	
-Taxes & Employees dues remittance pending	816.93		1240.52	
-Forward cover etc.	24059.69		32130.97	
-Salaries & Allowances	61.68		59.60	
-Administrative Expenses	135.98		203.25	
-Amount payable towards unbilled purchases	9941.28		21584.98	
-Others	3690.33		16979.38	
		42170.71		80567.30
		42401.41		80724.28
Share of interest in Joint Ventures		184.83		169.04
Total		42586.24		80893.32

5.4 SHORT TERM PROVISIONS

(₹ in million)

	31-03-2012		31-03-2011	
A. Employee Benefits				
i. Bonus/Performance related pay	113.92		200.92	
ii. Earned Leave	26.04		19.59	
iii. Post Retirement Medical Benefit	57.22		50.53	
iv. Half Pay Leave	15.16		10.40	
v. Gratuity	-		27.18	
vi. Superannuation Benefits	287.55		220.57	
vii. Service Award	7.06		5.01	
viii. Compassionate Gratuity	0.29		0.23	
ix. Employees' Family Benefit Scheme	4.29	511.53	3.85	538.28
B. Others				
i. Taxation	1336.38		1921.78	
ii. Proposed dividend	404.98		250.00	
iii. Dividend Distribution Tax	40.56		40.56	
iv. Destinational Weight and Analysis Risk	-		5.32	
v. Corporate Social Responsibility	0.72	1782.64	0.97	2218.63
		2294.17		2756.91
Share of interest in Joint Ventures		1.44		2.00
Total		2295.61		2758.91

6 NON CURRENT ASSETS

6.1 FIXED ASSETS

6.1.1 Tangible Assets

(₹ in Million)

	Gross Blocks					Depreciation / Impairment						Net carrying value	
	01-04-2011	Addition	Other Adjustments	Disposals	31-03-2012	Opening balance as at 01-04-2011	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2012	31-03-2012	31-03-2011
Land freehold													
-Office building	3.66				3.66				0.00		0.00	3.66	3.66
-Staff Quarters	1.33				1.33				0.00		0.00	1.33	1.33
Land leasehold													
-Office building	40.14				40.14	10.77	0.50		11.28		11.28	28.86	29.36
-Staff Quarters	2.67				2.67	1.04	0.03		1.07		1.07	1.60	1.63
Building													
-Office Building	128.01			0.00	128.01	46.76	3.31		50.07		50.07	77.94	81.25
-Staff Quarters/Residential Flats	68.88	0.46		0.00	69.34	49.31	1.37		50.69		50.69	18.65	19.56
-Water supply, Sewerage & Drainage	9.46				9.46	9.27	0.04		9.31		9.31	0.16	0.19
-Electrical Installations	17.52			0.01	17.51	15.47	0.31		15.78	0.01	15.78	1.74	2.05
-Roads & Culverts	3.58				3.58	2.23	0.09		2.32		2.32	1.26	1.35
-Audio/Fire/Airconditioning	13.00	0.02		0.56	12.46	12.83	0.02		12.85	0.56	12.29	0.17	0.17
Plant & Equipment	786.06	10.85		0.17	796.73	208.38	39.26		247.64	0.17	247.47	549.26	577.68
Furniture & Fixtures													
-Partitions	21.67	0.95		0.53	22.09	21.22	0.96		22.18	0.53	21.65	0.44	0.45
-Others	52.78	0.99		2.11	51.67	46.97	2.51		49.48	2.11	47.38	4.29	5.81
Vehicles	24.17			0.95	23.22	15.91	3.03		18.94	0.95	17.99	5.23	8.26
Office Equipments	67.82	4.34	1.86	7.77	62.53	54.88	4.55		59.43	9.40	50.03	12.50	12.94
Others:-													
Railway Wagon Rakes	553.64				553.64	255.59	55.36		310.96		310.96	242.68	298.05
Railway Loop Line at BNHT	26.17				26.17	26.17			26.17		26.17	0.00	0.00
Warehouse	34.11				34.11	15.31	1.36		16.68		16.68	17.44	18.80
Computer/ Data Processors	176.89	4.92	1.86	5.83	174.12	161.39	8.50		169.90	7.67	162.22	11.89	15.50
Share of interest in Joint Ventures	180.20	351.52	0.00	0.02	531.69	5.28	13.88		19.16	0.00	19.16	512.53	174.91
Total	2211.76	374.06	3.72	17.95	2564.14	958.80	135.09	0.00	1093.89	21.40	1072.49	1491.65	1252.96
Last Year	2256.55	27.90	65.27	7.42	2211.76	851.87	133.22		985.09	26.29	958.80	1252.96	1404.68

(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 31.03.2012 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed.

(c) Cost of Office Building on lands not owned by the Corporation is ₹ 3.09 million (P.Y. ₹ 3.09 million) and provision for depreciation is ₹ 2.57 million (P.Y. ₹ 2.51 million)

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

(e) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million (P.Y. ₹ 11.63 million) & accumulated depreciation of ₹ 5.72 million (P.Y. ₹ 5.42 million) constructed on the leasehold land at Paradip which expired on 20.11.2010. Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

(f) Depreciation for the year includes ₹ 0.41 million shown under prior period items

6.1.2 Intangible Assets

(₹ in Million)

	Gross						Amortisation						Net Carrying Value	
	01-04-2011	Addition	Additions through Business Combinations	Other adjustments	Disposals	31-03-2012	Opening balance as at 01-04-2011	Amortisation for the year	Impairment / (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2012	31-03-2012	31-03-2011
Computer software	0.27	0.15				0.42	0.22	0.09		0.31		0.31	0.11	0.05
Goodwill on consolidation(Joint Ventures)	25.65	0.15				25.80	10.40	5.16		15.56		15.56	10.25	15.26
Others														
Share of interest in Joint Ventures	15.12	0.75			0.03	15.85	5.27	3.92		9.19		9.19	6.66	9.85
Total	41.04	1.05	0.00	0.00	0.03	42.07	15.88	9.17	0.00	25.06	0.00	25.06	17.01	25.16
Last Year	41.04	0	0	0	0	41.04	10.75	5.13		15.88		15.88	25.16	30.29

6.1.3 Capital work-in-progress

(₹ in Million)

