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

Azadi Ka Amrit Mahotsav

# 58th Annual Report 2020-21

Yoga Camp in MMTC Colony, New Delhi


Womens day celebration at CO MMTC

# 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 promote development of trade-related infrastructure.
- To provide support services to the medium and small scale sectors.
- To render high quality of service to all categories of customers with professionalism and efficiency.
- To streamline system within the company for settlement of commercial disputes.
- To upgrade employee skills for achieving higher productivity.

# Chairman's Statement at the 58th AGM of MMTC Limited

Dear Shareholders,

I warmly welcome each one of you at the 58th Annual General Meeting of MMTC Limited. It is always a pleasure to connect with you all, and – although virtual. On behalf of the MMTC Board of Directors, I want to thank you for making the time to join us. Your trust and support over the last four decades have given us the confidence to push ourselves, past challenges and complexities, to deliver market-leading returns and consistent value for you year after year. The report of the Directors and Audited Accounts for the year ending 31st March 2021, with the reports of Auditors and comments of Comptroller and Auditor General have already been circulated to the shareholders, and with your permission, I shall take them as read. The past year has indeed been a year of great challenge with the COVID-19 pandemic affecting world-wide economies, and corporates including yours. However, your company has shown resilience in dealing with the challenge and continued working for strengthening its foundations for long term growth while supplementing the national efforts towards dealing with the pandemic.

**Key performance highlights**

Disruptions caused by the second wave of pandemic had serious repercussions on the company's trading operations. While all efforts were made to subsequently resume activities at normal levels, the impact is visible in the annual results.

- The company recorded a turnover of Rs.26,364.50 Cr. with a net loss of Rs.769.69 Cr. in 2020-21, mainly due to provisioning of Rs.877.43 crores on account of liability arising out of Supreme Court award on the litigation with M/s. Anglo Coal in the old disputed case of 2009-10. Further, the loss has been exacerbated due to administrative overheads during the COVID period, i.e. towards salaries and other administrative expenses.

- Your company has taken a major initiative for restructuring of unviable business/JVs/regional offices, which have impacted the revenues in the short term but will lead to improvements in the bottom line in future.

In the short term, the business for the Company have been impacted in view of certain exogenous factors including:

a) Steps necessitated to have a more focused "Core Business" approach in line with the advice of the Government and the concomitant pruning.

b) The Long Term Agreement for export of Iron Ore to Japan and Korea is not extended beyond 31.3.2021.

c) The Company has been delisted from STEs nominated for Import of Urea on behalf of Deptt. of Fertilizers.

d) Moreover, in a disputed case of 2009-10, Hon'ble Supreme Court has ruled against the Company in respect of Anglo Coal case for import of Coking Coal for NINL.

The unfolding business strategy of the Company is contingent upon realization of sufficient proceeds from disinvestment of NINL to liquidate MMTC's liabilities.

As you are aware, the Govt. has taken the decision to disinvest the stakes of all PSUs in Neelachal Ispat Nigam Ltd (NINL) in which your company holds 49.78% equity, to salvage the huge debts to Banks and Financial Institutions. DIPAM under the aegis of Ministry of Finance has initiated the process of disinvestment of NINL. The disinvestment process is expected to be completed during the current financial year.

**CSR Policy, Sustainable Development & Governance**

The company incurred losses during FY 2019-20. Accordingly, the CSR budget calculated in accordance with the Section 198 of the Companies Act-2013 i.e. 2% of average net profit of preceding 3 years was negative. Therefore, there was no annual CSR budget approved by Board of Directors for the year 2020-21. However, a sum of Rs. 96.46 lakhs was carried forward from the CSR budget of FY 2019-20, out of which Rs. 53.32 lakhs was contributed to PM-CARES Fund apart from other CSR activities as per the approved CSR Policy of the company.

Your company is fully committed to promoting and strengthening the principles of sound Corporate Governance norms.

**Acknowledgement**

The company is steadily moving forward on its various initiatives despite the numerous challenges it faces which would not be possible without the support of various stakeholders. I would like to express sincere thanks and gratitude to our valued customers as well as other business partners for their continued confidence, our employees for their engagement, passion and perseverance, members of the Board for their guidance, and you, our esteemed shareholders for your support and trust in the company. I would like to thank various Ministries of Government of India, particularly the Department of Commerce, Ministry of Commerce & Industry for their valuable guidance and support in all our endeavours.

**VIBHU NAYAR**
Chairman & Managing Director
23.04.2022

# BOARD OF DIRECTORS

**SANJAY CHADHA**
Chairman and Managing Director
(upto 28.2.2022)

**VIBHU NAYAR**
Chairman & Managing Director
(w.e.f. 1.3.2022)

## GOVERNMENT NOMINEE DIRECTORS

**SHASHANK PRIYA**
Special Secretary &
Financial Advisor

**SHYAMAL MISRA**
JS. Deptt. of Commerce
(upto 07.12.2021)

**VIPUL BANSAL**
JS, Deptt. of Commerce
(w.e.f. 20.12.2021)

## FUNCTIONAL DIRECTORS

**UMESH SHARMA**
Director(Finance)
(upto 31.05.2020)

**ASHWANI SONDHI**
Director (Marketing)
(upto 05.01.2021)

**J. RAVI SHANKER**
Director (Marketing)

**R.R. SINHA**
Director(P)

**K.K. GUPTA**
Director (Finance)
(w.e.f. 1.6.2020)

## NON-OFFICIAL (INDEPENDENT) DIRECTORS

**MANJUNATH G.**
(Upto 16.12.2021)

**DR.(MRS.)**
**SWADHINTA KRISHNA**

**DR. PRADIP KUMAR VARMA**
(w.e.f. 13.11.2021)

# SENIOR EXECUTIVES (As on 31.03.2021)

BIR SINGH NEGI, IDAS

SANJAY KAUL

ANJANA SINGH

N. BALAJI

ASHWANI KAPOOR

B.N. DASH

ARUN ROZARIO

RAVI KISHORE

ARUN CHANDRA

SURAJ MODI

SUBRATA SAHA

# DIRECTORS' REPORT

The Members
MMTC Limited,
New Delhi.

Ladies & Gentlemen,

On behalf of Board of Directors, I have the pleasure of presenting the 58th Annual Report on your company's performance for the financial year ended 31st March 2021 along with Audited Statements of Accounts and Statutory Auditor's Report.

**OPERATIONAL RESULTS**

Your company, one of the trading companies in India, recorded a turnover of ₹ 26,364.50 crores during 2020-21 as against the turnover of ₹ 24,056.05 crores registered during last fiscal. This business turnover includes Exports of ₹ 1804.74 crores, Imports of ₹ 20,696.64 crores and domestic trade of ₹ 3863.12 crores. The Company has reported a net loss of ₹ 769.69 crores during 2020-21 as compared to net loss of ₹ 227.11 crores reported during the previous financial year, apart from increase in finance cost. Net loss is mainly due to provision on account of litigation (M/s. Anglo Coal) and non-recognition of interest income accrued on advances to NINL to the tune of ₹ 295.69 crores.

The highlights of the Company's performance during 2020-21 are as below:

| | **(Rs. in crores)** | (Rs. in crores) |
|---|---|---|
| | **2020-21** | 2019-20 |
| Sales of products | **26,361.59** | 24,051.99 |
| Sales of services | **2.91** | 4.06 |
| Other Trade Earnings | **17.11** | 78.93 |
| **Total Revenue from Operations** | **26,381.61** | 24,134.98 |
| Cost of Sales | **26,267.23** | 23,953.78 |
| **Gross Profit from Operations** | **114.38** | 181.20 |
| Add: Dividend and other Income | **36.97** | 20.85 |
| Less: Establishment & Administrative Overheads, etc. | **163.33** | 250.84 |
| Less: Debts/Claims Written off | **5.80** | 0.34 |
| Less: Provisions for Doubtful Debts/Claims/Advances/ Investments | **1.06** | 0.49 |
| **Profit Before Interest, Depreciation and Amortization Expenses and Taxes** | **(18.84)** | (49.62) |
| Less: Interest Paid(Net) (Interest Paid minus Interest earned) | **193.26** | 127.64 |
| **Profit Before Depreciation and Amortization Expenses and Taxes** | **(212.10)** | (177.26) |
| Less: Depreciation and Amortization Expenses | **4.94** | 5.65 |
| Less: Exceptional Items | **877.17** | 44.32 |
| **Profit Before Taxes** | **(1,094.22)** | (227.23) |
| Less: Provision for Current Taxes | **0.07** | (0.12) |
| Less: Provision for Deferred Taxes | **(324.60)** | - |
| **Profit After Taxes** | **(769.69)** | (227.11) |
| Add: Balance brought forward from the previous year | **460.83** | 755.28 |
| **Balance** | | |
| Items of other comprehensive income recognized directly in retain earnings | | |
| Items recognized directly in retain earnings | **-** | (3.09) |
| Dividend & Dividend Tax | **-** | (54.25) |
| Appropriations: | | |
| General Reserve | **-** | (10.00) |
| Leaving a Balance to be carried forward | **(308.86)** | 460.83 |

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

## EQUITY SHARE CAPITAL & DIVIDEND

There is no change in equity capital of the company during the year. The paid up equity of the company stood at ₹ 150 crores comprising of 150 crores number of equity shares of the face value of ₹ 1/- each, as on 31.3.2021. The Board of Directors has not recommended any dividend for the year 2020-21 in view of current liquidity crunch, difficulties in borrowing adequate funds from banks for its day-to-day working capital requirement and net loss of approx. ₹ 769.69 crores incurred by the Company during the year 2020-21.

## RESERVES

A sum of ₹ 1057.80 crores was available in the reserves and surplus of your Company as on 1st April, 2020. An amount of ₹ 288.11 crores is available in "Reserves and Surplus" of your Company as on 31st March, 2021.

## FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo of your Company during 2020-21 has been as under:-

| | EARNINGS (Rs./Cr) | | OUTGO (Rs./Cr) |
|---|---|---|---|
| Exports | 1884.39 | Imports | 19551.13 |
| Others | 0.04 | Others | 7.13 |
| Total | 1884.43 | Total | 19,558.26 |

### Loan Restructuring

MMTC has been facing liquidity crisis for long time and also defaulted in repayment of loans due and monthly interest payment to banks from September 2020 (finance cost of Rs. 198.48 crores includes accrued interest of Rs. 84.48 crores). As per directives of Board, MMTC requested all lender banks for restructuring of loan in terms of RBI Circular no. RBI/2020-21/16 DOR No.BP/BC/3/21.04.048/ 2020-21 dated 06.08.2020 for resolution of Covid-19 related stress. The loan resolution plan was approved by all lender banks and was implemented w.e.f. 08.06.2021. Principal amount of loan outstanding as on the date of implementation of resolution plan was Rs. 2272.25 crores. Requisite information and / records were shared with banks and subsequently company and lender banks have signed Master Debt Resolution Agreement (MDRA), Trust and Retention Account Agreement (TRA) and other necessary documents thereto on 08.06.2021. In view of the restructuring process, MMTC is not able to issue any Letter of Comfort to joint ventures or other entities.

Post implementation of loan restructuring, MMTC's account with all the lender banks to be regular/ standard with all the lender banks. By signing the agreements, lenders waived existing event of default and no civil action or proceeding may be invoked under IBC. Under this scheme, the company has got moratorium/ deferment on recovery of interest for credit facilities upto 08.12.2021 for SBI and 31.03.2022 for other banks and for principal upto 31.03.2022 for all banks. The outstanding loan and accrued interest are to be repaid mainly through disinvestment proceeds of Neelachal Ispat Nigam Limited (NINL). It may be affected by outcome of legal cases, Anglo Coal case, Government directives and Covid-19 pandemic situation etc. GOI administrative Dept. i.e Dept. of Commerce has been duly informed.

## SUBSIDIARY COMPANY

To tap South East Asian market for trading in commodities, MMTC Transnational Pte. Ltd. (MTPL), Singapore, the wholly owned subsidiary of your Company has been engaged in commodity trading and has established itself as a credible and reputable trading outfit in Singapore. During the financial year 2020-21 MTPL achieved sales turnover of USD 486.20 million as against USD 333.60 million recorded during last fiscal achieving more than 45.74% growth against the previous year. The Net Profit of MTPL during the financial year 2020-21 amounted to USD1.12 million as against USD 0.97 million earned during 2019-20. The net worth of MTPL stood at USD 10.47 million as on 31st March 2021. Overall dividend declared by MTPL since inception is USD 21.94 million which includes a dividend of USD 3.90 million received from MTPL during FY2020-21.

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

### MMTC's Joint Venture - Neelachal Ispat Nigam Ltd. (NINL)

Your company 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 PSUs of Govt. of Odisha and other CPSEs. Government of India has accorded its in-principle approval for divestment of NINL in which four Central PSUs i.e. MMTC, NMDC, BHEL and MECON and two Odisha Government companies i.e. OMC and IPICOL are shareholders. Government has taken the decision to disinvest NINL to salvage the huge debts to Banks and Financial Institutions. Accordingly, the Department of Investment and Public Asset Management (DIPAM) under the aegis of Ministry of Finance has initiated the process of disinvestment of NINL.

The Expression of Interest (EOI) for sale of NINL got completed on 29th March, 2021. DIPAM is in the process of inviting price bids from shortlisted bidders.

The disinvestment process is expected to be completed during FY 2021-2022.

**Other Projects/ Joint Ventures**

To take advantage of new opportunities emerging in the free market environment, your company had promoted a number of joint ventures following the public-private partnership model in earlier years. A brief on the current status of such JVs set up in past years is given hereunder:

(i) Your company presently holds 6% equity capital in Indian Commodity Exchange Limited (ICEX) as on 31.3.2021. During the year under review ICEX has reported a net loss of Rs. 25.67 crores as against net loss of Rs. 42.32 crores reported during 2019-20. As per regulation 17 of SECC Regulation. 2018 and SEBI Circular dated 26" November 2015, MMTC is required to reduce equity holding from 6% to 5% in ICEX and MMTC is in process of reducing its equity in IÇEX. MMTC has invited Request for Proposal(RFP) for divestment of 6% MMTC's equity in ICEX.

(ii) Your company had participated in the equity of Currency Futures Exchange under the name and style of "United Stock Exchange of India Ltd which had been merged with "BSE Limited" (BSE) wherein your Company holds 38,961 equity shares of Rs. 2/- each in BSE. During the year BSE earned a PAT of Rs.97.26 crores as against Rs.173.67 crores earned during 2019-20 and paid dividend of Rs. 21/- on equity share of Rs. 2/- each.

(iii) The joint venture for refinery having medallion manufacturing unit in collaboration with PAMP Switzerland in the name of MMTC-PAMP India Pvt. Ltd. in which MMTC has participated as 26% equity partner, achieved a turnover of Rs.20,372.37 crores and a profit(after tax) of Rs.3.06 crores during the period FY 2020-21 as against Rs.31.30 crores during the previous fiscal. The JV has set up two new wholly owned subsidiaries namely M/s PAMP Speciality Services Private Limited for Hallmarking and M/s. PAMP Precious Manufacturing India Private Limited for Industrials.

(iv) The JV Company – M/s SICAL Iron Ore Terminals Limited (SIOTL) could not commence commercial operations due to non availability of iron ore from Bellary-Hospet Sector in Karnataka State and banning of mining / movement of iron ore for exports by state govt. In view of uncertain future of iron ore exports and to utilize the infrastructure created, Kamarajar Port Trust (erstwhile Ennore Port Trust) decided to award the facility through bidding process for modification of the facility to handle common user coal. As coal does not have synergy with MMTC's existing line of business, In Sept'2016, MMTC Board decided to exit from the JV. MMTC invited bids through online tender for sale of its entire 26% equity in the SIOTL JV, however no response was received. Meanwhile, as per "Right of First Refusal" in Shareholders Agreement of SIOTL, SICAL Logistics Ltd; (lead promoter of SIOTL) offered to purchase MMTC's equity at reserve price fixed by MMTC which MMTC Board decided to accept. Share Purchase Agreement was signed with Sical Logistics Ltd on 31.05.2018 for sale of MMTC's equity in SIOTL and in terms of the agreement M/s Sical Logistics Ltd had deposited Rs.0.50 Cr (PY Rs.0.50 Cr) with MMTC towards performance of agreement. Time to time, the validity of the SPA was extended. Last extension was valid till 31.03.2020. On account of financial crisis, M/s Sical Logistics could not pay the sale value against SPA and therefore provision for Rs.33.80 crores was created by MMTC on 31.03.2020 towards diminution in value of investment. In March 2021, NCLT pronounced an order against M/s Sical Logistics Limited initiating corporate insolvency resolution process pursuant to the application preferred by MOL Toyofuji Automotive Logistics [India] Private Limited and an Insolvency Resolution Professional (IRP) was appointed. As per discussions with advocates, MMTC lodged its claim for Rs.34.26 crores with CIRP (Corporate Insolvency Resolution Professional) unpaid share sale consideration based on the SPA.