	Assets					Depreciation / Impairment						Net carrying value	
Assets	01-04-2011	Addition	Other Adjustments	Disposals	31-03-2012	Opening balance as at 01-04-2011	Depreciation for the year	Impairment/ (reversal of impairment)	Sub-Total	Deductions	Balance as at 31-03-2012	31-03-2012	31-03-2011
Building													
-Building Under Construction	6.71				6.71	6.71			6.71		6.71	0.00	0.00
-Electrical Installations	6.70				6.70	6.70			6.70		6.70	0.00	0.00
-Roads & Culverts	0.47				0.47	0.47			0.47		0.47	0.00	0.00
Plant & Equipment	18.94		(5.14)		13.80	13.80			13.80		13.80	0.00	5.14
Share of interest in Joint Ventures	1330.90	126.22	0.00	276.04	1181.09	0.00			0.00		0.00	1181.09	1330.90
Total	1363.73	126.22	(5.14)	276.04	1208.77	27.69	0.00	0.00	27.69	0.00	27.69	1181.09	1336.04
Last Year	923.74	450.33		10.34	1363.73	27.69	0.00		27.69	0.00	27.69	1336.04	896.05

6.2 NON CURRENT INVESTMENTS

(₹ in million)

	31-03-2012		31-03-2011	
I. TRADE INVESTMENTS				
A. Investment Property				
Bandra Kurla Complex		35.06		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 199,000,000 Equity shares of Rs. 10/- each)	3796.85		1990.00	
Add: Income from Associates till date	1248.57		1102.01	
Add: Capital Reserve	980.29		96.10	
	6025.71		3188.11	
ii. Devona Thermal Power & Infrastructure Ltd.				
Fully paid up 13,000 Equity shares of Rs.10/- each(P.Y. Fully paid up 13,000 Equity shares of Rs.10/- each)	0.13		0.13	
Less: Goodwill	0.13		0.13	
	0.00	6025.71	0.00	3188.11
b) Joint Ventures				
c) Others				
i. Indo French Biotech Limited				
Fully paid 4,750,000 Equity shares of Rs.10/- each (P.Y. Fully paid 4,750,000 Equity shares of Rs.10/- each)	47.50		47.50	
Less: Provision for Diminution in value of investment	47.50		47.50	
ii. United Stock Exchange Limited	0.00		0.00	
Fully paid 3,000,000 Equity shares of Rs.10/- each (P.Y. Fully paid 3,000,000 Equity shares of Rs.10/- each)	30.00	30.00	30.00	30.00
C. Investment in Government and trust securities				
9% Government Stock 2013		0.03		0.03
D. Others				
Advance against equity pending allotment				
- Haldia Free Trade Warehousing Private Limited			118.40	
- Integrated Warehousing Kandla Projects Development Private Limited			13.89	
- Neelachal Ispat Nigam Limited		-	1806.85	1939.14
		6090.80		5193.59
II. OTHER INVESTMENTS				
Share of interest in Joint Ventures		(15.40)		(12.44)
Total		6075.40		5181.15

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 ₹ 3874.51 million (P.Y. ₹ 2067.66 million). Aggregate amount of provision for diminution in value of investments is ₹ 47.53 million (P.Y. ₹ 47.50 million).

A sum of ₹ 178.77 million appearing in investment as on 31-03-2011 represents the "Advance against Equity" released to HFTWPL and IWKPDPL for purchase of land/payment of land lease rent. This amount has been converted into "Project Development fund" w.e.f. 30-03-2012 and has been shown under "Long Term Loans and Advances" and thus not appearing in investment as on 31-03-2012.

An amount of ₹ 1806.85 million appearing in investment as on 31-03-2012 under " Advance against equity pending allotment" has been converted into equity shares during the current year and accordingly shown under "Investment in equity instrument" in Neelachal Ispat Nigam Limited as on 31-03-2012

6.3 DEFERRED TAX ASSETS (NET)

The deferred tax assets as at 31st March 2012 comprises of the following:

(₹ in million)

Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2011	Credit / (Charge) during 2011-12	Deferred Tax asset / (Liability) as at 31.3.2012
Depreciation	(216.58)	21.71	(194.87)
Prov. For Doubtful	444.72	363.01	807.73
DWA Risk	1.72	(1.72)	-
VRS Expenses	16.19	(7.63)	8.56
Interest received from IT Deptt.	17.88	(17.88)	-
Others	71.56	21.98	93.54
Interest in Joint Ventures	(0.29)	(1.38)	(1.67)
TOTAL	335.20	378.09	713.29

6.4 LONG TERM LOANS AND ADVANCES

(₹ in million)

	31-03-2012		31-03-2011	
A. SECURITY DEPOSITS				
I. Secured, considered good	8.24		-	
II. Unsecured, considered good	78.73		86.87	
III. Doubtful	36.82		36.82	
Sub-total	123.79		123.69	
Less: Provision for bad and doubtful advances	36.82	86.97	36.82	86.87
B. LOANS AND ADVACNES TO RELATED PARTIES				
I. Secured, considered good	-		-	
II. Unsecured, considered good				
-Others	0.99		0.25	
III. Doubtful	4.85		4.85	
Sub-total	5.84		5.10	
Less: Provision for bad and doubtful advances	4.85	0.99	4.85	0.25
C. OTHER LOANS AND ADVANCES				
I. Secured, considered good				
-Loan & advances to PSUs/Other Coampanies	156.03		28.00	
-Interest accrued & due/not due	50.81		28.32	
-Loan to Employees	173.76	380.60	170.21	226.53
II. Unsecured, considered good				
-Interest accrued & due/not due	3.36		4.72	
-Loan to Employees	49.55		67.38	
-Others	508.71		560.69	
III. Doubtful	289.36		289.99	
Sub-total	850.98		922.78	
Less: Provision for bad and doubtful advances	289.36	561.62	289.99	632.79
		1030.18		946.44
Share of interest in Joint Ventures		44.36		53.20
TOTAL		1074.54		999.64

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 ₹ 0.97 million (P.Y. ₹ Nil million)

6.5 OTHER NON-CURRENT ASSETS

(₹ in million)

	31-03-2012		31-03-2011	
A. Long Term Trade Receivables				
i. Considered good (Secured against hypothecation of assets/ mortgage of title deeds and Bank Guarantees)	0.96		1.78	
ii. Unsecured Considered good	21.95		26.37	
iii. Considered doubtful*	1315.86		127.31	
Sub-total	1338.77		155.46	
Less : Provision for bad and doubtful receivables *	1315.86	22.91	127.31	28.15
B. Others				
		22.91		28.15
Share of interest in Joint Ventures		68.93		114.37
TOTAL		91.84		142.52

* includes ₹ 1002.05 million (P.Y. ₹ Nil million) towards recoverable and adhoc provision pending completion of reconciliation/investigations on account of certain acts of commission and omission at Regional Office, Chennai. (Refer Note No. 17)

7 CURRENT ASSETS

7.1 INVENTORIES

(₹ in million)

	31-03-2012		31-03-2011	
A. Raw materials	93.94		63.90	
B. Work-in-progress	-		-	
C. Finished goods	-		-	
D. Stock-in-trade (includes goods in transit valued at ₹ 1809.95 million (P.Y. ₹ 1564.95 million))	9149.17		6415.40	
E. Stores and spares	-		-	
F. Loose tools	-		-	
G. Packing Materials	-		0.58	
H. Others (specify nature).	1.20	9244.31	-	6479.88
Share of interest in Joint Ventures		257.84		81.81
Total		9502.15		6561.69

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 31^{st} March.

Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 12.06 million (P.Y Rs. 107.76 million) during the year.

Inventory includes value of stock of ₹ 85.98 million received at ICD Ludhiana in respect of which the Bill of Entry has been filed by the RO, but the RO is unable to take delivery as Master Bill of Lading has not been furnished by the supplier.

7.2 TRADE RECEIVABLES

(₹ in million)

	31-03-2012		31-03-2011	
A. Trade Receivables Outstanding for a period exceeding six months from the date they are due for payment				
i. Secured, Considered good	1015.72		39.50	
ii. Unsecured Considered good	1128.88		593.10	
iii. Doubtful	546.88		625.13	
	2691.48		1257.73	
Less: Provision for bad and doubtful debts	546.88	2144.60	625.13	632.60
B. Other Trade Receivables				
i. Secured, Considered good	11479.88		3470.73	
ii. Unsecured Considered good	14636.07		21770.95	
iii. Doubtful	-		-	
	26115.95		25241.68	
Less: Provision for bad and doubtful debts	-	26115.95	-	25241.68
		28260.55		25874.28
Share of interest in Joint Ventures		10.94		12.87
Total		28271.49		25887.15

7.3 CASH AND BANK BALANCES

(₹ in million)

	31-03-2012		31-03-2011	
a. Cash and cash equivalents				
- Cheques, Drafts on hand		9.12		3.07
- Cash on hand		0.07		0.22
- Balances with Banks				
(a) in Current Account	2493.17		3054.60	
(b) in Cash Credit Account (Debit balance)	174.29		12.43	
(c) in Term Deposits with original maturity upto 3 months	2408.75	5076.21	7762.04	10829.07
b. Other Balances with Banks				
- As Margin money/lien	2392.80		11489.08	
- in term deposits with original maturity more than 3 months and upto 12 months	21759.13		44364.71	
- more than 12 months original maturity	173.62	24325.55	1599.72	57453.51
		29410.95		68285.87
Share of interest in Joint Ventures		69.96		60.01
Total		29480.91		68345.88

Balances with banks to the extent held as margin money or security against the borrowings, guarantees, other commitments ₹ 2392.80 million (P.Y. ₹ 11489.08 million).

Balances with banks includes ₹ 0.05 million (P.Y. ₹ NIL 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.

7.4 SHORT TERM LOANS AND ADVANCES

(₹ in million)

	31-03-2012		31-03-2011	
A. Loans and advances to related parties				
i. Secured -Considered good	-		-	
ii. Unsecured -Considered good	-		-	
iii. Doubtful	-		-	
	-		-	
Less : Provision for Bad and Doubtful loans and advances				
	-	-	-	-
B. Others				
i. Bills Receivable	1188.13		200.04	
Less: Bills Discounted	7.01		34.91	
Secured -Considered good		1181.12		165.13
ii. Advance recoverable in cash or kind				
Secured -Considered good	39247.29		44678.76	
Unsecured -Considered good	2141.04		17900.51	
Doubtful	176.55		178.27	
	41564.88		62757.54	
Less : Provision for Bad and Doubtful loans and advances	176.55	41388.33	178.27	62579.27
iii. Advance to Suppliers				
Secured -Considered good	0.26		10.60	
Unsecured -Considered good	308.80		607.93	
Doubtful	89.96		80.64	
	399.02		699.17	
Less : Provision for Bad and Doubtful loans and advances	89.96	309.06	80.64	618.53
iv. Income Tax (including advance income tax, TDS and refund due)				
Unsecured -Considered good		1326.09		2040.22
		44204.61		65403.15
Share of interest in Joint Ventures		15.78		12.90
Total		44220.39		65416.05

Due by directors and other officers (Chief General Managers and Company Secretary) ₹ 2.45 million (P.Y. ₹ 0.79 million)

7.5 OTHER CURRENT ASSETS

(₹ in million)

	31-03-2012		31-03-2011	
Deferred Premium	334.49		724.65	
Gold/Silver stock towards unbilled purchases	9941.28		21584.98	
	10275.77		22309.63	
Less: Provision for doubtful amount, if any	-	10275.77	-	22309.63
Share of interest in Joint Ventures		0.99		4.58
Total		10276.76		22314.21

8 REVENUE FROM OPERATIONS

(₹ in million)

	31-03-2012		31-03-2011	
a. Sale of products		665462.51		694001.55
b. Sale of services		0.46		0.12
c. Other operating revenue				
-Despatch earned	5.25		0.04	
-Claims	370.22		653.76	
-Subsidy	2937.36		881.64	
-Other Trade Income	746.22		480.56	
	4059.05		2016.00	
Less:				
d. Excise Duty	3.10	4055.95	-	2016.00
		669518.92		696017.67
Share of interest in Joint Ventures		705.15		112.62
Total		670224.07		696130.29

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)

	31-03-2012		31-03-2011	
a. Interest				
-Interest on fixed deposits	3879.95		2533.07	
-Interest from customers on amount overdue	134.35		51.73	
-others	2483.71	6498.01	2202.25	4787.05
b. Dividend from subsidiary company		-		-
c. Net gain/ loss on sale of investments		-		-
d. other non operating income (net of expenses directly attributable to such income)				
-Staff quarter rent	5.40		4.33	
-Misc. Receipts	159.83		125.00	
-Liabilities written back	295.22		94.18	
-foreign exchange gain	104.39		18.84	
Less: foreign exchange loss	-	564.84	-	242.35
		7062.85		5029.40
Share of interest in Joint Ventures		16.64		14.48
Total		7079.49		5043.88

10 COST OF MATERIAL CONSUMED

(₹ in million)

	31-03-2012	31-03-2011
Raw Material	-	-
Packing Material	-	-
Consumables	-	-
Loose Tools	-	-
	-	-
Share of interest in Joint Ventures	326.08	-
Total	326.08	-