Meanwhile, on 21.12.2020, KPL issued a Notice of Intent to Terminate to SIOTL alleging a financial default under the License Agreement dated 11.07.2016. On 22.03.2021, KPL issued a 90 days' Termination Notice to SIOTL with effect from 22.03.2021. On the same date, KPL has also issued a Transfer Information Notice calling for information from JV Co within 30 days, i.e. by 20.04.2021. As suggested by advocates, MMTC filed a writ petition on 24/06.2021 in Madras High Court and prayed for settlement of dispute through Administrative Mechanism for Resolution of Dispute (AMRD).

M/s Sical Logistics, through its CIRP filed a stay petition against KPL in NCLT. MMTC has moved application to get impleaded in the matter. Arguments have been completed and the award has been reserved.

(v) TM Mining Company Ltd.-your company's JV with M/s TATA Steel Ltd. for mining, exploration and allied activities. However, as the JV Company was not able to generate any business since inception, MMTC Board has accorded approval for filing of necessary documents with Registrar of Companies (RoC) by the JV Company to 'strike off' the name of the JV Company from the records of RoC. Accordingly, the last balance sheet of JV has been drawn during FY 2018-19. All documents were submitted to RoC during FY 2018-19 for "Striking Off" by RoC.

The name of M/s. T M Mining Company Limited has been struck off from the register of companies and the said company dissolved w.e.f. 28.10.2021. In this regard, Notice in form STK 7 from MCA/ROC approving the "strike off" of the above mentioned company has also been received.

(vi) To promote the concept of Free Trade Warehousing Zones in India as declared in the EXIM Policy, MMTC and IL&FS established SPV IN 2004-05 in the name of Free Trade Warehousing Pvt Ltd. The equity is held on 50:50 basis between MMTC and IL&FS. Two 100% owned subsidiaries of FTWPL were established to administer the land banks at Kandla and Haldia. In view of financial situation of the promoters and the need for infusion of the substantial funds for development of the Project, it was decided by the promoters to exit from the project. Accordingly, the land at Kandla has been surrendered to the Project Authority. In regard to Haldia Land, local farmers had filed petition against Haldia Development Authority challenging the land acquisition in 2015 and stay was granted by Hon'ble High Court of Calcutta. Due to prolonged litigation and stay not being lifted, promoters decided to surrender the land to Haldia Development Authority(HDA). Accordingly in March, 2020, land was surrendered to HDA.

(vii) A 15 MW capacity Wind Mill project with 25 Wind Energy Generators was commissioned by MMTC in March, 2007 at Gajendragad in Karnataka. The power generated by the project is sold to HESCOM. The project is running successfully and has contributed to the development of area by meeting some of the power needs of Karnataka State. The turnover of the Wind Mill project during 2020-21 was Rs. 4.90 crores.

**INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT**

Cordial and harmonious industrial relations were maintained in your company during the year. No man days were lost due to any industrial unrest during the year. Further, meetings with representatives of Federation of Officers Associations/ Staff Unions/ SC&ST Associations, were held to share information / ideas with a view to achieve Company's goals and objectives The aggregate manpower of your company as on 31st March, 2021 stood at 702, comprising of 3 Board level Executives, 1 CVO, 324 officers and 374 staff/ worker. The manpower also includes 1 officer and 64 staff/ worker of erstwhile Mica Trading Company Ltd., which had been merged with your company pursuant to the orders of BIFR. The composite representation of the total manpower is - women employees representing 19.52% (137 employees) of the total manpower; SC, ST, OBC & Persons with Benchmark Disabilities (PwBD) to the extent of 21.79% (153 employees), 10.11% (71 employees), 11.54% (81 employees) and 2.14% (15 employees) respectively. No recruitment was made during the year.

**IMPLEMENTATION OF RESERVATION POLICY**

Your company has been complying with the Presidential Directives and other instructions/guidelines issued from time to time by the Government of India regarding the reservation in services for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), Economically Weaker Sections (EWS), Persons with Benchmark Disabilities (PWBDs) and Ex-servicemen. A statement showing representation of employees belonging to SC/ST/OBC is as below:

| Representation of SCs/STs/OBCs/Divyang as on 31.03.2021 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Group** | **Total No. of Employees** | **SCs** | **%age SCs** | **STs** | **% age STs** | **OBCs** | **%age OBCs** | **Divyang** | **%age Divyang** |
| **A** | 328 | 65 | 19.82 | 25 | 7.62 | 34 | 10.37 | 13 | 3.96 |
| **B** | 219 | 47 | 21.46 | 34 | 15.53 | 5 | 2.28 | 2 | 0.91 |
| **C** | 66 | 14 | 21.21 | 3 | 4.55 | 15 | 22.73 | 0 | - |
| **D** | 89 | 27 | 30.34 | 9 | 10.11 | 27 | 30.34 | 0 | - |
| **Total** | 702 | 153 | 21.79 | 71 | 10.11 | 81 | 11.54 | 15 | 2.14 |

| Recruitment of SCs/STs/OBCs/Divyang during the year 2020-21 | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Group** | **Total Recruitment** | **SCs** | **%age SCs** | **STs** | **%age STs** | **OBCs** | **%age OBCs** | **Divyang** | **% age Divyang** |
| A | No recruitment made. | | | | | | | | |
| **B** | No recruitment made. | | | | | | | | |
| **C** | No recruitment made. | | | | | | | | |
| **D** | No recruitment made. | | | | | | | | |
| **Total** | - | - | - | - | - | - | - | - | - |

| Promotion of SCs/STs during the year 2020-21 | | | | | |
|---|---|---|---|---|---|
| **Group** | **Total Promotions** | **SCs** | **%age SCs** | **STs** | **%age STs** |
| **A** | - | - | - | - | - |
| **B** | 10 | 5 | 50% | 2 | 20% |
| **C** | 4 | 2 | 50% | - | - |
| **D** | 2 | - | - | - | - |
| **Total** | **16** | **7** | **43.75%** | **2** | **12.50%** |

**TRAINING AND DEVELOPMENT**

For further enhancing / upgrading the skills of employees in the constantly changing business scenario, 232 employees were imparted training during the year in different spheres of company's activities. Due to pandemic situation in the country and restrictions imposed by the Government to contain it, only online training programmes (webinars) were organized. No physical classroom trainings were organized. The training interventions held covered both functional & behavioural trainings. The employees deputed for webinars included 41 employees belonging to SC, 18 to ST and 51 women employees.

**IMPLEMENTATION OF OFFICIAL LANGUAGE**

Your Company is fully committed to implement the Official Language Policy of the Government of India. All efforts were made by the company to achieve the targets prescribed in the Annual Programme for the year 2020-21 issued by the Department of Official Language, Ministry of Home Affairs, Govt. of India. In order to promote the usage of Hindi in Company's day to day work, several programmes viz. Hindi Workshops, Hindi Day/Week/Fortnight were organized at Corporate Office and Regional Offices during the year. This had brought positive results and a considerable increase in use of Hindi was observed in day to day official work. During the year, the Hon'ble Committee of Parliament on Official Language had inspected the Corporate Office for reviewing the progress of implementation of Hindi. Town Official Language Implementation Committee (PSU-1) awarded the Company for outstanding performance in Hindi. The Hindi website of the Company has been updated regularly. During the year, e-version of quarterly Hindi magazine 'Manikanchan' was published by the Company keeping in view the Covid SOP issued by the Govt.

**VIGILANCE**

Vigilance Division of MMTC has been laying its emphasis on Systemic Improvements and updation of SoPs to strengthen internal controls in MMTC as a Preventive Vigilance measures. During the year Vigilance Division processed 35 complaints. Out of these 35 complaints, 31 complaints have been disposed off and action on remaining 4 complaints were in progress as on 31.03.2021. As on date no complaint is pending. Departmental proceedings in 02 cases involving 08 officials are in progress. Out of these 02 cases, in one case involving 03 officials inquiry is in progress and in another case involving 05 officials, after completion of enquiry, case was submitted to CVC for 2nd stage advice, the same is awaited. During the year, 51 inspections were conducted by Vigilance Officers and 23 by Non-Vigilance Officers of Regional Offices, the inspection reports submitted by theses officers were processed at Corporate Office and appropriate action was taken, wherever required. Vigilance Division has also conducted 6 CTE type inspections of tenders floated by various divisions at Corporate Office and Regional Offices. Apart from inspections, Vigilance Division has also scrutinized 171 Annual Property Returns of the employees and 63 Audit Reports of Internal Auditors and shortcoming observed were communicated for corrective action.

Vigilance Division has also conducted various activities during Vigilance Awareness Week 2020, in all its offices from 27.10.2020 to 02.11.2020 as per instructions of CVC on the theme 'Satark Bharat, Samriddh Bharat (Vigilant India, Prosperous India)'. During the week, various activities including Preventive Vigilance Practices, online Integrity Pledge Administration and inhouse (housekeeping) activities were undertaken and compliance report as per Reporting Format was furnished to CVC.

**VIGIL MECHANISM**

In accordance with the provisions of Section 177 of Companies Act 2013, the Board of your company introduced a Scheme on 'Vigil Mechanism' in 2014. The vigil mechanism is established for Directors and employees to report their genuine concerns. The concerns, if any, from any employee/Director shall be addressed to the Chairman of the Audit Committee. During the year under review, no such complaint has been received. This mechanism is apart from the Whistle Blower Policy, already in force.

**INTEGRITY PACT**

Integrity Pact is promoted as part of series of steps taken by Central Vigilance Commission for ensuring transparency, equity and competitiveness in public procurement. Your Company has also implemented the same to promote transparency/ equity amongst the bidders and to plug any possibility of corrupt practices in trade conducted by the Company. Shri Bal Raj, ITS (Retd.), has been appointed to function as Independent External Monitor(IEM).

**CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABLE DEVELOPMENT**

Your company's CSR Policy is in line with Section 135 of the Companies Act '2013 and the CSR Rules as notified by the Ministry of Corporate Affairs and the CSR projects are being undertaken in terms of Section 135 of the Companies Act. The CSR Policy is hosted on the Company's website in bilingual form. Your company incurred losses during FY 2019-20. Accordingly, the CSR budget calculated in accordance with the Section 198 of the Companies Act-2013 i.e. 2% of average net profit of preceding 3 years was negative. Therefore, there was no annual CSR budget approved by Board of Directors for the year 2020-21. However, a sum of Rs. 96.46 lakhs was carried forward from the CSR budget of FY 2019-20, out of which Rs. 53.32 lakhs was contributed to PM-CARES Fund, Rs. 31.63 lakhs was expended towards Construction of Waiting Hall in District Hospital, Baran (an Aspirational District) in Rajasthan and Rs. 1.50 lakhs towards Skill Development Project. Apart from the above, a voluntary contribution of Rs. 2,82,546/- towards PM-CARES Fund was made during the year to help in the fight against the COVID-19 pandemic. Further, in terms of section 21(b) of the Companies (Amendment) Act 2019, a Special CSR Bank Account was opened during the year for the unspent CSR funds.

**CORPORATE GOVERNANCE**

Corporate Governance has emerged as an important tool to the business community to become efficient, competitive and successful enterprise. Your Company reposes its firm faith in continuous development, adoption and dedication towards the best corporate governance practices. Towards this end, the norms prescribed under the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Guidelines as applicable for CPSEs issued by the Department of Public Enterprises in this regard are being implemented regularly. However, appointment of vacant positions of Independent Directors as required as on 31.3.2021 is yet to be made by the Government.

A separate Report on Corporate Governance along with certificate from M/s VAP & Associates (CP No.13901) regarding compliance of the stipulations relating to corporate governance specified in Listing Regulations is annexed hereto and forms part of this report. It may be mentioned that the company has complied with the CG norms prescribed by the Department of Public Enterprises applicable for CPSEs and the quarterly reports on compliance of Guidelines of Corporate Governance for CPSEs are sent regularly.

**CODE OF CONDUCT**

Pursuant to Regulation 15(5) of Listing Regulations, the Code of Conduct applicable to the Board members & senior management personnel has been posted on the website of your company. All Board Members and Senior Management Personnel as on 31st March, 2021 to whom the said Code is applicable have affirmed compliance of the same for the period ended 31st March, 2021. Based on the affirmation received from Board Members and Senior Management Personnel, declaration regarding compliance of Code of Conduct made by the Chairman & Managing Director is given below:

**Declaration as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE's Guidelines on Corporate Governance**

"All the members of the Board and Senior Management Personnel have affirmed compliance of the 'Code of Business Conduct & Ethics for Board Members and Senior Management Personnel' of the company for the financial year ended on March 31, 2021."

sd/-
**SANJAY CHADHA**
Chairman & Managing Director
DIN.: 00752363

**BUSINESS RESPONSIBILITY REPORT**

In accordance with the provisions of regulation 34(2) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has prepared the Business Responsibility Report for inclusion in the Annual Report for the year 2020-21. The framework and principles suggested by SEBI is to assess compliance with environment, social and governance norms pertaining to Sustainable Development Goals. The said Business Responsibility Report is annexed herewith and forms part of the Annual Report.

**PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES**

Under Public Procurement Policy (PPP) issued by the Ministry of Micro, Small and Medium Enterprises, Government of India for Micro & Small Enterprises (MSEs), a minimum of 25% share out of the total procurement of goods and services by Central Ministries/Departments/PSUs are to be made from MSEs. Further out of the 25% target of annual procurement from MSEs, a sub-target of 5% annual procurement from MSEs owned by SC/ST Entrepreneurs and an additional 3% reservation for the Women owned MSEs within the above 25% reservation is applicable vide Gazette Notification dated 09.11.2018. Preference will be given to firms registered with the M/o MSME as per guidelines prescribed under MSMEs Act, 2006.

Pursuant to Public Procurement Policy, during the year 2020-21, total annual procurement by MMTC in respect of administrative requirements was Rs.5.78 Cr., out of which goods and services worth Rs.5.39 Cr. (i.e. 93.25%) were procured from MSEs including MSEs owned by SC/ST Entrepreneurs, Rs.0.21 Cr. (i.e. 3.9%) from MSEs owned by SC/ST entrepreneurs and Rs.0.0085 Cr. (0.16%) from MSEs owned by Women Entrepreneurs.

**PUBLIC DEPOSIT SCHEME**

As on 1st April 2020, there were no outstanding public deposits and the company did not invite/ accept any public deposit during the year ended 31st March, 2021.

**ANNUAL RETURN**

Pursuant to Section 92(3) of Companies Act, 2013 a copy of the Annual Return filed during 2020-21 is available on the website of the company: www.mmtclimited.com.

**STATUTORY AUDITOR'S REPORT**

The report of Statutory Auditors for the year 2020-21 along with Management's reply to the observations of the Statutory Auditors is annexed herewith.

**COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA**

The comments of Comptroller & Auditor General of India (C&AG) under section 143 (6) (b) of the Companies Act, 2013 on the Standalone and Consolidated Accounts of the Company for the year ended 31.03.2021 are yet to be received and the same shall be placed upon receipt at the AGM.

**SECRETARIAL AUDIT**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of M/s. VAP & Associates, Company Secretaries, New Delhi to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2021. The Secretarial Audit Report (in Form MR-3) along with Management's Reply on the observations of the Secretarial Auditor is annexed herewith.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

Details of investments, loans and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in Notes forming part of the financial statements. The company's exposure to NINL as on 31.3.2021 is Rs.3528.47 crores, including working capital credit facilities of Rs.1425 crores to meet the day to day operational activities of the JV company – M/s Neelachal Ispat Nigam Limited in accordance with provisions of Section 186 of Companies Act 2013 duly approved by the Board.

**RELATED PARTY TRANSACTIONS**

All transactions entered by the Company with Related Parties were in the Ordinary Course of Business. The Audit Committee granted omnibus approval for the transactions undertaken during 2020-21. The approval of the Board and Shareholders at the AGM for such Related Party Transactions were taken. Suitable disclosures as required under Ind AS-24 have been made in Note 42 of Notes to the financial statements. Details of the transaction are provided in Form AOC-2 which is annexed herewith.

The Policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the Company's website at the following link: http://mmtclimited.com/ files/related%20party%20transaction%20policy%20eng.pdf

## RISK MANAGEMENT POLICY

The Board of Directors approved the Risk Management Policy after the same has been duly recommended by the Audit Committee of Directors to take care of various risks associated with the business undertaken by your company. The details of various Risks associated with the trade conducted by the company and its risk management as practiced by the Company are provided as part of Management Discussions and Analysis Report which is annexed herewith. Further, the company has implemented Fraud Prevention Policy in order to enforce controls and to aid in prevention and detection of frauds in the Company. The Policy intends to promote consistent legal and ethical organizational behaviour by assigning responsibility for the development of controls, and providing guidelines for reporting and conduct of investigations of suspected fraudulent behaviour.

The Company does not take exposure in volatile commodities/ market condition. Generally, it makes purchases only against confirmed orders backed by appropriate margin money by way of EMD. Guidelines are in place requiring forward foreign exchange cover to be taken in respect of transactions involving MMTC funds.

## CONSERVATION OF ENERGY

During the year 2020-21, there was no activity in MICA group of your company. Therefore, pursuant to rule 8(3) of the Companies (Accounts) Rules, 2014, the company does not have anything to report under this head.

## PARTICULARS OF EMPLOYEES

As per provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the ratio of the remuneration of each director to the median employee’s remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time in the Directors’ Report. However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors’ Report.

## DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, your Directors state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended 31.3.2021;

c) the Directors have taken a proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis.

e) the directors of your company had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your company has put in place a policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up at Corporate Office & Regional Offices to redress complaints received regarding sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received by the company under the above Act during the year.

## INFORMATION UNDER RIGHT TO INFORMATION (RTI) ACT

Your company as a public Authority has responded to various compliances under RTI Act ’2005. A total of 28 RTI applications have been received directly / under Sec.6(3) and all the RTIs have been disposed of during the year. Details of designated First Appellate Authority (FAA), Transparency Officer, Chief Public Information Officer (CPIO)/ Nodal CPIO, Public Information officer (PIO’s) etc. have been displayed on public domain. A total of 28 RTIs were received and all have been disposed off. All the four quarterly (online) reports have been filed on CIC’s digital public interface. Your company has also undertaken ‘Self-Assessment Audit’ of the Voluntary Disclosures to be made on public domain (www. mmtclimited.com) in terms of provisions laid down in Section-4 of the RTI Act 2005 and same is submitted for third party audit and final evaluation by CIC.

**Dispute between MMTC & Anglo American Coal:**

For and on behalf of NINL, MMTC was procuring Coking Coal and entered into a LTA with M/s. Anglo American Coal Pty. Ltd., Australia in the year 2007. However, in the year 2009 dispute with Anglo arose for non-performance. Consequently, M/s. Anglo Coal had invoked the Arbitration.

After protracted litigation, Supreme Court upheld the Arbitration award given against MMTC on 12.05.2014 for US$ 78,720,414.92 in addition to legal expenses and interest to be charged for pre-award period from 01.10.2009 to 12.05.2014 @ 7.5% and post-award interest @ 15% till the date of payment. Further to this, on the Review Petition preferred by MMTC, the pendente lite and future interest has been reduced to simple interest of 6%.

During the period of arbitration, MMTC was informing NINL about development of the case without lodging any formal claim on NINL, however, MMTC was showing the Anglo Coal liability in its books as Contingent Liability on NINL. On receipt of the Review Order dated 29.07.2021 whereby the payable award amount was crystallized, MMTC formally lodged a claim on NINL vide letter dated 07.09.2021. Subsequently, MMTC sought an opinion from Learned AG regarding passing on of the liability of Anglo Coal to NINL and Ld. AG opined that initiation of legal proceedings against NINL is time barred. The matter was taken up in the NINL Board in its 180th, 181st & 182nd meeting held on 13.09.2021, 22.09.2021 & 24.09.2021 respectively. By majority, NINL Board decided that the liability cannot be passed on to NINL.

While making loss provisioning of the liability in its books of accounts, MMTC vide its letter dated 13.10.2021 to DoC requested for kind intervention in the matter for taking up the issue suitably with DIPAM for appropriate action in the internal Waterfall Mechanism for distribution of NINL divestment proceeds.

**BOARD OF DIRECTORS**

Following are the changes in the Board of Directors of your company since 1st April 2020: -

| Name of the Director | Category | Date of Appointment/ Cessation | Appointment/ Cessation |
|---|---|---|---|
| Shri Sudhanshu Pandey | CMD (Addl.Charge) | 13.05.2020 | Cessation |
| Shri Sanjay Chadha | CMD(Addl. Charge) | 14.05.2020 | Appointment |
| Shri Umesh Sharma | Director(Finance) | 31.05.2020 | Cessation |
| Shri Kapil Kumar Gupta | Director(Finance) | 01.06.2020 | Appointment |
| Shri Ashwani Sondhi | Director(Marketing) | 5.1.2021 | Cessation |
| Dr. Pradip Kumar Varma | Non official Independent Director | 13.11.2021 | Appointment |

The Board places on record its deep appreciation for the commendable services and the contributions made by the Directors who ceased to be on the Board w.e.f. 1.4.2020 onwards. The Board also welcomes Shri Sanjay Chadha, Shri Kapil Kumar Gupta and Dr. Pradip Kumar Varma and expresses its 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 Rajiv Ranjan Sinha, Director(P) shall retire at the AGM and, being eligible, has offered himself for re-appointment.

**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, Customers, Suppliers and other business partners for the excellent support and cooperation received from them during the year. Your Directors also recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution towards its progress.

By the Order of the Board

**Sd/-**

**(Sanjay Chadha)**

Chairman & Managing Director (Addl.Charge)

DIN No: 00752363

Dated: 24.11.2021

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2020-21

**Overview of Global Trade & Developments**

The economic and social disruptions brought about by COVID-19 resulted in a substantial reduction in global trade during 2020-21. According to UNCTAD, data for 2020 indicates a sharp decline in trade growth of about 8 per cent largely due to the pandemic. The sharpest drop in international trade occurred in the second quarter of 2020, with global merchandise trade falling by more than 20 per cent relative to the same quarter of 2019.

Trade trends for the second half of the year, although still negative on a year-over-year basis, were better than during the first half. For example, many East Asian countries have been performing relatively better. Notably, the relative recovery in the second half of 2020 was largely driven by China.

Global trade further rebounded in Q1 2021 with the easing of the lockdown across the globe, increasing by about 10 per cent year-over-year. There are signs of recovery and WTO estimates trade volume growth to rebound to 7.2 percent in 2021, but to remain well below the pre-crisis trend. The recovery in 2021 is dependent on the duration of the outbreak and the effectiveness of policy responses.

Trade growth is expected to remain strong in the second half of 2021, the overall forecast indicates an increase of about 16 per cent from the lowest point of 2020 (19 per cent for goods and 8 per cent for services). Trade in goods surpasses pre-pandemic levels, with the trade in COVID-related sectors remaining strong.

But the recovery process has lagged in many of the major economies, some of which recorded double digit drops in 2020. For example, imports and exports have remained substantially below 2019 levels for Brazil, Japan, and the Russian Federation. On the other hand, signs of a tepid recovery are found in the statistics of the European Union, Republic of Korea, and South Africa.

The outlook remains uncertain, given the combination of disruption of global value chains brought by COVID-19 and the unresolved trade issues among some of the major economies, and largely dependent on subsiding pandemic restrictions. Nevertheless, the fiscal stimulus packages and government interventions, particularly in developed countries, are expected to strongly support the global trade recovery throughout 2021.

For 2021-22 and beyond, it is possible for international trade growth to outpace the growth in global output, therefore bringing this ratio upward.

**Overview of Economic Developments in India during 2020-21**

India ranks 63rd in the World Bank's annual Doing Business Report (DBR), 2020 as against 77th rank in the DBR 2019, registering a jump of 14 ranks. During 2020-21, India's trade performance was resilient. Despite the crippling effect of COVID-19 pandemic on the global economy, the cumulative value of overall exports (merchandise and services) during the FY is estimated at USD 493.19 billion; compared to USD 528.37 billion during 2019-20, registering a negative growth of (-) 6.66 percent, which is fairly moderate given the prevailing global situation. It reflects a promising track of recovery over the course of the financial year after the huge downturn in April 2020.

Trade data for March 2021 reflects the build-up of a stronger recovery in exports despite several challenges. The commodities/groups that have recorded positive growth during 2020-21 are Other Cereals, Oil Meals, Iron Ore, Rice, Cereal preparations & Miscellaneous Processed Items, Drugs & Pharmaceuticals, Spices, Fruits & Vegetables, Carpet, Jute Manufacturing, Ceramic Products & Glassware, and Organic & Inorganic Chemicals.

The overall trade deficit, taking merchandise and services together, for FY 2020-21 is estimated at USD 12.74 billion. Over the entire FY21, India's economy is estimated to have contracted by 8.5 percent.

**Outlook for 2021-22**

The budget for the FY 2021-22 points to a shift towards demand-side stimulus, with an uptick in public investment (particularly in transport infrastructure) for the coming fiscal year. As per UNCTAD, an anticipated recovery in global demand will also help buoy the trade sector through 2021.

## MMTC- 2020-21 in retrospect

### Financial Review

In the backdrop of above international business scenario, your company achieved a trade turnover of Rs.26,364.50 crores during 2020-21 as against the turnover of Rs. 24,056.04 crores registered during last fiscal. This turnover includes Exports of Rs. 1,804.74 crores, Imports of Rs. 20,696.64 crores and domestic trade of Rs. 3863.12 crores. Your Company suffered a Net Loss of Rs.769.69 crores in the current financial year mainly due to provisioning of Rs.877.43 crores on account of liability arising out of Supreme Court award on the litigation with M/s. Anglo Coal in a disputed case of 2009-10 in which there has been a prolonged litigation with arbitration award of USD 78.77 million along with interest in 2014 which was upheld by the Single Bench of High Court of Delhi in 2015. However, the Double Bench of High Court of Delhi gave some reprieve to MMTC in 2015 but the Supreme Court restored the Arbitration Award in 2020. Though MMTC is trying to contest through a Curative Petition in the Supreme Court, there is a little certainty of the outcome. Further, a Contingent Liability of Rs.128.89 crores has been shown in MMTC's books due to non-provisioning of pre-award interest pending clarification by the Hon'ble Supreme Court. During the period of arbitration MMTC was informing NINL about the developments of the case without lodging any formal claim on NINL, however, MMTC was showing the Anglo Coal Liability in its books as Contingent Liability on NINL.

### Source and Utilization of Funds

The source of funds of the company as on 31st March, 2021 comprises of shareholders fund amounting to Rs.422.46 crores including equity share capital of Rs.150 crores and non-current and current liabilities of Rs.47.64 crores and Rs.5,036.66 crores respectively. These funds have been deployed, inter alia, towards non-current assets amounting to Rs. 695.84 crores and current assets of Rs.4,810.92 crores as on 31st March, 2021.

### Internal Control Procedures

MMTC has Internal Audit System & Procedures which are in line with its diverse functions. The scope of audit is reviewed by Audit Committee. The directions, if any, of Audit Committee are duly complied. The company has an Internal Audit Division, to coordinate with external auditing firms in conducting internal audit. Steps have been taken for strengthening the internal controls through concurrent audit of transactions at Regional Offices, exception reporting by the Auditors etc. The audit reports are also shared with Vigilance Division/ Statutory Auditors as per their requirement. The Audit Committee comprises of Shri Manjunath G, Independent Director as Chairman, Shri Shashank Priya, Govt. Nominee Director and Dr.(Mrs.) Swadhinta Krishna, Independent Directors as Members.

Towards this, an approved Internal Audit Manual, Accounting Manual, Corporate Risk Management Policy and Business-cum-Internal Control Manual for various trades of MMTC have been put in place to take care of internal control mechanisms, risk assessment on the business proposals and systematic SOP for undertaking various trades.

The Audit Committee of Directors meets, as required, the Company's Statutory Auditors/Internal Auditors to ascertain their concerns and observations on financial reports.

### Subsidiary Company

To tap South East Asian market for trading in commodities, MMTC Transnational Pte. Ltd. (MTPL), Singapore, the wholly owned subsidiary of your Company has been engaged in commodity trading and has established itself as a credible and reputable trading outfit in Singapore. During the financial year 2020-21 MTPL achieved sales turnover of USD486.20 million as against USD333.60 million recorded during last fiscal achieving more than 45.74% growth against the previous year. The Net Profit of MTPL during the financial year 2020-21 amounted to USD1.12 million as against USD 0.97 million earned during 2019-20. The net worth of MTPL stood at USD 10.47 million as on 31st March 2021. Overall dividend declared by MTPL since inception is USD 21.94 million which includes a dividend of USD 3.90 million received from MTPL during FY2020-21.

### Business Group wise Review for 2020-21

### Minerals

The Minerals group of your Company used to play a leading role in iron ore trade for a period spanning over five decades. In the last decade, MMTC could withstand the stiff competition in the global market by consolidating the mineral portfolio, dynamic and prudent strategies to insulate against the market vagaries, expanding extensively its infrastructure facilities and by attaching utmost care and importance to its trade commitments as also the quality of service and products.

During 2020-21 the Minerals Group of your Company achieved a turnover of Rs.1798.10 crores, which includes exports of Iron Ore valuing Rs.1791.61 crores, export of Chrome Ore – Rs.0.32 crore and export of Manganese ore/oxide amounting to Rs 4.85 crores and also domestic sale of Iron ore worth Rs.1.32 crores. The main constituents of this group are:

**(i) Iron Ore**

As per current EXIM Policy of Government of India, MMTC Limited was the designated State Trading Enterprise for export of Iron Ore for grade Fe 64% and above. MMTC exported Iron ore to Japan and South Korea under Long Term Agreements(LTAs), duly approved by the Govt. of India. The last LTA was for the period 2018-21 and during the year under review, supply of iron ore (Lumps and Fines) under Long Term Agreements(LTAs) continued to Japanese Steel Mills (JSMs) and POSCO, South Korea. However, exports of Iron ore under the Long Term Agreements(LTAs) with Japanese Steel Mill and POSCO, South Korea has not been renewed by the Govt. of India resulting in MMTC discontinuing the iron ore business under LTA after 31.3.2021.

**(ii) Manganese Ore**

As per EXIM Policy, export of Manganese Ore is canalized through MMTC. India has reserves of 475 million MT but annual production hovers around 3.0 million MT. Annual consumption of manganese in India is about 5.5 – 6.0 million MT. Lumpy ore produced in India is consumed entirely by domestic industry. Only a small quantity of low grade manganese ore fines not consumed by domestic industry is offered to MMTC for exports.

During the year MMTC exported Manganese Ore worth Rs.4.85 crores.

**Precious Metals, Gems & Jewellery**

Your Company has been one of the leading importer of precious metals as a nominated agency for more than over three decades and has been supplying precious metals to Exporters/Domestic end users on pan India basis including SEZs through a controlled and monitored way, covering all the prominent jewellery manufacturing hubs of India. MMTC has tied up with many of London Bullion Market Association (LBMA) approved foreign suppliers to cater domestic market and exporters for supply of precious metals at competitive premium.

The corona virus pandemic, with its far-reaching effects and record high prices, was the driving factor behind weakness in consumer demand in precious metals throughout 2020, despite that Precious Metals Group of MMTC contributed a gross turnover of Rs.14,041.36 crores and a profit of Rs.53.15 crores for FY 2020-21, contributing to almost 53% of the total turnover achieved by the company. The turnover of this group includes import of gold and silver worth Rs.11,340.53 crores and E-auction of GMS Gold and customs confiscated Gold worth Rs.2452.12 crores. MMTC also facilitates Customs Authorities and Temple Trusts in sale of gold/silver lying with them through e-auction process.