11 PURCHASES OF STOCK-IN-TRADE

(₹ in million)

Product Groups	31-03-2012		31-03-2011	
A) Purchases				
Precious Metals	476430.20		471338.68	
Metals	27812.63		29137.27	
Fertilizers	64472.54		23140.63	
Minerals	12313.50		30916.10	
Agro Products	34213.12		23994.57	
Coal and Hydrocarbons	42254.04		72274.41	
General Trade	396.93	657892.96	87.76	650889.42
B) Stock received/given on loan/in kind				
Precious Metals	(7.97)		42.75	
		(7.97)		42.75
		657884.99		650932.17
Share of interest in Joint Ventures		28.29		121.51
Total		657913.28		651053.68

12 CHANGES IN INVENTORIES

(₹ in million)

	31-03-2012		31-03-2011	
A. FINISHED GOODS				
Opening Balance	0.24		0.25	
Closing Balance	0.28		0.15	
Change in inventory of Finished Goods		(0.04)		0.10
B. WORK-IN-PROGRESS				
Opening Balance	-		-	
Closing Balance	-		-	
Change in inventory of Work-in-progress		-		-
C. STOCK-IN-TRADE				
Opening balance	6479.73		21306.11	
Closing balance	9256.09		6575.42	
Change in inventory of Stock-in-Trade		(2,776.36)		14730.69
		(2,776.40)		14730.79
Share of interest in Joint Ventures		(167.00)		(49.55)
TOTAL CHANGE IN INVENTORIES		(2,943.40)		14681.24

13 EMPLOYEE BENEFITS EXPENSE

(₹ in million)

	31-03-2012	31-03-2011
i. Salaries and wages	1726.17	1639.17
ii. Contribution to provident fund and other funds	128.45	147.69
iii. ESOP/ESPP	-	-
iv. Staff Welfare Expenses	34.23	97.70
	1888.85	1884.56
Share of interest in Joint Ventures	34.51	24.38
Total	1923.36	1908.94

Salaries and wages include:-

(₹ in million)

	31-03-2012	31-03-2011
i. Salaries and Allowances	1156.64	1097.12
ii. Leave encashment	123.61	71.79
iii. VR expenses	36.87	5.40
iv. Bonus	5.54	9.90
v. Performance Related pay	50.92	84.27
vi. Medical Expenses	284.43	308.48
vii. Superannuation Benefit	66.48	60.57
viii. Group Insurance	0.40	0.61
ix. Contribution to DLIS	1.28	1.03
TOTAL	1726.17	1639.17

Contribution to provident fund and other funds:-

(₹ in million)

	31-03-2012	31-03-2011
i. Provident Fund	83.56	77.90
ii. Gratuity Fund	35.23	58.26
iii. Family Pension Scheme	9.66	11.53
TOTAL	128.45	147.69

Liability of ₹ 66.48 million (P.Y. ₹ 60.57 million) towards superannuation benefit has been made during the year as per DPE guidelines for wage revision.

14 FINANCE COSTS

(₹ in million)

	31-03-2012	31-03-2011
I. Interest expense	5144.98	3681.00
II. Other borrowing costs	-	7.72
III.Applicable Net gain/loss on foreign currency transactions	-	-
IV Premium on forward contract	728.62	300.11
	5873.60	3988.83
Share of interest in Joint Ventures	28.96	4.57
Total	5902.56	3993.40

Interest expense include ₹. 14.34 million (P.Y. ₹.16.15 million) paid for shortfall in payment of advance income tax.

15 OTHER EXPENSES

(₹ in million)

	31-03-2012		31-03-2011	
A. Operating Expenses				
Freight	1691.88		8072.35	
Demurrage	124.07		13.89	
Clearing, Handling, Discount & Other charges	933.24		6335.64	
L/C negotiation and other charges	42.55		26.36	
Difference in exchange (i)	195.57		(215.52)	
Customs duty	8807.41		12088.14	
Insurance	13.01		19.15	
Godown insurance	10.62		11.50	
Plot and Godown rent	24.12		54.24	
Packing Material	22.00		16.83	
Provision for destinational weight and analysis risk	-	11864.47	5.32	26427.90
B. Administrative Expenses				
Consumption of stores and spare parts	-		-	
Power & Fuel	-		-	
Rent	35.81		49.65	
Repairs to buildings	39.09		37.34	
Repairs to machinery	4.44		5.95	
Insurance	3.44		2.87	
Rates and taxes	24.83		8.19	
Prior Period Items (ii)	(109.26)		-	
Miscellaneous expenses (iii)	577.09	575.44	871.39	975.39
		12439.91		27403.29
Share of interest in Joint Ventures		105.78		108.24
Total		12545.69		27511.53

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

(a) Deferred forward premium of ₹ 335.60 million (P.Y. ₹ 724.65 million) for imports and ₹ (1.10) million (P.Y. ₹ Nil million) for exports is to be recognized in the Profit & Loss Account of the subsequent accounting year.

(ii) Prior period items

(₹ in million)

	31-03-2012	31-03-2011
Expenditure		
Cost of sales	20.85	75.68
Salaries & wages	0.21	0.03
Administrative Expenses	5.88	2.27
Interest	4.49	1.52
Depreciation	0.41	(0.00)
Others	1.59	0.01
Sub-Total	33.43	79.51
Income		
Sales	1.85	57.30
Interest	134.84	6.97
Other Receipts	6.01	0.01
Sub-Total	142.70	64.28
TOTAL (Net)	(109.27)	15.23

(iii) Miscellaneous expenses include:-

a) Net gain or loss on foreign currency translation

(₹ in million)

	31-03-2012	31-03-2011
Loss/(gain in exchange)	1.35	(4.83)
	1.35	(4.83)

b) Amount paid to auditors'

(₹ in million)

	31-03-2012	31-03-2011
As Auditor	2.43	3.53
For Taxation Matters	1.14	0.98
For Company Law Matters	-	-
For Management Services	-	-
For Other Services	1.84	0.64
For Reimbursement of Expenses	0.14	0.41
	5.55	5.56

16 EXCEPTIONAL ITEMS

Exceptional item includes the following:-

(₹ in million)

	31-03-2012		31-03-2011	
Write-down of inventories to net realisable value and its reversal	12.06		107.76	
Reversal of any provisions for the cost of resturcturing	-		-	
Disposals of items of fixed assets	(0.06)		(0.70)	
Disposals of long-term investments	-		-	
Legislative changes having retrospective application	-		-	
Litigation settlements	-		-	
Other reversals of provisions	-14.51		(58.20)	
Diminution in value of Investment property	1.25		1.25	
Share of interest in Joint Ventures	-		3.18	
		(1.26)		53.29

17 EXTRAORDINARY ITEMS

Extraordinary items represent ad-hoc provision of ₹ 1002.05 million (P Y ₹ Nil million) made in the 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 company has ordered special audit which is being conducted through a firm of Chartered Accountants. The special audit is expected to be completed shortly. The Company has also filed a complaint with CBI who has since registered two separate FIRs and started detailed investigations. Also Directorate of Enforcement have registered an offence under Prevention of Money Laundering Act, 2002 against two ex-officials and two debtors.

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

I. Contingent Liabilities:

a) Guarantees issued by Banks on behalf of the Company ₹ 1460.40 million (P.Y. ₹ 863.79 million) and Corporate Guarantee amounting to ₹ 360.40 million (P.Y. ₹ 4506.69 million) in favour of customer has been given towards performance of contract against which backup guarantee have been obtained from associate suppliers.

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

c) Claims against the Company not acknowledged as debts ₹. 816.88 million (P.Y. ₹ 1953.16 million).

d) Letters of Credit opened by the Company remaining outstanding ₹ 9901.18 million (P.Y. ₹ 13496.41 million).

e) Bills discounted with banks ₹ 7.01 million (P.Y. ₹ 34.91 million).

f) Sales Tax Demand of ₹ 995.70 million (P.Y. ₹ 839.17 million) in dispute against which ₹ 94.92 million (P.Y. ₹ 107.49 million) has been deposited and ₹ 6.74 million (P.Y. ₹ 7.25 million) covered by bank guarantees.

g) Service Tax demand in respect of business auxiliary service amounting to ₹ 470.38 million (P.Y. ₹ 425.49 million).

h) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 987.79 million as on 31.03.2012 (PY ₹ 952.76 million).

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

j) A party has served a legal notice for non lifting of part quantity of coking coal in respect of supplies to M/s NINL, relating to delivery period 2008-09, claiming an amount of ₹ 4005.00 million ($ 78.72 million translated @ ₹ 50.88 being the closing rate of exchange as on 31.03.2012) (PY ₹ 3511.00 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, which has been refuted since the same is not tenable. MMTC has also put the party on notice to lodge counter claim for non supply of coking coal for the year 2009-10. The matter has been taken up at Govt. level as the supplier is also one of the major supplier of coking coal to other PSUs and all terms, conditions and prices are determined by an Empowered Joint Committee consisting of senior level nominees of Govt. and PSUs.

k) 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.

l) Income Tax Demand of ₹ 10.84 million (P.Y. ₹ 28.22 million) in dispute against the subsidiary company MTPL.

m) Share in Contingent Liabilities of Joint Ventures based on their audited statement of accounts ₹ 172.89 million (P.Y. ₹ 122.69 million)

n) Share in Contingent Liabilities of Associates based on their audited statement of accounts ₹ 1995.91 million (P.Y. ₹ 2306.36 million)

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

b) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Joint ventures based on their audited statement of accounts ₹ 23.52 million (P.Y. ₹ 174.00 million).

c) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Associates based on their audited statement of accounts ₹ NIL million (P.Y. ₹ 2512.22 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. 7.5) as well as other current liabilities (note no. 5.3) .

₹ in million

Items	31-03-2012		31-03-2011	
	Qty.(kgs)	Value	Qty.(kgs)	Value
Gold	3469	9450.18	8450	17422.32
Gold Jewellery	44.29	124.82	0	2.31
Silver	6904	366.27	76561	4160.34

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

21. Based on interim orders of Hon'ble Court of Small Causes in the matter of mesne profit for the period from June,2000 to March,2002 relating to office premises at Mumbai, an amount of ₹ 32.33 million has been deposited with the Court and a bank guarantee of ₹ 33.92 million is also submitted pending decision on the appeal. Liability provision has been made in the accounts for the full amount. Interest, if any, on the above will be provided on final outcome of the case.

22 In respect of GR-1 forms outstanding beyond due date the Company has filed application with the authorized dealers for extension of time/waiver/ write off. Pending decision on the application, the liability, if any, that may arise is unascertainable. Enforcement Directorate has imposed penalty for ₹ 23.33 million (P.Y. ₹ 19.53 million) which are being contested. Against this, an amount of ₹ 1.90 million (P.Y. ₹ 1.60 million) has been deposited and bank guarantee of ₹ 10.30 million (P.Y. ₹ 7.30 million) furnished.

23. The ERP package 'RAMCO' implemented by the Company has more or less stabilized. Any further adjustments in processes and systems that may arise subsequent upon the findings of the systems audit shall be incorporated in due course.

24. The employees benefits provided by the Company as required under Accounting Standard 15 (Revised) are as under:-

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

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

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

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

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

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

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

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

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

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Present value of projected benefit obligations as at 01/04/2011	657.16	230.87	154.00	858.81	98.31
(ii)	Interest cost	52.57	19.62	13.09	73.00	
(iii)	Current service cost	17.47	10.08	6.41	10.85	
(iv)	Benefit paid	48.58	86.43	7.65	85.71	9.26
(v)	Actuarial(gain)/loss	26.29	65.90	(4.93)	125.04	11.04
(vi)	Present value of obligation as at 31st March,2012 (i+ii+iii-iv+v)	704.92	240.04	160.92	982.00	100.09

(b) Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2012:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Service cost	17.47	10.08	6.41	10.85	-
(ii)	Interest cost	52.57	19.62	13.09	73.00	-
(iii)	Actual return on plan assets	61.66	-	-	-	-
(iv)	Net Actuarial (gain) /loss recognized in the period	26.29	65.90	(4.94)	125.04	11.04
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	34.67	95.61	14.56	208.90	11.04

(c) Changes in the fair value of planned assets

(₹ in million)

	GRATUITY
Fair value of plan assets as at 1.4.2011	629.99
Actual return on plan assets	61.66
Contribution by employer	65.97
Benefit paid	48.58
Actuarial gain/(loss)	
Fair value of plan assets as at 31.3.2012	709.04

(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	9.47	(8.07)
ii)	Effect on defined benefit obligation	105.98	(91.01)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2012
(i)	Discount rate (Per Annum)	8.00% / 8.50% - LIC / Others
(ii)	Future cost increase	5.00% / 5.50% - LIC / Others
(iii)	Retirement age	60 Years
(iv)	Mortality table	LIC(1994-96) duly modified
(v)	Withdrawal rates	1% to 3% depending upon Age