**Non Ferrous Metals**

The Metals Group of your Company has achieved a sales turnover of Rs.74.00 crores during 2020-21 which includes import of zinc worth Rs.72.58 crores and antimony worth Rs.0.29 crore and domestic trade of lead and tin worth Rs.0.06 crore and Rs.1.07 crore respectively.

**Agro Products**

The Agro group of your Company achieved a turnover of Rs.644.50 crores during FY 2020-21 which includes domestic trade of pulses, edible oil and sugar.

MMTC has been in agricultural commodities business for almost three decades, beginning with import of rice, export of wheat and then the sunrise segment of Soya bean processing for export of soya de oiled cake and sale of Crude Soya Oil in the domestic market. Opportunities for export and import of grains like rice, wheat and sugar also were available either on Government account or on commercial basis. Under the Price Stabilization Scheme of the Government, MMTC has played a key role in import of pulses and onions in the past.

During the F.Y.2020-21, DGFT nominated MMTC as the sole STE for import of Copra and one of the STEs for import of coconut oil wherein MMTC is also permitted to issue NOC's to the associates having DGFT's license. After the DGFT's Notification, several customers holding DGFT's license approached MMTC for their requirement of import of Copra/ Coconut oil. Accordingly, MMTC is issuing NoCs for import of coconut oil and copra to the various parties approaching MMTC with valid DGFT's license. In F.Y. 2020-21, MMTC had issued NOC's for a total quantity of about 3840 MT for import of Copra/Coconet oil to various associates and had booked a margin of about Rs.1.10 crores. It is expected that more customers would approach MMTC for their requirement of imports of Copra/Coconut oil in future leading to more margins from this business. MMTC is also regularly participating in the tenders of State Governments for supply of RBD palm oil, pulses and sugar. MMTC has been one of the regular suppliers of palmolein in pouches and packaged pulses and sugar to Tamil Nadu State Civil Supplies Corporation.

MMTC is on the lookout for opportunities for import/export of agri-products.

**Fertilizers and Chemicals**

MMTC imports urea on behalf of Department of Fertilizers, Ministry of Chemicals and Fertilizers based on MOU signed between MMTC & DOF. MMTC also imports Sulphur for SAIL RSP based on MOU signed between SAIL & MMTC. MMTC also trades in other fertilizer products e.g. DAP, MOP etc. depending on requirement of its end customers.

During FY 2020-21, the Fertilizer division has contributed a turnover of Rs.9185.83 crores which included import of about 4.49 million tonnes of urea on behalf of DOF valuing Rs.9177.84 crores and import of sulphur worth Rs.6.49 crores and non-canalized urea worth Rs.1.50 crores. Urea is one of the major fertilizers to meet nitrogen nutrient requirement of the soil. During the financial year 2020-21, MMTC's urea import has accounted for approximately 50% of country's import requirement. The share of MMTC's urea imports came down as compared to last financial year due to induction of one more STE.

However, MMTC has since been delisted as an STE for import of Urea (for agricultural use) for Department of Fertilizer vide DGFT's Notification No.40/2015-2020 dated 3rd November, 2021, resulting in a loss of a substantial business segment.

**Coal and Hydrocarbons**

The Coal and Hydrocarbons Group of your Company has achieved a turnover of Rs.584.60 crores which included import of coking coal worth Rs.74.17 crores and domestic trade of steam coal worth Rs.486.22 crores. Domestic trade of Lam coke and coke breeze was worth Rs.15.19 crores and Rs.9.02 crores respectively. The products handled by this group are Steam Coal and Coking Coal.

MMTC has been supplying steam coal to power plants through participating in limited/open tenders of power utilities and on Nomination basis. However, MMTC is envisaging opportunity in supplying imported steam coal to cement, sponge iron units and captive power plants in India so as to generate more business.

During 2020-21, your company supplied 8.18 lac MTs of imported steam coal valued at Rs.488.81 Crores to the Andhra Pradesh Power Development Company Limited.

**General Trade**

The General Trade Group of your company achieved a turnover of Rs.36.11 crores during the year under review. The group finalized export of Red Sanders based on the allocation received from Directorate of Revenue Intelligence, valuing Rs.7.96 crores during the year 2020-21. Import of Silver/Gold Alloy amounted to Rs.23.24 crores. Sale of Wind Power generated from the Wind Farm at Gajendragad in Karnataka earned a turnover of Rs.4.90 crores. Further an amount of Rs. 0.01 crore was realized through sale of carbon credit generated from the Wind Mill Activity. The power generated from the project is sold to HESCOM. The project is running successfully and has contributed to the development of the area by meeting some portion of energy needs of Karnataka State.

**Future prospects of the Company**

Historically, the Company has been engaged in canalized business activities in the segments of Minerals & Metals, Fertilizers, Precious Metals and Agri products which were the mainstay to generate turnover and trading income. In addition, the Company has forayed into backward/forward integration through stakes in joint ventures most of which have been non - performing. The major investment of the Company in the joint ventures has been into M/s. NINL, a Company co-promoted by IPICOL, OMC, NMDC, BHEL & MECON. While the intent was to expand its business in steel segment by way of entering into a marketing agreement(s) with NINL for sourcing of raw materials and sale of finished products, the Company gradually increased its exposure by giving Corporate Guarantee to the tune of Rs. 1470 crores to NINL's bankers and bond holders for extending funded and non - funded facilities and thereafter by extending loans to finance day to day operations of NINL. Cyclical nature of steel industry coupled with CapEx not providing required impetus and returns and inefficiencies in operations over the years rendered NINL as a perpetual loss making entity since 2012-13 with networth turning negative from FY 2016-17 onwards and was unsustainable. The regular infusion of funds till 2019-20 (because of which exposure increased from Rs. 928 Cr. in 2015-16 to Rs. 3221 Cr. in 2019-20) was ostensibly an attempt to salvage the huge investment already made. MMTC has a financial liability of Rs. 3528.47

crores as on 31.3.2021 on NINL and the continuous increase in extending loans/working capital to NINL by borrowing from banks resulted in exhaustion of MMTC's bank limits in 2019-20 and as a result the Company was compelled to go for restructuring of its loans during the current fiscal to be repaid through proceeds realized from disinvestment of NINL which is being undertaken under the aegis of DIPAM. The divestment process is at an advanced stage.

The Company's profit excluding interest from NINL has not been sufficient to meet its operative expenses regularly since the year 2012-13 and the Company's exposure to banks increased from Rs. 272 crores in 2015-16 to Rs. 2422 crores in 2019-20 and as on 31.3.2021 it is Rs.2364 crores. In the year 2019-20 alone, the Company took net loans of around Rs. 1500 crores from the banks to meet the negative cash flow. On the other hand, the business opportunities for the Company have been severely curtailed with following directions :

a) Department of Commerce has advised the Company for downsizing of its business and pruning down its activities.

b) Deptt. of Commerce has advised that Long Term Agreement for export of Iron Ore to Japan and Korea is not extended beyond 31.3.2021. Iron Ore was one of the largest contributor towards MMTC's profit.

c) The Company has been delisted from STE's nominated for Import of Urea on behalf of Deptt. of Fertilizers vide DGFT Notification No. 40/2015-2020 dated 03/11/2021. Urea import was at a very large substantive part of MMTC's turn over and significant contributor to its trading income.

d) Moreover, in a disputed case of 2009-10, Hon'ble Supreme Court has ruled against the Company in respect of non-performance of Contract signed by the Company for import of Coking Coal for NINL with the supplier M/s. Anglo Coal. Though the Company faced an adverse arbitration award on 12.05.2014 and upholding of award by Single Bench of Delhi High Court on 10.07.2015, the Company was given a reprieve by the Division Bench of Delhi High Court on 02.03.2020, thereby setting aside the award. The party in their SLP in the Hon'ble Supreme Court challenged judgement of the Division Bench and sought restoration of the arbitration award which has been ruled in favour of the party vide judgement dated 17.12.2020, thus creating a liability of Rs 1000 crores (approx.) on MMTC.

The above have adversely affected the Company's sustainability given the current level of administrative expenses. The viability of the Company is contingent upon (a) Realization of sufficient proceeds from disinvestment of NINL to liquidate MMTC bank debts and past dues in full, (b) Meeting liability of Anglo Coal through monetization of real asset base and (c) Restoration of canalized business of Iron Ore and Urea. There is a move for drastic pruning down of present manpower and revamping of human resources with adequate professional skill set to ensure that the administrative expenses are fully met from the trading income itself. MMTC has taken up with Govt. to make available funds on loan basis for implementing VRS so as to reduce manpower. It is understood that on a proposal of "Rationalization of Government Bodies in D/o Commerce" a view has emerged that PSUs like STC, MMTC & PEC no longer hold relevance and should be wound up. A final decision on this however is expected to be taken by the Ministry of Commerce & Industry.

**Cautionary Statement**

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

# ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR 2020-21

**1. Brief outline on CSR Policy of the Company**

Your Company has consistently played the role of a good corporate citizen and has shown its deep commitment towards Corporate Social Responsibility practices by conducting its business in an ethically, socially and environmentally sustainable manner. Even in the absence of an official mandate regarding CSR activities, your Company adopted CSR as a policy initiative long ago in Sept. 2006, effective from 2007-08, and allocated 1% of retainable profit of previous year for undertaking CSR activities. Special emphasis were given on education, health care, promotion of art & culture and undertaking community related activities, besides providing relief in times of natural calamities.

In 2010, The Department of Public Enterprises (DPE) issued detailed guidelines on CSR for adoption by CPSEs. Your Company adopted these guidelines and realigned its CSR policy accordingly. These were followed by DPE guidelines of November 2011 and April 2013 which were again duly adopted by the Company.

The Company's CSR policy is now in line with Section 135 of the Companies Act and the CSR Rules as notified by the Ministry of Corporate Affairs and the CSR projects are being undertaken in terms of Section 135 of the Companies Act. The Company's CSR Policy is hosted on its website.

Your company incurred losses during FY 2019-20. Accordingly, the CSR budget calculated in accordance with the Section 198 of the Companies Act, 2013 i.e. 2% of average net profit of preceding 3 years was negative. Therefore, there was no annual CSR budget approved by Board of Directors for the year 2020-21. However, the unspent CSR budget of FY 2019-20 amounting Rs. 96.46 lakhs was carried forward to FY 2020-21. During the year, out of the carried forward CSR fund, Rs. 53.32 lakhs was contributed to PM-CARES Fund, Rs. 31.63 lakhs was expended towards Construction of Waiting Hall in District Hospital, Baran (an Aspirational District) in Rajasthan and Rs. 1.50 lakhs towards Skill Development Project.

Apart from the above, a voluntary contribution of Rs. 2,82,546/- towards PM-CARES Fund was made during the year to help in the fight against the COVID-19 pandemic. Further, in terms of section 21(b) of the Companies (Amendment) Act 2019, a Special CSR Bank Account was opened during the year for the unspent CSR funds.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Shri Manjunath G | Independent Director/ Chairman of the Committee | 1 | 1 |
| 2. | Shri Sanjay Chadha | CMD/ Member | 1 | - |
| 3. | Shri Rajiv Ranjan Sinha | Director (Personnel)/ Member | 1 | 1 |
| 4. | Shri Kapil Kumar Gupta | Director (Finance)/ Member | 1 | 1 |

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

Web-link: https://www.mmtclimited.com/pages/display/89-corporate-social-responsibility

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social resposibility Policy) Rules, 2014, if applicable (attach the report).**

Not applicable.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any**

| Sl. No. | Financial Year | Amount available for set- off from preceding financial years (in Rs) | Amount required to be setoff for the financial year, if any (in Rs) |
|---|---|---|---|
| 1. | 2020-21 | Nil | Nil |
| | TOTAL | Nil | Nil |

6. **Average net profit of the company as per section 135(5). Rs. (23.48) crores**
7. **(a) Two percent of average net profit of the company as per section 135(5): NA**
   **(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil**
   **(c) Amount required to be set off for the financial year, if any: Nil**
   **(d) Total CSR obligation for the financial year (7a+7b-7c): Nil. However, a voluntary contribution of Rs. 2,82,546/- towards PM-CARES Fund was made during the year under CSR to help in the fight against the COVID-19 pandemic.**
8. **(a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (in Rs.) | Amount Unspent (in Rs.) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 2,82,546 | NA | NA | NA | NA | NA |

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

Not applicable.

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes /No) | Location of the project | | Amount spent for the project (in Rs.) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 1. | Contribution to PM CARES Fund | Healthcare [S.No. (i) of Sch VII] | No | - | - | 2,82,546 | No | PM-CARES Fund | - |
| | TOTAL | | | | | 2,82,546 | | | |

**(d) Amount spent in Administrative Overheads: Nil**

**(e) Amount spent on Impact Assessment, if applicable: NA**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 2,82,546/-**

**(g) Excess amount for set off, if any**

| Sl. No. | Particular | Amount (in Rs.) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | NA |
| (ii) | Total amount spent for the Financial Year | Rs. 2,82,546/-* |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | NA |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | Nil |

* Voluntary Contribution

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years. (in Rs.) |
|---|---|---|---|---|---|---|---|
| 1. | 2018-19 | - | 1,50,000 | - | - | - | Nil |
| 2. | 2019-20 | - | 84,95,040 | - | - | - | 10,01,200 |
| | TOTAL | | 86,45,040 | | | | 10,01,200 |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Project ID** | **Name of the Project** | **Financial Year in which the project was com-men- ced** | **Project duration** | **Total amount allocate d for the project (Rs. in Lakh)** | **Amount spent on the pro-ject in the reporting Financial Year (Rs.** | **Cumula-tive amount spent at the end of reporting FY (Rs. in Lakh)** | **Status of the project - Com-ple ted/ Ongoing** |
| 1. | | Contribution to PM CARES Fund | 2019-20 | - | 53.32 | 53.32 | 53.32 | Com-pleted |
| 2. | | Construction of Waiting Hall for Maternity & Child Health (MCH) in District Hospital, Baran | 2019-20 | 2 years | 52.72 | 31.63 | 47.45 | Ongoing |
| 3. | | Undertaking Skill develop-ment training for disadvan-taged social groups (Women, downtrodden and under priviledged children) in the area of (i) Apparel & Dress Making (Cutting & Tailoring) and (ii) Beautician (Beauty and wellness) | 2019-20 | 1 year 6 months | 5.00 | 1.50 | 3.50 | Ongoing |
| 4. | | Towards educational activities for the under privileged children | 2019-20 | 1 year 6 months | 5.32 | 0 | 2.08 | Ongoing |
| | **TOTAL** | | | | **116.36** | **86.45** | **106.35** | |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). Nil**

**(a) Date of creation or acquisition of the capital asset(s). NA**

**(b) Amount of CSR spent for creation or acquisition of capital asset. NA**

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA**

**(d) Provide details of the capital asset (s) created or acquired (including complete address and location of the capital asset). NA**

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**
Not applicable.

**Sd/-**
**(R R Sinha)**
**Director(Personnel) Member-CSR Committee**
**DIN: 08487833**

**Sd/-**
**(Manjunath G.)**
**Independent Director & Chairman - CSR Committee**
**DIN: 08308050**

# CORPORATE GOVERNANCE IN MMTC

Corporate Governance has become an integral part of the organization to accomplish the strategic goals of the company, strengthen confidence, maximize long term value of shareholders and stakeholders' wealth. MMTC is fully committed to promoting and strengthening the principles of sound Corporate Governance norms through the adherence of highest standards of transparency, trust and integrity, performance orientation, professionalism, ethical business practices, responsibility and accountability, social responsiveness and commitment to the organization as a self-disciplined code for sustainable enrichment of value for stakeholders which include investors, directors, employees, suppliers, customers or the community in general.

A Report in line with the requirements of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE) is given below as a part of the Directors' Report along with a Certificate issued by a Practicing Company Secretary regarding compliance with the provisions of Corporate Governance.

**BOARD OF DIRECTORS**

The Board of MMTC Ltd has a mix of Executive & Non- Executive Directors. The present Board as on date of this report includes Chairman & Managing Director (Additional Charge), one Whole Time Director (Marketing), one Whole Time Director (Personnel), one Whole Time Director (Finance), two Part Time Govt. Nominee Directors and three Part Time Non-Official (Independent)Directors. The President of India appoints all the Directors of MMTC Ltd in accordance with the provisions of Articles of Association of the Company. All the Directors, except CMD and Independent Directors, are liable to retire by rotation and at least one third of the directors liable for rotational retirement, retire every year and if eligible, qualify for reappointment.

The members of the Board, apart from receiving Directors' remuneration, in case of Functional Directors and Sitting fees in the case of Non-official(Independent) 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 2020-21 was as under:-

| S. No | Name of Director | Executive/ Non-Executive | Designation held | No. of Directorship in other Board as on 31.3.2021 | No. of Board Committees of which Member/ Chairman as on 31.3.2021 |
|---|---|---|---|---|---|
| 1 | Mr. Sanjay Chadha | Executive | Chairman & Managing Director (Addl.Charge) | CMD - 1 | Member-1 |
| 2 | Mr. Ashwani Sondhi (upto 5.1.2021) | Executive | Director (Marketing) | N.A. | N.A. |
| 3 | Mr. Umesh Sharma (Upto 31.05.2020) | Executive | Director (Finance) | N.A. | N.A. |
| 4 | Mr. Manjunath G. | Non- Executive | Part Time Non-official (Independent) Director | NIL | Chairman-1 |
| 5 | Dr.(Mrs.) Swadhinta Krishna | Non- Executive | Part Time Non-official (Independent) Director | NIL | Member -1<br>Chairperson -1 |
| 6 | Mr. Shashank Priya | Non- Executive | Govt. Nominee Director | Director – 6 | Member – 3<br>Chairman – 1 |
| 7 | Mr. Shyamal Misra | Non- Executive | Govt. Nominee Director | Director-1 | Member-2 |
| 8 | Mr. Sudhanshu Pandey (upto 13.5.2020) | Non- Executive | Chairman & Managing Director | N.A. | N.A. |
| 9 | Mr. J.Ravi Shanker | Executive | Director(Marketing) | Chairman – 2<br>Director-3 | NIL |
| 10 | Mr. R.R. Sinha | Executive | Director (Personnel) | Director-2 | NIL |
| 11 | Mr. Kapil Kumar Gupta | Executive | Director(Finance) | Director-6 | Member-1 |

*Only the Audit Committee and Stakeholder Relationship Committee of other Public Companies have been considered.

N.A.->Since these directors ceased to be on the Board of the Company hence their disclosures as on 31.03.2021 are not available.

**Changes in Board of Directors (Since 01.04.2020)**

| Name of Director | Category | Date of Appointment/ Cessation | Particulars of Change |
|---|---|---|---|
| Mr. Sudhanshu Pandey | Govt. Nominee Director | 13.5.2020 | Cessation |
| Mr Sanjay Chadha | CMD (Addl.charge) | 14.5.2020 | Appointment |
| Mr. Umesh Sharma | Executive (Director-Finance) | 31.05.2020 | Cessation |
| Mr. Kapil Kumar Gupta | Executive (Director-Finance) | 01.06.2020 | Appointment |
| Mr. Ashwani Sondhi | Executive (Director-Mktg.) | 05.01.2021 | Cessation |
| Dr. Pradip Kumar Varma | Non Official (Independent) Director | 13.11.2021 | Appointment |

**Remuneration of Directors**

MMTC is a govt. of India Enterprise in which all members of the Board are appointed by the President of India through the administrative Ministry- Department of Commerce, Ministry of Commerce & Industry, Govt. of India, which, Inter-alia fixes the remuneration of such Whole Time Directors/CMD through their respective appointment orders/pay fixation orders. CMD and Whole Time Directors of MMTC are appointed by the President of India, generally with a service contract of five years or till the date of superannuation or further orders of the government whichever is earlier. The Directors so appointed by the President of India are not entitled for any notice period/severance fees. The functional members of the Board of Directors are entitled to performance Related Pay in terms of Guidelines issued by the Department of Public Enterprises, Govt. of India. Non-official Part Time (Independent) Directors are presently entitled to a sitting fee @Rs.15000/- 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 for 2020-21 to Functional Directors including CMD are given below:

| Name of Director | Salary & benefits (Rs.) | Performance related pay paid for 2020-21 | Bonus, Stock option, pension, severance fee | No. of shares of MMTC held as on 31.3.2021 |
|---|---|---|---|---|
| **Executive Directors** | | | | |
| Mr. Kapil Kumar Gupta | 3073988 | Nil | Nil | Nil |
| Mr. R.R. Sinha | 3350865 | Nil | Nil | Nil |
| Mr. Ashwani Sondhi | *2750667 | Nil | Nil | N.A. |
| Mr. Umesh Sharma | *880078 | Nil | Nil | N.A. |
| Mr. J.Ravi Shanker | 3421420 | Nil | Nil | Nil |

**Includes PRP 2016-17.*

**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 other member of the Board is free to recommend inclusion of any subject matter in the agenda for deliberations. Detailed agenda papers including explanatory notes are circulated in advance on all major issues to facilitate the Board to take well-Informed and independent decisions.

During the year, the Board of directors met six times i.e. on 4.6.2020, 31.7.2020, 14.9.2020, 13.11.2020, 1.12.2020 & 15.1.2021. The attendance of the Directors at these Board Meetings and the last AGM on 24th December, 2020 is 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 24.12.2020 |
|---|---|---|---|---|
| (a) | **Functional Directors** | | | |
| | Mr.Sudhanshu Pandey | Nil | Nil | N.A. |

| | | | | |
|---|---|---|---|---|
| | Mr. Sanjay Chadha | 6 | 6 | Yes |
| | Mr. Ashwani Sondhi | 5 | 5 | Yes |
| | Mr. J. Ravi Shanker | 6 | 6 | Yes |
| | Mr. Umesh Sharma | Nil | Nil | Nil |
| | Mr. R.R. Sinha | 6 | 6 | Yes |
| | Shri Kapil Kumar Gupta | 6 | 6 | Yes |
| **(b)** | **Ex-officio Part Time Directors (Govt. Nominee)** | | | |
| | Mr. Shashank Priya | 6 | 6 | No |
| | Mr. Shyamal Misra | 6 | 5 | No |
| **(c)** | **Non- official Part Time(Independent) Directors** | | | |
| | Mr. Manjunath G. | 6 | 5 | Yes |
| | Dr.(Mrs.) Swadhinta Krishna | 6 | 6 | Yes |

**Separate Meeting of Independent Directors**

A Separate Meeting of Independent Directors was held on 31st March, 2021 in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Schedule IV of Companies Act, 2013 and as per the Guidelines issued by DPE on Role & Responsibilities of Non- Official Directors (Independent Directors) of CPSEs. All the Independent Directors as on that date attended the said Meeting.

**Declaration by Independent Directors**

All the Independent Directors in the first board meeting they attended as Independent Director and first meeting held at the beginning of the financial year gave a declaration that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and DPE Guidelines on Corporate Governance for CPSEs.

A detailed presentation is given to every Independent Director about the business of the Company in order to familiarize them with Company's business and to enable them to function effectively, besides Independent directors are also being nominated in different training programs organized by Department of Public Enterprises from time to time. Details of nomination of independent directors in such programs is available at http://mmtclimited.com/pages/display/294-training-programme-for-directors.

**Performance Evaluation of Board Members**

Ministry of Corporate Affairs vide Circular dated 5th June 2015 has exempted Govt. companies from the provisions of Section 178(2) which provides for manner of performance evaluation of Board of Directors, Committee of Board of Directors and director by the Nomination & Remuneration Committee. Similar exemption is also expected from SEBI under the SEBI(LODR) Regulations, 2015. The above mentioned circular of MCA also exempted Govt. Companies from provisions of Section 134(3)(p) which requires mentioning the manner of formal evaluation of its own performance by the Board and that of its Committees/Individual director in Board's Report, if directors are evaluated by the administrative ministry/department of the Central Govt./State Govt. as per its own evaluation methodology. In this regard, DPE has already laid down a mechanism for performance appraisal of functional directors. DPE has also initiated evaluation of Independent Directors.

It may further be mentioned that MMTC enters into MOU with Govt of India (Ministry of Commerce & Industry) each year, containing key performance parameters for the company. The MOU targets are considered and form an integral part of performance appraisal of the individuals. The MOU covers all operational and performance parameters including financial targets, cost cutting targets, community development and any other relevant factor. The performance of the company is evaluated annually by the DPE vis-à-vis MOU entered into with the Govt of India.

**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:

1. Audit Committee of Directors
2. Nomination & Remuneration Committee of Directors
3. Stakeholders Relationship Committee

4. Share Transfer Committee
5. Committee of Directors on Personnel Policies
6. Committee of Directors on Subsidiary, Joint Venture & Associate Companies
7. Committee of Directors on CSR and Sustainability
8. Functional Management Committee of Directors
9. Risk Management Committee of Directors

**1. Audit Committee of Directors**

The Audit Committee of the company constituted by the Board Comprised of two Part Time Non-Official (Independent) Directors and one Part Time (Govt. Nominee) Director as on 31.03.2021. All the meetings of the committee held during the year were chaired by non-executive Independent Director. Company Secretary is 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 the Companies Act, 2013 and the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

During the year 2020-21, the Committee met four times as detailed hereunder:-

| S. No. | Date of Meeting | Member Present | Chairperson |
|---|---|---|---|
| 1 | 31.7.2020 | Shri Shashank Priya<br>Dr.(Mrs.)Swadhinta Krishna | Shri Manjunath G |
| 2 | 14.9.2020 | Shri Shashank Priya<br>Dr. (Mrs.) Swadhinta Krishna | Shri Manjunath G |
| 3 | 3.11.2020 | Shri Shashank Priya | Dr.(Mrs.) Swadhinta Krishna |
| 4 | 1.12.2020 | Shri Shashank Priya<br>Dr.(Mrs.)Swadhinta Krishna | Shri Manjunath G |

Other functional Directors and Statutory Auditor of the Company also attended the above meetings to assist the Audit Committee in its deliberations. The minutes of the above meetings were regularly submitted to the Board for its information.

Further it is also confirmed that there was no recommendation of Audit Committee which was not accepted by the Board.

**2. Nomination & Remuneration Committee of Directors:**

Pursuant to the provision of Companies Act, 2013 and applicable provisions of Listing Regulations, the Nomination & Remuneration Committee of Directors comprises of Dr.(Mrs.) Swadhinta Krishna, Part Time non-official (Independent) Director as Chairperson, Shri Manjunath G, Part Time Non-official (Independent) Director and Shri Shashank Priya, Govt. Nominee Director as its Members as on 31.03.2021. The Committee performs such functions and duties and exercises such powers as specified in Part D of Schedule II of Listing Regulations, DPE Guidelines dated 26th November 2008. The Company Secretary is the Secretary of the Committee. During the year 2020-21, the Committee met once as detailed hereunder: -

| S No | Date of Meeting | Member Present | Chairperson |
|---|---|---|---|
| 1 | 31.3.2021 | Shri Shashank Priya | Dr. (Mrs.) Swadhinta Krishna |

The minutes of the said meeting were submitted to the Board of Directors for information.

**3. Stakeholders Relationship Committee**

The Composition of Stakeholder Relationship Committee constituted by the Board of Directors comprised of Dr.(Mrs) Swadhinta Krishna, Part Time non-official (Independent) Director, as its Chairperson, Shri Kapil Kumar Gupta, Director(Finance) and CMD, MMTC as its members as on 31.03.2021. Company Secretary is the Secretary to the Committee. The Committee expeditiously considers and monitors the resolution of grievances of the shareholders/other investors. During 2020-21 one meeting of this committee was held, details are as under;

| S No | Date of Meeting | Member Present | Chairperson |
|---|---|---|---|
| 1 | 31.3.2021 | Shri K.K. Gupta | Dr.(Mrs.) Swadhinta Krishna |

Details of Investor Complaints/Grievances during the FY 2020-21:

| No. of Complaints received during the year | No. of complaints resolved during the year | No. of Complaints pending as on 31.03.2021 |
|---|---|---|
| 21 | 15 | 6 |

**4. Share Transfer Committee**

Share Transfer Committee constituted by the Board of Directors comprised of all Functional Directors, MMTC as its members and Company Secretary as Secretary to the Committee expeditiously considers and approves requests for physical share transfers, re–materialization and de-materialization etc. During 2020-21 no meeting of this committee was held.

**5. Committee of Directors on Personnel Policies**

The Committee of Directors on Personnel Policies constituted by the Board comprised of Dr.(Mrs) Swadhinta Krishna Part Time Non-Official (Independent) Director as its Chairperson, Shri Manjunath G, Part Time Non-Official (Independent) Director and Shri Ashwani Sondhi, Director(Marketing), MMTC as its Members to consider and recommend approval of modifications/formulation of service rules and other personnel policies to the Board of Directors. The Company Secretary is the Secretary to the Committee. During 2020-21 no meeting of this Committee was held.

**6. 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 composition of the Committee as on 31.3.2021 included CMD, MMTC as Chairman of the Committee with Dr(Mrs.) Swadhinta Krishna, Part Time Non-official Director and Shri J Ravi Shanker, Director(Marketing) MMTC as its Members. The Company Secretary is the Secretary to the Committee. During 2020-21 no meeting of this Committee was held.

**7. Committees of Directors on CSR & Sustainability**

The Committees was constituted to regulate and monitor the CSR activities of the Company, in accordance with applicable provisions of Companies Act, 2013 and DPE Guidelines in this regard issued from time to time. As on 31.03.2021, the Composition of the Committee included Shri Manjunath G, Part Time Non-official(Independent) Director as Chairman with CMD, Director(Finance) and Director(P) as its Members. The Company Secretary is the secretary of the Committee.

During 2020-21 one meeting of this committee was held and details are hereunder: -

| S No | Date of Meeting | Member Present | Chairperson |
|---|---|---|---|
| 1 | 16.2.2021 | Shri R.R. Sinha<br>Shri K.K. Gupta | Shri Manjunath G |

The minutes of the said meeting were submitted to the Board of Directors for information.

**8. Functional Management Committee of Directors**

The "Functional Management Committee of Directors" constituted by the Board of Directors Consist of CMD, MMTC as the Chairman of the Committee, all Functional Directors as members and Company Secretary as Secretary to the Committee. The said Committee has been delegated the powers to take decision(s) in all matters over and above the powers delegated to CMD by the Board of Directors from time to time, except the matters specified under the Companies Act,2013/other Statutes, to be considered and decided at the meeting of Board of Directors and/or shareholders as also the matters specified and reserved by Board for its decisions or for consideration and decisions of any other committee constituted by Board of Directors under Article 99 of Articles of Association of MMTC. During 2020-21 seven meetings of this Committee were held. The minutes of these meetings were submitted to Board of Directors for information.

**9. Risk Management Committee of Directors**

Risk Management Committee of Directors comprising of all functional Directors of the Company as members and CMD as Chairman of the Committee was constituted in August 2016. As on 31.3.2021, the Committee comprised of CMD as Chairman, all Functional Directors and Shri Manjunath G, Part Time Non-official (Independent) Director as members of the Committee. The said Committee shall function as per the roles specified under the Listing Regulations and other provisions of any other Statutes as amended from time to time. Company Secretary shall continue to be the Secretary to the Committee. During 2020-21 one meeting of this committee was held and details are hereunder: -

| S No | Date of Meeting | Members Present | Chairperson |
|---|---|---|---|
| 1 | 31.3.2021 | Shri R.R. Sinha<br>Shri K.K. Gupta | Shri J.Ravi Shanker |

**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 Resolution passed |
|---|---|---|
| 55th Annual General Meeting | 28.09.2018 at 1100hrs | Nil |
| 56th Annual General Meeting | 30.09.2019 at 1130hrs | Nil |
| 57th Annual General Meeting | 24.12.2020 at 1130 hrs | Nil |

**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 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 Company has not opted for Employees Stock Option Scheme.

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

e) The company has established a vigil mechanism and same has been uploaded on the website of the company.

f) Company has broadly complied with all the requirements of SEBI(LODR) Regulations, 2015, the Companies Act, 2013 and Guidelines on Corporate Governance for CPSEs issued by DPE, Govt. of India except as mentioned in the Report.

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

h) Pursuant to clause 9(n) of Part C of Schedule V of SEBI(LODR)Regulations, 2015, the disclosure regarding commodity risks by listed entities is placed at Annexure-C to this Report.