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

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

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

a) Key Management Personnel

i. Smt. Vijaylaxmi Joshi Chairman-cum- Managing Director(w.e.f. 22.07.2011)
ii. Shri H.S. Mann Director & additional charge of Chairman and Managing Director (up to 22.07.2011)
iii. Shri Sunir Khurana Director
iv. Shri Ved Prakash Director
v. Shri Rajeev Jaideva Director
vi. Shri M.G. Gupta Director(w.e.f. 09.12.2011)
vii. Shri Anand Trivedi Director(w.e.f. 03.07.2012)
viii. Shri Joggari Kishan Managing Director,MTPL (up to 18.05.2011)
ix. Shri Varadhan Kulasekaran, Director,MTPL (up to 18.05.2011)
x. Shri Tapas Kumar Sengupta, Managing Director,MTPL (w.e.f. 18.05.2011)
xi. Shri Vijay Kumar Gupta, Director,MTPL (w.e.f. 18.05.2011)

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

(₹ in million)

Particulars	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	20791.69	48.07		20839.76
Sale of goods	10187.59	1478.35		11665.94
Sale of fixed assets				
Dividend Received				
Finance including loans and equity contribution in cash or in kind		3.70		3.70
Corporate Guarantees				
Other payment Demurrage / Dispatch				
Other receipt Demurrage / Dispatch				
Remuneration			49.04	49.04
Outstanding Balance				
Receivable	3763.16	166.92	3.43	3933.51
Payable	28.06	0.87		28.93

27. Earning per Share:

Particulars	2011-12	2010-11
Profit after Tax (₹ in million)	572.97	260.70
Total number of Equity Shares (million)	1000.00	1000.00
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share) (P.Y. Face value ₹ 1/- per share)	0.57	0.26

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

(₹ in million)

Sl. No.	Name of the Joint Venture Company	% of Company's ownership Interest	Assets	Liabili-ties	Income	Expen-diture	Cont. Liabil-ities	Capital Commit-ments
1.	Free Trade Warehousing Pvt. Ltd.	26	139.64	136.54	3.45	0.64		
2.	Greater Noida Integrated Warehousing Pvt. Ltd.	26		0.01	0	0.02		
3.	MMTC Pamp India Pvt. Ltd.	24.11	682.22	584.99	577.87	593.70	82.17	4.80
4.	Sical Iron Ore Terminal Ltd.	26	1095.21	757.25	0.30	123.04	16.02	18.42
5.	MMTC Gitanjali Pvt Ltd.	26	111.76	88.40	129.12	128.53	74.70	0.30
6	Indian Commodity Exchange Ltd.	26	140.54	45.61	27.73	93.54		
7	TM Mining Company Ltd.	26	0.10	0.05		0.15		

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

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

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.11	Adjustment during year	Addition during year	Closing Balance as on 31.03.12
Destinational Weight & Analysis Risk	5.32	5.32	0	0
Bonus/PRP	200.92	141.23	54.23	113.92
Superannuation Benefit	220.57	0	66.98	287.55
Provision for Taxation	1912.54	1120.24	544.08	1336.38
Proposed Dividend	250.00	250.00	404.98	404.98
Tax on Proposed Dividend	40.55	40.55	40.56	40.56
Un allocated budget for Corporate Social Responsibility	0.97	0.25	0	0.72

31. Income tax of ₹ 1325.78 million (P.Y. ₹ 2037.23 million) under the head Short Term Loans and Advances consists of ₹ 293.80 million (P.Y. 309.83 million) paid to Income Tax Department against the disputed demands of ₹ 293.80 million (P.Y. ₹ 309.83 millions) for various assessment years and advance tax/TDS of ₹ 1031.98 million (PY ₹ 1727.39 million) towards income tax liability for financial years 2010-11 & 2011-12. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.

32.Loans & Advances include ₹ 157.37 million (P.Y. ₹ 157.37 million) being the amount deposited with the High Court in respect of a case which is still pending. Necessary liability towards principal amount already exists and the provision, if any, towards interest will be made after final decision of the Court.

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

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

35. Against the disputed demand of custom duty, penalty etc amounting to ₹ 247.43 million (P.Y. ₹ 247.43 million) in respect of utilization of Target Plus License for import of RBD palmolin oil, liability of ₹ 247.43 million (P.Y. ₹ 247.43 million) already exists in the accounts. Liability on account of interest, if any, will be provided on final decision of the case.

36. A claim for ₹ 18.89 million (P.Y. ₹ 20.62 million) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 15.28 million (P.Y. ₹ 17.01 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. The associate has submitted a proposal for consideration of Dispute Settlement Committee and accordingly paid an amount of ₹ 1.73 million during the year.

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

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

Loanee	Balance as at 31.03.2012	Maximum outstanding during the year
Neelachal Ispaat Nigam Ltd.	₹0.99 million	₹ 1.19 million
	(P.Y. ₹ 0.17 million)	(P.Y. ₹ 1.46 million)

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

38. 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, 2012.

39. At Regional Office, Mumbai, during the year, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 28.30 million without making delivery of the material (copper). However, the company has obtained an interim stay restraining the bank from making the payment under the letter of credit. The same supplier is also fraudulently holding on to the master bills of lading of another shipment of copper which would enable the Regional Office, Mumbai to take delivery and possession of goods valued at ₹ 64.57 million, already paid for and received at the Indian port.

40. At Regional Office, Hyderabad fake bills of lading covering two shipments of copper valued at ₹ 37.50 million were received during the year 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 is in the process of initiating legal action against the foreign supplier and has issued a legal notice.

41. At Regional Office, Jhandewalan, during the year, two bank guarantees amounting to ₹ 18 million submitted by one of the customer against gold supplied on loan, were found to be fake. The company has made full provision in the accounts. The case is under investigation upon filing of an FIR by the company with the Delhi Police.

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

(i) Accounting policy no. 2.2 (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" has been added to reflect the accounting practice followed by the Company.

(ii) Changes in the wording of accounting policy no. 2.2 (c) (i) the word "consignment" has been replaced with the word "deposit" .

(iii) Changes in the accounting policy no 2.2 (c) (ii) The policy regarding " purchase of gold for domestic sale is accounted for on withdrawal from the consignment stock and fixation of price with the suppliers " replaced with "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", so as to disclosed the true nature of the transaction.