**CEO/CFO Certification**

As required under Regulation 17(8) of SEBI(LODR) Regulations, 2015, the Certificate duly signed by Chairman & Managing Director and CFO of the company was placed before the Board of Directors at the meeting held on 27th October, 2021 and the same is annexed (Annexure-A) to Corporate Governance Report.

**Means of Communications**

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

**Shareholders information**

**(a) Annual General Meeting**

The 58th Annual General Meeting of the Company is scheduled to be held on Thursday, 16.12.2021 through Video Conferencing ("VC")/Other Audio Visual Means("OAVM") .

**(b) Financial Calendar for 2021-22**

| Adoption of quarterly results for the quarter ending | Last date for adoption of Financial Results |
|---|---|

| | |
|---|---|
| June 30, 2021 | 14th August, 2021 |
| September 30, 2021 | 14th November, 2021 |
| December 31, 2021 | 14th February, 2022 |
| March 31, 2022 | 30th May, 2022 |

**(c) Dates of Book Closure**

The Share Transfer Books and Register of Members shall remain closed from 11.12.2021 to 16.12.2021 (both days inclusive) for the purpose of AGM.

**(d) Dividend Payment-** Pursuant to provisions of Section 43A of SEBI (LODR)Regulations, 2015 the Company has formulated a Dividend Distribution Policy annexed herewith at Annexure-B and the same is available at https://mmtclimited.com/files/dividend % 20distribution %20policy.pdf. The details of dividend paid during the last three years are as under:

| Year | 2017-18 | 2018-19 | 2019-20 |
|---|---|---|---|
| **Rate** | 30% | 30% | NIL |
| **Date** | 20.10.2018 | 18.10.2019 | NIL |

**(e) Listing on stock exchanges:** The Shares of the company continue to be listed at BSE and NSE. Listing fees for F.Y. 2020-21 has already been paid to both stock exchange.

**(f) Market Price Data:** The month-wise market price data of MMTC's scrip quoted/traded at Bombay Stock Exchange/NSE during the financial year 2020-21 is given below:

| Month | High (Rs) | Low (Rs) | Month | High (Rs) | Low (Rs) |
|---|---|---|---|---|---|
| **Bombay Stock Exchange** | | | **National Stock Exchange** | | |
| April 2020 | 15.95 | 12.00 | April 2020 | 15.90 | 12.05 |
| May 2020 | 15.77 | 13.20 | May 2020 | 15.80 | 13.05 |
| June 2020 | 17.85 | 15.15 | June 2020 | 17.85 | 15.10 |
| July 2020 | 21.70 | 16.65 | July 2020 | 21.65 | 16.60 |
| August 2020 | 21.85 | 17.85 | August 2020 | 21.90 | 17.80 |
| September 2020 | 19.20 | 15.80 | September 2020 | 19.20 | 15.70 |
| October2020 | 17.25 | 15.75 | October2020 | 17.25 | 15.75 |
| November 2020 | 19.60 | 15.80 | November 2020 | 19.75 | 15.75 |
| December 2020 | 27.75 | 18.55 | December 2020 | 27.75 | 16.80 |
| January 2021 | 33.20 | 26.40 | January 2021 | 33.20 | 26.20 |
| February 2021 | 42.30 | 27.25 | February 2021 | 42.30 | 27.70 |
| March 2021 | 52.55 | 40.15 | March 2021 | 52.55 | 40.20 |

**(g) Registrar & Transfer Agents (RTA):** M/s. MCS Share Transfer Agent Limited, F–65 Okhla Industrial Area, Phase I, New Delhi -110020, is the Registrar & share Transfer Agent of the Company effective from 1st April 2015, for shares held both in physical as well as in dematerialized mode.

**(h) Dematerialization of Shares:** The shares of MMTC Ltd continue to be an eligible security for trading in dematerialized form by CDSL and NSDL with ISIN No**: INE123F01029.**

As on 31st March 2021, out of 150 crores equity shares of MMTC Ltd of face value of Re.1/- each, 1348903143 shares are held by the President of India and 151092112 shares by others in dematerialized form leaving only 4745 shares in physical form.

**(i) Share Transfer System:** The shares of the Company are transferred within the standard time 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 31.03.2021. Share transfers in physical form has been discontinued by SEBI w.e.f. 1.4.2019. Share transfers/transmission and all other investor related activities are attended to and processed at the office of RTA i.e. MCS Share Transfer Agent Ltd.

**(j) Distribution of shareholding as on 31.3.2021:** The Distribution of shareholding as on 31.3.2021 is tabulated here-in-below:

| Category of Shareholder | | No of Share-holders | Total Number of Shares | Total share holding as % age of total number of shares |
|---|---|---|---|---|
| **(A)** | **Shareholding of Promoter and Promoter Group** | | | |
| (i) | Central Govt. | **1** | **1348903143** | **89.927** |
| (B) | Public shareholding | | | |
| (a) | Central Govt/State Govt. | **1** | **10264** | **0.001** |
| (b) | Mutual Funds/AIF | **3** | **72709** | **0.005** |
| (c) | Financial Inst./Banks | **1** | **632** | **0.026** |
| (d) | Insurance Companies | **6** | **60025104** | **4.002** |
| (e) | Foreign Portfolio Investors | **0** | **0** | **0** |
| | **Non Institutions** | | | |
| (a) | Bodies Corporate | **617** | **4883720** | **0.326** |
| (b) | Individual holders having share capital up to Rs 2 lakh | **148206** | **83924318** | **5.595** |
| (c) | Individual holders having share capital in excess of Rs 2 lakh | **1** | **296000** | **0.019** |
| (d) | Trust and Foundations | **7** | **22150** | **0.001** |
| (e) | Non Resident Individuals | **1093** | **1819460** | **0.121** |
| (f) | NBFCs registered with RBI | **2** | **42500** | **0.003** |
| | **TOTAL** | **149938** | **1500000000** | **100** |

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

**(k)** Top 10 Public Shareholders as on 31st March, 2021

| S.No | Name | No. of Shares held | % of total shares |
|---|---|---|---|
| 1 | LIFE INSURANCE CORPORATION OF INDIA | 50909511 | 3.3940 |
| 2 | UNITED INDIA INSURANCE COMPANY LIMITED | 3682471 | 0.2455 |
| 3 | GENERAL INSURANCE CORPORATION OF INDIA | 2760000 | 0.1840 |
| 4 | THE NEW INDIA ASSURANCE COMPANY LIMITED | 1712446 | 0.1142 |
| 5 | NATIONAL INSURANCE COMPANY LTD | 675268 | 0.0450 |
| 6 | RAVIKUMAR RAMKISHORE SANWALKA | 296000 | 0.0197 |
| 7 | THE ORIENTAL INSURANCE COMPANY LTD | 285408 | 0.0190 |
| 8 | JAYSHRI CHANDRAPRAKASH CHOPRA | 200000 | 0.0133 |
| 9 | ZERODHA BROKING | 182692 | 0.0122 |
| 10 | RAMJILAL LADHA & SONS (HUF) | 173781 | 0.0116 |

**(l) Distribution of Shareholding as on 31st March 2021**

| Category(Shares) | No. of Shares | % of Shareholding | Total No. of Shareholders | % of Shareholders |
|---|---:|---:|---:|---:|
| 1-500 | 16074916 | 1.0717 | 119451 | 79.5629 |
| 501-1000 | 11891327 | 0.7928 | 15066 | 10.0350 |

| | | | | |
|---|---|---|---|---|
| 1001-2000 | 12421315 | 0.8281 | 8284 | 5.5177 |
| 2001-3000 | 7587159 | 0.5058 | 2908 | 1.9369 |
| 3001-4000 | 3770210 | 0.2513 | 1050 | 0.6994 |
| 4001-5000 | 4498471 | 0.2999 | 962 | 0.6408 |
| 5001-10000 | 10558468 | 0.7039 | 1437 | 0.9571 |
| 10001-50000 | 16875597 | 1.1250 | 884 | 0.5888 |
| 50001-100000 | 4538725 | 0.3026 | 65 | 0.0433 |
| And Above | 1411783812 | 94.1189 | 27 | 0.0180 |
| Total | 1500000000 | 100 | 150134 | 100 |

**(k) Geographical Distribution of Shareholders as on 31st March 2021**

| CITY | No. of Shareholders | % of total shareholders | No. of Shares | % of Total Shares |
|---|---|---|---|---|
| AHMEDABAD | 6400 | 4.26 | 5310080 | 0.35 |
| BANGLORE | 3840 | 2.56 | 2724063 | 0.18 |
| BHUBANESWAR | 442 | 0.29 | 228224 | 0.02 |
| CHANDIGARH | 551 | 0.37 | 330165 | 0.02 |
| CHENNAI | 3163 | 2.11 | 6940713 | 0.46 |
| DELHI | 15118 | 10.07 | 1356879007 | 90.46 |
| GUWAHATI | 346 | 0.23 | 368282 | 0.02 |
| HYDERABAD | 3040 | 2.02 | 2396999 | 0.16 |
| JAIPUR | 2760 | 1.84 | 1540194 | 0.10 |
| KANPUR | 993 | 0.66 | 557654 | 0.04 |
| KOLKATA | 4357 | 2.90 | 4499728 | 0.30 |
| MUMBAI, THANE, NAVI MUMBAI | 17943 | 11.95 | 72139444 | 4.81 |
| NAGPUR | 911 | 0.61 | 320257 | 0.02 |
| NCR | 4402 | 2.93 | 3097399 | 0.21 |
| PATNA | 757 | 0.50 | 317094 | 0.02 |
| TRIVANDRUM | 225 | 0.15 | 101479 | 0.01 |
| OTHERS | 84886 | 56.54 | 42249218 | 2.82 |

**(l) Shareholders/ other Investor's Grievances:**

Shareholders/ other Investors may also lodge their grievance(s) with Company Secretary- email id: ganarayanan@mmtclimited.com

**(m) Address for Correspondence:**

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

# Annexure-A to Corporate Governance Report

Pursuant to provisions of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, it is hereby certified that:

a) The financial statements and the cash flow statement for the year ended 31.3.2021 have been reviewed and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial/operational reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit committee

   i. significant changes in internal control over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

| sd/- | sd/- | sd/- | sd/- |
|---|---|---|---|
| **(Kapil Kumar Gupta)** | **(J Ravi Shanker)** | **(R.R. Sinha)** | **(Sanjay Chadha)** |
| Director (Finance) & CFO | Director(Marketing) | Director(P) | Chairman and Managing Director(Addl.Charge) |

# Annexure-B to Corporate Governance Report

**Dividend Distribution Policy of MMTC Limited**

## I Background

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed entities based on market capitalization (calculated as on 31st March of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

Since MMTC is amongst the top 500 listed entities as per the criteria as at March 31, 2016, the dividend distribution policy has been formulated.

## II Policy Framework

The policy has been framed broadly in line with the provisions of the Companies Act and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, Department of Public Enterprises, SEBI and other guidelines, to the extent applicable.

## III Factors in consideration

MMTC has been consistently paying dividends and is committed to deliver sustainable value to all stakeholders. Dividend is declared at the Annual General Meeting of the shareholders of the Company, based on the recommendations of the Board of Directors. It is at the discretion of the Board to recommend dividend. The Board may also declare interim dividend.

The decision regarding dividend pay-out is a crucial decision as it balances the amount of profit to be distributed among shareholders of the company with the requirement of deployment of internal accruals for its sustenance and growth plans. The factors generally considered before recommending/declaring dividend are as follows:

### A. Circumstances under which the shareholders of the Company may or may not expect dividend

The factors that may generally be considered by the Board before making any recommendations for the dividend include, but are not limited to, future capital expenditure plans, profits earned during the financial year, cost of raising funds from alternate sources, cash flow position and applicable taxes including tax on dividend, subject to the guidelines as applicable from time to time.

### B. Financial Parameters that shall be considered while declaring dividend

Being a Central Public Sector Enterprise, the Company endeavors to declare the dividend as per the guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by DIPAM, Govt. of India on 27.05.2016, mandating every CPSE to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions.

Nonetheless, Company is expected to pay the maximum dividend permissible under the Act under which it has been set up, unless lower dividend proposed to be paid is justified on a case to case basis at the level of Ministry of Commerce & Industry after considering the following financial parameters:

(i) Net-worth and Capacity to borrow;

(ii) Long-term borrowings;

(iii) CAPEX/Business Expansion needs;

(iv) Retention of profit for further leveraging in line with the CAPEX needs; and

(v) Cash and bank balance.

### C. Internal and External factors that shall be considered for declaration of dividend

**C.1 Internal Factors**

**Net Worth of the Company**

As per the extant guidelines issued by DIPAM, Govt. of India, every CPSE would pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher subject to the maximum dividend permissible under the extant legal provisions. Being a Government Company, MMTC is required to comply with these guidelines.

Apart from the above parameters, the Company may also consider various other internal factors, which inter alia include:

- Present & future capital requirements of the existing businesses;
- Additional investments in subsidiaries/associates of the Company;
- Any other factor as deemed fit by the Board.

**C.2 External Factors**

**C.2.1 Economic Environment**

In case of uncertain or recessionary economic and business conditions, the Company will endeavor to retain larger part of profits to build up reserves to sustain future updowns.

**C.2.3 Statutory Provisions and Guidelines**

The Company will adhere to the restraints imposed by Companies Act with regard to declaration of dividend. Further, being a Government Company, the Company shall also consider the guidelines in force in respect of dividend declaration as issued from time to time by the Govt. of India or by any other statutory bodies.

**D. Utilization of Retained Earnings**

The Company is engaged into trading of various commodities and part of its diversification measures, may form Joint Ventures in the line of business being carried out by the Company. The retained earnings will be deployed in line with the objects of the company as detailed in the Memorandum of Association of the company, thus contributing to the growth of the business and operations of the Company.

**E. Parameters to be adopted with regard to various classes of shares**

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

**Other provisions**

In case of any subsequent changes in any Statutory Act, Rules, Regulations etc. which makes any of the provisions in this policy inconsistent with them, then the provisions of the Statutory Act, Rules, Regulations etc. would prevail over the policy.

CMD is authorized to approve any minor modifications/ deviations to the policy and will be the competent authority for any interpretation with regard to this Policy.

# Annexure – C to Corporate Governance Report

1. Risk management policy: The Board of directors approved the Risk Management Policy after the same has been duly approved by Audit committee of directors to take care of various risks associated with business undertaken by the company.

2. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year.

   a. Total exposure of the listed entity to commodities in INR and (b) Exposure of the listed entity to various commodities:

As on 31.03.2021

| Commodity name | Exposure in INR towards the particular commodity Rs. Cr. | Exposure in Qty terms towards the particular commodity in KGS | % of such exposure hedged through commodity derivatives | | | | |
|---|---|---|---|---|---|---|---|
| | | | Domestic Market | | International Market | | TOTAL |
| | | | OTC | Exchange | OTC | Exchange | |
| GOLD | 14.83 | 33.00 | - | 100% | - | - | 100% |
| SILVER | 16.08* | 3217.23 | - | - | - | - | - |

**Note :**

1. Silver hedging started from October 2018
2. Silver open position is 3217.23 kgs.
3. Commodity Risk faced by the corporation:

   There is a price fluctuation risk which is covered in Commodity Exchange except for the silver quantity mentioned at point no. 2.

4. *Value arrived as per average price of Silver Medallions/Articles as per DRO books of accounts.

VAP & ASSOCIATES
Company Secretaries

Add: 387, First Floor, Shakti Khand-3,
Indirapuram, Ghaziabad-201010, U.P.
Tel: +91-0120-4272409
M: +91- 9910 091 070
+91- 9711 670 085
E-mail: vapassociatespcs@gmail.com

## COMPLIANCE CERTIFICATE ON THE CORPORATE GOVERNANCE

**To**
**The Members,**
**MMTC Limited**
**Core-1 Scope Complex, 7 Institutional Area,**
**Lodhi Road, New Delhi-110003.**

We have examined the compliance of conditions of Corporate Governance by **MMTC LIMITED** ("**the Company**") for the financial year ended March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the "Listing Regulations")** and in Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises ("DPE Guidelines").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 Listing Regulations and DPE Guidelines during the financial year ended March 31, 2021, except:

1. The composition of the Board was not in compliance with the provisions under Regulations 17(1)(b) of the SEBI (LODR) Regulations, 2015, as half of the Board does not comprise of Independent Directors on the Board during Audit period. As per the DPE Guidelines, where Board of Directors is headed by an Executive Chairman, the number of Independent Directors shall be at least 50% of Board Members. However, there were only two Independent Director on the Board of the Company

2. In the Audit Committee meeting held on 13.11.2020 two members were present, however, there was only one Independent Director was present instead of two. The Company has submitted clarification to NSE vide letter dated 03.02.2021 regarding the non availability of one Independent Director.

3. There was delay in submission of financial Results as per Regulation 33(3)(a) of the Regulations as the Financial Results for the quarter ended 31.12.2020 was submitted on 16.04.2021. The company had sought extension of time from SEBI/Stock Exchanges.

PARUL JAIN
Digitally signed by PARUL JAIN
Date: 2021.11.18 16:25:51 +05'30'

**VAP & ASSOCIATES**
Company Secretaries

Add: 387, First Floor, Shakti Khand-3,
Indirapuram, Ghaziabad-201010, U.P.
Tel: +91-0120-4272409
M: +91- 9910 091 070
+91- 9711 670 085
E-mail: vapassociatespcs@gmail.com

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

For **VAP & Associates**
**Company Secretaries**
**FRN: S2014UP280200**
**Peer Review No: 1083/2021**

PARUL JAIN Digitally signed by PARUL JAIN Date: 2021.11.18 16:26:11 +05'30'

**Parul Jain**
**Proprietor**
**M. No. F8323**
**CP No. 13901**
**UDIN: F008323C001682237**

**Date: 18.11.2021**
**Place: Ghaziabad**

# MMTC Limited
# Business Responsibility Report for FY 2020-21

**About the Company**

MMTC Ltd. a Mini Ratna Category–I Central Public Sector Undertaking (CPSE), was incorporated in 1963 and is one of the largest International trading companies in the country. The registered office of the Company is situated at Core-1, SCOPE Complex, 7, Institutional Area, Lodi Road, New Delhi – 110 003, India. The Company has 05 Regional Offices and 04 Sub-Regional Offices in major cities of India and a wholly owned subsidiary – MMTC Transnational Pvt. Ltd (MTPL), Singapore.

The major business activities of the Company are export of Minerals; import of Precious metals, Non-Ferrous Metals, Fertilizers, Agro Products, Coal and Hydrocarbon and Domestic sale of Sanchi Branded silver products, India Gold Coin, Gold Medallions etc. MMTC also deals in Engineering products, has Joint Ventures in steel, retailing, free trade warehousing and commodity exchanges etc.

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

MMTC has promoted various joint ventures like Neelanchal Ispat Nigam Ltd., MMTC PAMP India Pvt. Ltd., TM Mining Company Ltd., SICAL Iron Ore Terminal Ltd., Free Trade Warehousing Pvt. Ltd., Indian Commodity Exchange Ltd. etc. following the Public-Private Partnership (PPP) route to take advantage of new opportunities emerging in the free market environment.

**Corporate Mission**

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

**Corporate Objectives**

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

**Business Responsibility Report – FY 2020-21**

As per the Clause 55 of the Listing Agreement of the Securities Exchange Board of India [SEBI] introduced in 2012, the top Five Hundred listed companies in terms of market capitalisation have been mandated to issue annual Business Responsibility Report [BRR].

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1. Corporate Identity Number (CIN) of the Company
   L51909DL1963GOI004033
2. Name of the Company
   **MMTC LIMITED**
3. Registered address

**Core-1, Scope Complex,**
**7 Institutional Area, Lodhi Road, New Delhi -110003**

4. Website
   **www.mmtclimited.com**

5. E-mail id
   **mmtc@mmtclimited.com**

6. Financial Year reported
   **2020-21**

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

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
   **(i) Bullion**
   **(ii) Urea**
   **(iii) Iron Ore**

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

10. Markets served by the Company – Local/State/National/International
    **Asia, Europe, Africa, Australia, North and South America**

SECTION B: FINANCIAL DETAILS OF THE COMPANY

| | | |
|---|---|---|
| **1.** | Paid up Capital (INR) | **150 Crores** |
| **2.** | Total Turnover (INR) | **26,381.16 Crores** |
| **3.** | Total profit after taxes 2020-21 (INR) | **(769.69) Crores** |
| **4.** | Total budgeted expenditure on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | MMTC incurred losses during FY 2019-20. Accordingly, the CSR budget calculated in accordance with the Section 198 of the Companies Act-2013 i.e. 2% of average net profit of preceding 3 years was negative. Therefore, there was no annual CSR budget approved by Board of Directors for the year 2020-21. |
| **5.** | List of activities in which expenditure in 4 above has been incurred | There was no annual CSR budget approved by Board of Directors for the year 2020-21. However, a sum of Rs. 96.46 lakhs was carried forward from the CSR budget of FY 2019-20, out of which Rs. 53.32 lakhs was contributed to PM- CARES Fund, Rs. 31.63 lakhs was expended towards Construction of Waiting Hall in District Hospital, Baran (an Aspirational District) in Rajasthan and Rs. 1.50 lakhs towards Skill Development Project.<br>Apart from the above, a voluntary contribution of Rs. 2,82,546/- towards PM-CARES Fund was made during the year to help in the fight against the COVID-19 pandemic. |

**SECTION C: OTHER DETAILS**

**1. Does the Company have any Subsidiary Company/ Companies?**

Yes. MMTC TRANSNATIONAL Pte LTD, SINGAPORE (Overseas Subsidiary Company)

**Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then**

**indicate the number of such subsidiary company(s)**

- No

2. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

– No

**SECTION D: BR INFORMATION**

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

a. Details of the Director/Director responsible for implementation of the BR policy/policies for the year 2020-21

- DIN Number - 08487833
- Name - Shri Rajiv Ranjan Sinha
- Designation - Director (Personnel)

b. Details of the BR head

| S. No. | Particulars | Details |
|---|---|---|
| 1. | DIN Number (if applicable) | |
| 2. | Name | Sanjay Kaul |
| 3. | Designation | Chief General Manager (Personnel) |
| 4. | Telephone number | 011-24360365 |
| 5. | e-mail id | skaul@mmtclimited.com |

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

| | | |
|---|---|---|
| Principle 1 | - | Businesses should conduct and govern themselves with Ethics, Transpar ency and Accountability. |
| Principle 2 | - | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle. |
| Principle 3 | - | Businesses should promote the wellbeing of all the employees. |
| Principle 4 | - | Businesses should respect the interests of, and be responsive towards all the stakeholders, especially those who are disadvantaged, vulnerable and marginalized. |
| Principle 5 | - | Businesses should respect and promote human rights. |
| Principle 6 | - | Businesses should respect, protect and make efforts to restore the environment. |
| Principle 7 | - | Businesses, when engaged in influencing public and regulatory policy should do so in a responsible manner. |
| Principle 8 | - | Businesses should promote inclusive growth and equitable development. |
| Principle 9 | - | Businesses should engage with and provide value to their customers and consumers in a responsible manner. |

| S. No. | Questions | P 1 | P2 | P 3 | P4 | P5 | P6 | P7 | P8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Do you have policy/policies for.... | Y | Y | Y | Y | Y | Y | N | Y | Y |
| 2. | Has the policy being formulated in con-sultation with the relevant stakeholders? | Y | | Y | Y | Y | | | Y | |
| 3. | Does the policy conform to any national /international standards? If yes, specify? (50 words) | N | | Y | Y | Y | | | Y | Y |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 4. | Has the policy being approved by the Board?<br>Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | | Y | Y | Y | | | Y | |
| 5. | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy? | Y | | Y | Y | Y | | | | |
| 6. | Indicate the link for the policy to be viewed online? | **www.mmt-climited.com** | | **www.mmt-climited.com** | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | | Y | Y | Y | | | Y | |
| 8. | Does the company have in-house structure to implement the policy/policies. | Y | | Y | Y | Y | | | Y | |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | | Y | Y | Y | | | | |
| 10. | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Y | | Y | | Y | | | | |

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

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

**3. Governance related to BR**

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

The Board of MMTC has been meeting atleast within 3 months. The meetings of the Board are governed by a structured agenda for discussions. Detailed agenda papers including other explanatory notes are circulated in advance on all major issues to enable the Board to take informed and independent decisions. To facilitate expeditious consideration and arriving at decisions with focused attention on the affairs of the company, the Board has constituted various committees with distinct role, accountability and authority. The top management reviews the performance of the organization in every meeting that was held atleast on quarterly basis. During the year 2020-21 MMTC's Management has discussed and reviewed following:

- Corporate Plan/ Draft MoU with MoC&I
- HR related issues
- Review of investments in JVs

- NINL related matters
- Annual Budget
- Share price & shareholding pattern of MMTC
- Status of placement of surplus funds
- Approval of financial statements/results
- Annual Report on CSR/ BRR for 2019-20
- Implementation of CSR activities as per Schedule-VII of Companies Act-2013.

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

As per the mandate by SEBI top 500 companies by market capital have to prepare the BRR. MMTC has been publishing its BRR since 2012-13 regularly despite not being positioned in the top 100 listed Companies. The BRR forms a part of the annual report, and can be viewed on the Company's official website www.mmtclimited.com.

The organization is also a member of the United Nations Global Compact Network (UNGCN) and submits its Communication on Progress [COP] report annually. This is available to all these stakeholders on UNGC's website.

**SECTION E – PRINCIPLE WISE PERFORMANCE**

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

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

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

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

   Yes, the Integrity Pact adopted for all the procurement tenders beyond a threshold value, Citizen Charter extends its purview to vendors, buyers, suppliers, contractors etc. while the code of conduct, whistle blower policy and Audit Committee Vigil Mechanism covers only the employees of the company. Company also engages Independent External Monitors (IEMs) in line with CVC guidelines and undertakes preventive vigilance measures.

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

   A total number of 76 public grievances were received during the year 2020- 21 on CPGRAMS portal and all of them have been closed.

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

MMTC is majorly in the business of trading and is also engaged in fabrication of gold and silver medallion of different denominations. MMTC ensures highest quality of the products it trades and ensures fabrication of medallion as per BIS.

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

1. **Please indicate the Total number of employees**

   The total number of employees as on 31.03.2021 is 702 (including Board level executives)

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

   No temporary/ contractual employee was engaged directly on the rolls of MMTC. However, based on requirement, certain maintenance works such as housekeeping, security, gardening, electrical repairs, furniture repair etc. are being carried out through outsourced services.

3. **Please indicate the Number of permanent women employees.**

   Total number of permanent women employees – 137

4. **Please indicate the Number of permanent employees with disabilities**

   Total number of permanent employees with disabilities – 15

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

   Yes

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

   100%

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

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

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

   Aiming towards further enhancing / upgrading the skills of employees in the constantly changing business scenario, 232 (33.05%) employees were imparted training during the year in different spheres of company's activities. Due to pandemic situation in the country and restrictions imposed by the Government to contain it, only online training programmes (webinars) were organized. No physical classroom trainings were organized. The training interventions held covered both functional & behavioural trainings. The employees deputed for webinars included 41 (17.67%) employees belonging to SC, 18 (7.76%) to ST and 51 (21.98%) women employees.

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

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

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

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes, the organisation has identified vulnerable and marginalised stakeholders in the communities and has engaged with them through its CSR activities.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes. MMTC follows the presidential directives and guidelines issued by Government of India regarding reservation in services for SC/ ST/ OBC/ PWD (Persons with Disabilities)/ Ex servicemen to promote inclusive growth. Grievance/ Complaint Registers are also maintained at Corporate Office/ Regional Offices for registering grievances. Efforts are made to promptly dispose-off representations / grievances received from SC/ ST employees. Employees belonging to PWD have been assigned jobs which they can perform efficiently keeping in view their disability. A permanent ramp has been erected at the main entrance gate of Corporate Office for easy mobility of a PWD employee who uses wheel chair.

Office buildings have auditory signals announcing the floor destination. Some of them have floor requisition buttons in Braille Symbols. Also, there is separate washroom for PwD employees in the office building.

In addition, CSR activities are planned to maximize benefits to the disadvantaged, vulnerable and marginalized stakeholders. Engagement with these stakeholders is done through local Government bodies and NGOs working in the area.

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

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

   The Company is a member of the United Nations Global Compact Network (UNGCN) and submits its Communication on Progress [COP] report annually. This is available to all the stakeholders on UNGC's website.

   However, being a Government of India Company, MMTC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human Rights. MMTC stands committed to support and respect the protection of internationally proclaimed human rights at its work places and ensure that its employees enjoy the fundamental human rights. MMTC has 3 tier grievance redressal systems called "Sahayata" for resolving employees' grievances. MMTC has in its management system provisions for health, safety, housing and education. Comprehensively covering all these aspects, MMTC has appropriate systems in place.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   Nil.

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

Manufacturing is not the main line of commercial activities of MMTC. This principle is therefore, not applicable.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   Being the member of the UN Global Compact, the company functions in an environmentally responsible fashion.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Even though manufacturing is not the main line of commercial activities of MMTC, it is committed towards environmental upkeep through afforestation in the mining areas, development of tribal areas and in and around operation areas and by supporting sustainability initiatives through its CSR programs. Also, the organisation regularly reports on its various initiatives through the Communication on Progress [COP] for the UN Global Compact.

3. **Does the company identify and assess potential environmental risks? Y/N**

   While the organization is not directly involved in manufacturing, it functions in an environmentally responsible fashion. MMTC adheres to the guidelines issued by Department of Public Enterprise, Govt. of India, as per which projects related to environmental aspects are identified & implemented.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   No

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   MMTC uses energy efficient star rated electrical equipments for energy conservation across the Organization.

MMTC has also installed a 50KWP Solar Power plant on the rooftop of its Delhi Regional Office at Jhandewalan and at MMTC Residential Colony, New Delhi.

6. **Are the Emissions/Wastes generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Not Applicable

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

   Not Applicable

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

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

   a. CII

   b. FIEO

   c. SCOPE

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

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

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

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   MMTC has adopted Section 135 of the Companies Act, 2013, the CSR Rules of Ministry of Corporate Affairs and the CSR Guidelines issued by Department of Public Enterprises, Government of India. MMTC has structured process of spending a portion of its earnings in CSR activities that are directed towards the betterment of the society.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

   MMTC has a Board Level Committee on CSR consisting of Independent Directors and Functional Directors with the Co. Secy. as Member Secretary. Various CSR proposals are initially assessed by the CSR Sub-Committee. The recommendation of the Sub-committee is then placed before the Board Level CSR Committee of Directors which independently deliberates and evaluates the viability of such projects proposed by the sub-committee and only upon their satisfaction such projects are placed before the Board of Directors for ratification. The status of implementation of projects so approved by the Board is put up for information of the CSR Committee as and when their meeting is convened.

   Depending upon the geographical area in which the project will be undertaken, the concerned Regional/Sub-Regional Office is directed to monitor and implement the project either directly or in association with a private / public partner. For each project a nodal officer/office is duly appointed whose task is to monitor timely completion of the project and update the corporate office with respect to the status of completion of the project. Upon completion, the projects are evaluated by an independent agency.

3. **Have you done any impact assessment of your initiative?**

   The Impact Assessment is undertaken by an independent agency in order to assess the "social impact" of the CSR activities undertaken by MMTC.

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

MMTC incurred losses to the tune of Rs.277.00 crs. during FY 2019-20. Accordingly, the CSR budget calculated in accordance with the Sec.-198 of Companies Act-2013 i.e. average of 2% of net profit of preceding 3 years was negative. Therefore, there was no annual CSR budget approved by Board of Directors for the year 2020-21.

However, the unspent CSR budget of FY 2019-20 amounting Rs. 96.46 lakhs was carried forward to FY 2020-21. During the year, out of the carried forward CSR fund, Rs. 53.32 lakhs was contributed to PM-CARES Fund, Rs. 31.63 lakhs was expended towards Construction of Waiting Hall in District Hospital, Baran (an Aspirational District) in Rajasthan and Rs. 1.50 lakhs towards Skill Development Project.

Apart from the above, a voluntary contribution of Rs. 2,82,546/- towards PM- CARES Fund was made during the year to help in the fight against the COVID- 19 pandemic.