(iv) Changes in the accounting policy no 2.2 (c) (iii) The policy for "Gold/silver withdrawn on loan basis where from consignment stock, are shown as loan given to parties 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" replaced with "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", so as to disclosed the true nature of the transaction.

(v) Changes in the accounting policy no. 2.9 The word "including high sea sales to customers in India" has been added in accounting policy for Secondary Segment for sales with in India.

(vi) Accounting policy no 2.12 (c) (i) has been added and 2.12 (c) (ii) has been shifted from Imports to Domestic and inserted the words " where stocks are specifically identifiable, actual cost of the material including all expenses incurred up to the point at which they are lying is considered ", in line with the practice followed by the Company.

The above changes have no impact on the profit of the company.

43. 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 MARCH,2012
MMTC Transnational Pte Ltd.	Singapore	100%

NAME OF ASSOCIATES	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31 MARCH,2012
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 MARCH,2012
Greater Noida Integrated Warehousing Pvt. Ltd.	India	26.00%
Free Trade Warehousing Pvt. Ltd.	India	26.00%
MMTC PAMP India Pvt. Ltd.	India	24.11%
SICAL Iron Ore Terminal Ltd.	India	26.00%
MMTC Gitanjali Pvt. Ltd.	India	26.00%
Indian Commodity Exchange Limited	India	26.00%

44. Details of subsidiary of MMTC Transnational Pte Ltd is as follows:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31 MARCH, 2003
MMTC Transnational (Moscow)Pte Ltd.	Russia	100%

Consolidated Financial Statement including MMTC Transnational (Moscow) Pte Ltd. have not been prepared. The Directors are of the view that there is no practical value to the shareholder of the Company to have the financial statements of the subsidiaries consolidated with the financial statements of the Company to form Consolidated Financial Statement of the group, because the cost of preparing consolidated Financial Statement exceed their usefulness as the subsidiary continues to be a dormant company.

45. 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	
Provision for LTC/ALTC	Neelachal Ispat Nigam Limited	On the basis of actuary valuation	On cash basis	Not Quantifiable
Depreciation	Neelachal Ispat Nigam Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Sical Iron ore Terminals Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Indian Commodity Exchange Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Greater Noida Integrated Warehousing Pvt. Ltd.	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable

	MMTC Gitanjali Private Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	MMTC Pamp India Private Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
Inventory Valuation	MMTC Transnational Pte. Ltd, Singapore	Weighted average cost	Specific identification method	Not Quantifiable
	MMTC Gitanjali Private Limited	Weighted average cost	on FIFO basis & on an average vender-wise	Not Quantifiable
	MMTC Pamp India Private Limited	Weighted average cost	On FIFO Basis	Not Quantifiable
Foreign Currency Translation	Neelachal Ispat Nigam Limited	Non monetary items are reported using the exchange rate at the date of the transaction	Transactions for both capital and revenue during the year in foreign currencies are being recognized at the rate prevalent in force on the date of settlement of transactions	Not Quantifiable
	Neelachal Ispat Nigam Limited	Exchange difference in respect of liabilities relating to fixed assets charged to Profit and Loss account	Exchange difference in respect of liabilities relating to fixed assets are capitalised	Not Quantifiable
Basis of preparation of Financial Statment	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Singapore Financial Reporting Standards	Not Quantifiable

Revenue Recognition	MMTC Transnational Pte. Ltd, Singapore	Interest income recognized on accrual basis	Interest income recognized on effective interest method	Not Quantifiable
	Sical Iron ore Terminals Limited	Dividend income recognized on cash basis	Dividend income recognized on time proportion basis	Not Quantifiable
Depreciation and amortization	MMTC Transnational Pte. Ltd, Singapore	Depreciation Rates are as per accounting policy of MMTC Limited	Depreciation charged at 33.33% per annum	₹ 0.68 million were less charged for depreciation and amortization in the accounts.
Trade and other receivable	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Trade and other payables	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Terminal Benefits	MMTC Transnational Pte. Ltd, Singapore	Defined Benefit Plan	Defined Contribution Plan	Not Quantifiable
Financial Assets and Liabilites	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised Cost	Not Quantifiable
Borrowings	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Dividend	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Recognized when approved for payment	Not Quantifiable

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

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

48. 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.

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

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

As per our report of even date attached

For Jain Kapila Associates Chartered Accountants F.R. No.:000287N	**For and on behalf of Board of Directors**

(CA. D K Kapila) Partner M. No. 016905	**(Manohar Balwani)** GM & Company Secretary	**(Vijay Pal)** Chief General Manager (F&A)	**(M G Gupta)** Director (Finance)

(Sunir Khurana) Director	**(Vijaylaxmi Joshi)** Chairman Cum Managing Director

Date : 28th,August, 2012
Place : New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR THE YEAR 2011-12

(Primary Disclosures)

(₹ in million)

B U S I N E S S   S E G M E N T S

Particulars	PRECIOUS METAL		METALS		MINERALS & ORES		HYDROCARBON		AGRO PRODUCTS		FERTILIZERS		OTHERS		TOTAL	
SEGMENT REVENUE	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11	31st March 12	31st March 11
External Sales																
- With in India	**511636.75**	506938.84	**12735.70**	9768.95	**1239.98**	2146.16	**29022.28**	89907.96	**12417.96**	8537.11	**49530.38**	14822.97	**437.36**	197.45	**617020.41**	632319.44
- Outside India	**0.35**		**10872.18**	11856.89	**10036.95**	28892.69	**7583.57**	6280.69	**11916.38**	10165.83	**8738.28**	4594.73			**49147.70**	61790.83
Total (A)	**511637.10**	506938.84	**23607.88**	21625.84	**11276.93**	31038.85	**36605.85**	96188.65	**24334.34**	18702.94	**58268.66**	19417.69	**437.36**	197.45	**666168.11**	694110.27
Inter-Segment sales																
- With in India																
- Outside India																
Total (B)																
Total Segment Revenue (A+B))	**511637.10**	506938.84	**23607.88**	21625.84	**11276.93**	31038.85	**36605.85**	96188.65	**24334.34**	18702.94	**58268.66**	19417.69	**437.36**	197.45	**666168.11**	694110.27
Total revenue of each segment as a percentage of total revenue of all segments	**76.80%**	73.03%	**3.54%**	3.12%	**1.69%**	4.47%	**5.49%**	13.86%	**3.65%**	2.69%	**8.75%**	2.80%	**0.07%**	0.03%	**100.00%**	100.00%
Segemental Result																
- With in India	**891.60**	766.48	**251.50**	223.54	**34.72**	60.67	**644.32**	817.72	**229.48**	-102.13	**131.00**	92.97	**96.74**	94.72	**2279.36**	1953.97
- Outside India	**0.02**		**301.53**	338.52	**246.52**	1133.34	**4.67**	8.80	**20.26**	34.01	**113.66**	78.92			**686.66**	1593.60
Total Segmental Result	**891.62**	766.48	**553.03**	562.06	**281.24**	1194.01	**648.99**	826.52	**249.74**	-68.12	**244.66**	171.89	**96.74**	94.72	**2966.02**	3547.57
Unallocated Corporate expenses net of unallocated income															**2809.95**	3573.75
Operating Profit															**156.07**	(26.18)
Interest Expenses															**5149.47**	3784.94
Interest Income															**6632.85**	4803.06
Income taxes															**64.43**	731.24
Profit from ordinary activities															**1575.02**	260.70
Extraordinary loss/Income															**1002.05**	
Net Profit															**572.97**	260.70
OTHER INFORMATION																
Segment assets	**35700.71**	111026.93	**4183.04**	2321.97	**1012.22**	3485.40	**23057.20**	23270.26	**14699.49**	12842.61	**8119.21**	1501.68	**552.37**	558.31	**87324.24**	155007.16
Unallocated Corporate assets															**45072.28**	42790.49
Total assets															**132396.52**	197797.65
Segment Liabilities	**27207.00**	93674.25	**3609.19**	2612.48	**928.79**	4632.64	**33124.01**	21407.96	**18781.28**	15752.73	**7417.79**	1610.77	**267.90**	316.92	**91335.97**	140007.75
Unallocated Corporate liabilities															**24095.73**	42123.95
Total liabilities															**115431.70**	182131.70
Segment Capital expenditure		0.35														0.35
Unallocated Capital Expenditure															**496.19**	475.00
Total Capital Expenditure															**496.19**	475.35
Segment Depreciation	**1.30**	1.19			**55.36**	55.36							**36.36**	36.36	**93.03**	92.91
Unallocated Depreciation															**51.30**	40.22
Total Depreciation															**144.33**	133.13
Non-cash expenses other than depreciation															**139.92**	242.81

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED……

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR 2011-12
(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 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10
SEGMENT REVENUE						
External Sales	**49,147.70**	61,790.83	**617,020.41**	632,319.44	**666,168.11**	694,110.27
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**49,147.70**	61,790.83	**617,020.41**	632,319.44	**666,168.11**	694,110.27
Segement Result	**686.66**	1,593.61	**2,279.36**	1,953.96	**2,966.02**	3,547.57
Segment assets	**1,248.91**	4,849.21	**86,075.33**	150,157.95	**87,324.24**	155,007.16
Capital expenditure	**-**	-	**0.35**	0.35	**0.35**	0.35

AUDITORS

Office of the Comptroller & Auditor General of India vide their letter No. CA. V/COY/CENTRAL GOVERNMENT, MMTC (13) / 238 dated 26th August, 2011 have communicated the appointment of Auditors of the company under section 619(2) of the Companies Act, 1956 for the financial year 2012-12. The details are given below:-

Statutory Auditor	**Region**
Jain Kapila Associates New Delhi	-RO Jhandewalan including SROs -CO, New Delhi (Including foreign offices) Office of Mica Division Consolidation and merger of all branches
Branch Auditors	
D V Sarovar & Co. Bellary	-Bellary Regional Office including Sub-Offices/ distribution centers
Rajesh K Jhunjhunwala & Co. Cuttack	-Bhubneshwar Regional Office including Sub-Offices/ distribution centers
Shah & Shah. Ahmedabad	-Ahmedabad Regional Office including Sub-Offices/ distribution centers
Sundar Srini & Sridahar Bangalore	-Bangalore Regional Office including Sub-Offices/ distribution centers
U G Devi & Co. Mumbai	-Mumbai Regional Office including Sub-Offices/ distribution centers
Kulkarni & Bhat Goa	-Goa Regional Office including Sub-Offices/ distribution centers
Chaturvedi & Co. Kolkata	-Kolkata Regional Office including Sub-Offices/ distribution centers -Mica Division at Kolkata, Abhraknagar, Jhumritalaya & Giridih
Satyanarayana & Co. Hyderabad	-Hyderabad Regional Office including Sub-Offices/ distribution centers
Amit Goyal & Co. Jaipur	-Jaipur Regional Office
Vardhaman & Co. Chennai	-Chennai Regional Office including Sub-Offices/ distribution centers - MICA Division at Gudur
Jhalani & Co. New Delhi	-Delhi Regional Office (Including SROs)
Ambika & Isha Visakhapatnam	-Visakhapatnam Regional Office including Sub-Offices/ distribution centers

Core#1, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003.

PROXY

DP.Id*	
Client Id*	

Master Folio No.	

I/We, ____________________________ of ______________, being a Member/ Members of the above named Company, hereby appoint Shri/Smt/Ms. ___________________ of _____________ or failing him/her ________________ of ___________________________ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 49th Annual General Meeting of MMTC Limited, to be held on 28th September 2012 and at any adjournment(s) thereof.

As witness my/our hand(s) this ____ day of___________ 2012.

Signed by the said ________________

Affix
Revenue
Stamp

*Applicable for investors holding shares in electronic form.
Notes:-

1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

Registered Office: Core #1, Scope Complex, 7, Institutional Area Lodhi Road, New Delhi-110003.

Attendance Slip

RECORD OF ATTENDANCE AT THE 49th ANNUAL GENERAL MEETING BEING HELD ON FRIDAY, THE 28th SEPTEMBER, 2012 AT 1200 hrs

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME OF THE SHARE HOLDER OR PROXY OR REPRESENTATIVE ATTENDING THE MEETING.

Mr./Ms/Miss ________________________________
(in capitals)

DP.Id	Client Id/Folio No.

Signature ....

TO BE USED ONLY WHEN SHARE HOLDER FIRST NAMED IS NOT ATTENDING

PLEASE GIVE NAME OF THE FIRST NAMED SHARE HOLDER

Mr./Ms./Miss ____

DP.Id	Client Id/Folio No.

No. of Share(s) held: ____________

कारपोरेट कार्यालय
नई दिल्ली

एमएमटीसी लिमिटेड की ओर से
एम.जी.गुप्ता, निदेशक (वित्त)
द्वारा प्रकाशित

कोरपोरेट कम्युनिकेशन्स डिविज़न
द्वारा निर्मित एवं मुद्रित

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

CORPORATE OFFICE
New Delhi

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