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

MMTC's CSR initiatives seek to strengthen community based organizations by engaging with the marginalized especially women, youth, and children in activities that would improve their quality of life. The projects implemented by MMTC are first identified through the need assessment survey carried out by a professional agency and we ensure the participation of local community in identifying their needs, developing plans to address them, engaging them in implementation and also seek their feedback for further planning.

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

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

Complaints are being resolved as per the policy of the company.

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

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

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

No such case is pending for redressal.

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

Regular informal interactions are being held with the consumers.

*************

**VAP & ASSOCIATES**
Company Secretaries

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**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2021**
[*Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To
**The Members,**
**MMTC Limited**
**Core-1 Scope Complex, 7 Institutional Area,**
**Lodhi Road, New Delhi-110003.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MMTC Limited (CIN L51909DL1963GOI004033)** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

A. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

B. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent applicable;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:
   a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
   b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations 2018; **(No such event during Audit Period);**
   c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(No such event during Audit Period);**

e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(No such event during Audit Period)**;

f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the listed entity during the Review Period) **(No such event during Audit Period);**

g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations,2013 **(No such event during Audit Period);**

h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(No such event during Audit Period)**

j) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with the client to the extent of securities issued**;**

(vi) Having regard to the compliance system prevailing in the Company, on the basis of Reports made by Auditors of the Company and the certificates received from the various Department by the Company Secretary Department, we report that the Company has generally complied with the provisions of those Acts that are applicable to company including, The Custom Act, 1962, etc., to the extent of their applicability to the Company. The compliance made by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by statutory auditor and other designated professionals as mandated under the various provisions as referred above Para B.

C. We have also examined compliance with the applicable clauses of the following:

I. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

II. Listing Agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and the BSE.

D. During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a) The composition of the Board was not in compliance with the provisions under Regulations 17(1)(b) of the SEBI (LODR) Regulations, 2015, as half of the Board does not comprise of Independent Directors on the Board during Audit period.

VAP & ASSOCIATES
Company Secretaries

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b) In the Audit Committee meeting held on 13.11.2020 two members were present, however, there was only one Independent Director was present instead of two. The Company has submitted clarification to NSE vide letter dated 03.02.2021 regarding the non availability of one Independent Director.

c) There was delay in submission of financial Results as per Regulation 33(3)(a) of the Regulations as the Financial Results for the quarter ended 31.12.2020 was submitted on 16.04.2021. The company had sought extension of time from SEBI/Stock Exchanges.

d) As per the DPE Guidelines where Board of Directors is headed by an Executive Chairman, the number of Independent Directors shall be at least 50% of Board Members. However, there were only two Independent Director on the Board of the Company.

**We further report that**

I. The Board of Directors of the Company is not duly constituted as the Company has not complied with the requirement, pertaining to the composition of the Board of Directors as per the DPE Guidelines and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in the absence of requisite number of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

II. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

III. All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Note:

a) This report is to be read with our letter of even date which is annexed as “Annexure A” and forms an integral part of this report.

b) Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified

VAP & ASSOCIATES
Company Secretaries

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E-mail: vapassociatespcs@gmail.com

from the original records. The management has confirmed that the records submitted to us are the true and correct.

For **VAP & Associates**
**Company Secretaries**
**FRN: S2014UP280200**
**Peer Review No: 1083/2021**

**Parul Jain**
**Proprietor**
**M. No. F8323**
**CP No. 13901**
**UDIN: F008323C001291101**

**Place: Ghaziabad**
**Date: 26.10.2021**

**VAP & ASSOCIATES**
Company Secretaries

Add: 387, First Floor, Shakti Khand-3,
Indirapuram, Ghaziabad-201010, U.P.
Tel: +91-0120-4272409
M: +91- 9910 091 070
+91- 9711 670 085
E-mail: vapassociatespcs@gmail.com

**Annexure – 'A'**

To
**The Members,**
**MMTC Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have relied on the Internal Auditor's Report for the period under review; hence we have verified the correctness and appropriateness of Statutory/ Legal Compliances on sample basis. The qualifications/observations mentioned in their report are also forming part of this report.

4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

For **VAP & Associates**
**Company Secretaries**
**FRN: S2014UP280200**

**Parul Jain**
**Proprietor**
**M. No. F8323**
**CP No. 13901**

**Place: Ghaziabad**
**Date: 26.10.2021**

# MANAGEMENT'S REPLY TO OBSERVATIONS OF SECRETARIAL AUDITOR IN THEIR REPORT FOR THE FINANCIAL YEAR 2020-21

| AUDITORS' OBSERVATION | MANAGEMENT'S REPLY |
|---|---|
| 1. The composition of the Board was not in compliance with the provisions under Regulations 17(1)(b) of the SEBI (LODR) Regulations, 2015, as half of the Board does not comprise of Independent Directors on the Board during Audit period. | As per provisions of AOA of the company all the Directors on the Board are appointed by the President of India through the administrative Ministry i.e. Ministry of Commerce & Industry. The company has been regularly following up with the administrative Ministry. |
| 2. In the Audit Committee meeting held on 13.11.2020 two members were present, however, there was only one Independent Director was present instead of two. The Company has submitted clarification to NSE vide letter dated 03.02.2021 regarding the non-availability of one Independent Director. | Since one of the two Independent Directors could not participate due to technical problem at his end, the said meeting of Audit Committee was held with the presence of remaining two members and the minutes have been concurred by the members of the Committee. |
| 3. There was delay in submission of financial Results as per Regulation 33(3)(a) of the Regulations as the Financial Results for the quarter ended 31.12.2020 was submitted on 16.04.2021. The company had sought extension of time from SEBI/Stock Exchanges. | In view of huge exposure in the JV company-NINL of which MMTC is a major promoter, the conclusion of accounts of NINL formed a very substantive input for MMTC. Due to COVID-19 pandemic and cessation of the functions of NINL's steel plant and lock down and unrest, the accounts of this JV company for 2019-20 have got delayed. This had a bearing on the accounts of MMTC Ltd. Hence, the stock exchanges have been requested to waive off the penalty in this regard. |
| 4. As per the DPE Guidelines where Board of Directors is headed by an Executive Chairman, the number of Independent Directors shall be at least 50% of Board Members. However, there were only two Independent Director on the Board of the Company. | Reply as at (1) above. |

# Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto) during year 2020-21**

| **Name of the Related Party** | **MMTC PAMP India Pvt Ltd** | **MMTC Transnational Pte. Ltd.** | **Neelachal Ispat Nigam Ltd** |
|---|---|---|---|
| **1. Details of contracts or arrangements or transactions not at arm's length basis** | | | |
| **a) Nature of the relationship** | Joint Venture | Wholly Owned Foreign Subsidiary | Joint Venture |
| b) Nature of contracts/ arrangements/ transactions | Sale of bullion and minted products, refining and job work. | MTPL Singapore enters into sale/purchase agreement with MMTC lot-wise/shipment-wise wherein MTPL is the seller and MMTC is the buyer. Similarly, MTPL also participates in global tenders regularly along with other bidders wherein being a WOS of MMTC is exempted from giving EMD, Performance Guarantee Bond and KYC norms as applicable for other bidders. | Shareholders Agreement between MMTC & Govt. of Orissa through M/s. IPICOL by way of equity participation of MMTC upto 49.78% as a Managing Promoter. As also the Agreement for sale/purchase of finished goods was signed between MMTC & NINL vide agreement dtd. 06.08.1999, amended on 22.06.2012. |
| **c) Duration of contracts/ arrangements/ transactions** | As per MOU | Ongoing basis as long as the requirement for buying and selling subsists | Ongoing basis as long as the requirement for buying and selling subsists or till disinvestment of NINL whichever is earlier. |
| **d) Salient terms of the contracts of arrangements or transactions including the value if any** | With regard to the most recent MOU signed with MPIPL, the salient terms are:<br>1) MMTC may from time to time indicate its intent to purchase from existing MPIPL stocks at various locations across India Gold/Silver bullion Bars (Kilogram Bar of 995 Purity or 100 gm Gold Bar of 999 purity and silver bars of 0.999 fine purity) at applicable premium fixed by MPIPL for each location.<br>2) Duly authorised personnel of CBO MMTC Corporate Office shall price all bullion with MPIPL pricing desk. The minimum fixing lot will be 1 kg for Gold Bars and 100 Kg for Silver Bars.<br>3) MPIPL may from time to time purchase gold/silver from MMTC.<br>**Value- Rs. 109.63 Cr.** | As at (b) above.<br><br>Value-Rs.1.74 Cr. | Agreement between MMTC & Govt. of Orissa through M/s. IPICOL envisaging that MMTC shall organize supply of raw materials and consumables for the plant on mutually agreed terms, domestic sale and export of products of the JV Company shall be arranged by MMTC at mutually agreed terms between MMTC & NINL. Agreement for sale/ purchase of finished goods was signed between MMTC & NINL vide agreement dtd. 06.08.1999, amended on 22.06.2012.<br>Value- Rs. 27.45 Cr. Only for sale & purchase of goods and service. |

| | | | |
|---|---|---|---|
| **e) Justification for entering into such contracts or arrangements or transactions** | 1) To improve margins and the topline.<br>2) Alternate supply source (LBMA accredited refinery thus meeting our quality requirements) of bullion bars in the domestic market particularly useful when the supply in the market from imports is restricted due to government policies. | Being the L1 bidder against the tenders floated by MMTC. | As mentioned above. |
| **f) Dates of approval by Board** | 14.09.2020 | 14.09.2020 | 14.09.2020 |
| **g) Amount paid/ debited as advances if any** | NIL | NIL | NIL |
| **2. Details of material contracts or arrangement or transactions at arm's length basis:** As per MOU with MPIPL on arms length basis as mentioned above. | | | |

कार्यालय प्रधान निदेशक लेखापरीक्षा,
उद्योग एवं कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002

सत्यमेव जयते

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE,
NEW DELHI-110 002

संख्या: एएमजी-I/8(19)/वार्षिक खाता/
एमएमटीसी(2020-21)/2021-22/376-377
दिनांक: 29 DEC 2021

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
एमएमटीसी लिमिटेड,
कोर 1, स्कोप कॉम्प्लेक्स, 7 इंस्टीट्यूशनल एरिया
लोधी रोड, नई दिल्ली-110003.

**विषय :** कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2021 को समाप्त वर्ष के लिए एमएमटीसी लिमिटेड के वार्षिक वित्तीय लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2021 को समाप्त हुए वर्ष के लिए **एमएमटीसी लिमिटेड** के के वार्षिक वित्तीय लेखों पर उपरोक्त विषय संबंधित संलगन पत्र अग्रेपित है।

भवदीया,

Vidhu Sood

(विधु सूद)
प्रधान निदेशक लेखापरीक्षा
(उद्योग एवं कॉर्पोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MMTC LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of Financial Statements of MMTC Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 October 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of MMTC Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

**A Comments on Profitability**

**A.1 Assets**

**A.1.1 Investments (Note 6)**
**Non-Current Investments held for Sale (Note 6 C): ₹466.95 crore**

Above includes an investment of ₹16 crore in Indian Commodity Exchange (ICEX) against which a provision of ₹8.16 crore (considering the ratio of accumulated losses to share capital of ICEX which was about 51 *per cent*) was made by the Company in FY 2019-20. It was observed that ratio of accumulated losses to Share capital of ICEX has increased to 61 *per cent* as on 31 March 2021, however, the Company has not made an additional provision amounting to ₹1.60 crore which is against the Company's own accounting treatment followed in previous year.

This has resulted in overstatement of Non-Current Investments held for Sale and understatement of Loss by ₹1.60 crore.

**A.1.2 Deferred Tax Assets (Note 10): ₹555.44 crore**

Above includes Deferred Tax Assets (DTA) of ₹330.69 crore created on the probable income of ₹946.33 crore[1] assessed by the Company as receivable from Neelachal Ispat Nigam Limited (NINL) as on 31.03.2021. Though the Company did not recognize interest receivable for the FY 2019-20 and 2020-21 due to uncertainty of its realization, however, considered the same as certain for creation of DTA. Moreover, interest for FY 2021-22 was also considered for creation of DTA which was not only against the stand taken by the Company that income receivable from NINL is uncertain but also against the Generally Accepted Accounting Principles.

This has resulted in overstatement of Deferred Tax Assets and understatement of Loss by ₹330.69 crore.

**A.1.3 Other Financial Assets (Note 9)**
**Other Advances (Non-Current): ₹8.79 crore**

Above includes an amount of ₹0.21 crore shown as recoverable from various parties since more than 25 years on which the provision was made by the Company. The cases are very old and no documents are available with the Company and the chances of recovery are also remote. Thus, the above amount should have been written off in the books as on 31.03.2021. Despite being assured by the Company in the previous year to take necessary action on the above observation, the Company has failed to do so during the FY 2020-21.

This has resulted in overstatement of Other Advances by ₹0.21 crore and consequent understatement of Allowance for bad and doubtful receivables by the same amount.

**A.2 Equity and Liabilities**
**A.2.1 Provisions – Current (Note 20 B)**
**A.2.1.1 Others – Provisions for litigation settlements: ₹888.81 crore**

Above does not include provision towards interest of ₹103.11 crore payable for pre-arbitration period of the disputed case with M/s. Anglo American Metallurgical Coal Pte. Ltd.

The Company entered (March 2007) into a contract with M/s. Anglo American Metallurgical Coal Pte. Ltd (the supplier) for lifting 4,66,000 MTs of coking coal. However, the Company did not lift the contracted quantity and the supplier invoked arbitration in September 2012. The matter went into International Court of Arbitration (IA) and was decided in favour of the supplier directing the Company to pay USD 78,720,414.92 along with pre-award interest @ 7.5 *per cent* and future interest @ 15 *per cent* from the date of award till the date of payment.

[1] ₹547.87 for FY 2019-20 and 2020-21 and ₹398.46 crore for FY 2021-22

The matter went into the Hon'ble Supreme Court (SC) and the award of IA was upheld by the SC vide order dated 17 December 2020. The Company filed (16 January 2021) a review petition and SC ordered (29 July 2021) that given the large interest component of the award, *pendente lite* and future interest may be reduced to 6% simple interest.

However, SC order did not say anything about interest for pre-arbitration period which implies that interest rate for pre-arbitration period as decided by IA, holds good. However, the Company did not make any provision towards interest payable for pre-arbitration period and has sought clarification (October 2021) from SC. The Company has shown the entire pre-arbitration interest under contingent liabilities. Audit is of the view that, considering the conservative principle of accounting, a provision equivalent to 6 per cent should have, at least, been made in the Financial statements.

Thus, non-provision of interest for pre-arbitration period has resulted in understatement of Provisions and Loss by ₹103.11 crore. This has also resulted in overstatement of contingent liabilities by ₹103.11 crore.

**A.2.1.2 Bonus/ Performance Related Pay: ₹17.46 crore**

Above includes provision of ₹17.08 crore towards Performance Related Pay (PRP) of which ₹13.99 crore pertains to the FY 2017-18 & 2018-19 and ₹3.09 crore excess provision booked in earlier years. The Company booked interest receivable from its joint venture company, Neelachal Ispat Nigam Limited (NINL) during 2017-18 and 2018-19 to arrive at PRP, whereas the Company was actually not making profits on cash basis, a fact which was admitted by the Company in its reply (March 2021) to Deputy Chief Labour Commissioner and while seeking clarification (December 2020) from Department of Commerce.

Moreover, considering of interest receivable from JV company for the purpose of PRP is also in violation of DPE guidelines (18 September 2013) which *inter-alia* stipulates that, "PRP may be distributed based on profit accruing only from core business activities of the CPSEs". Further, the PRP for FYs 2017-18 and 2018-19 were not approved by the Remuneration Committee of the Directors and considering the extreme cash crunch, the Company is not in a position to recommend PRP.

In view of the above and considering the fact that the Company has also initiated the recovery of PRP in line with its BoD approval (November 2020), the provision created towards the PRP should also have been reversed.

This has resulted in overstatement of Provisions and Loss by ₹ 17.08 crore.

**A.2.1.3 Provisions (Note 20 B): ₹926.59 crore**

Above does not include ₹0.14 crore[2] payable to Post-Retirement Medical Benefit Trust (Trust) for the FY 2020-21. The BoD of the Company (411th meeting) approved additional contribution in lieu of interest at the rate admissible for a term-deposit of three years to be credited to the fund annually on the amount of fund vested with the company. Accordingly, the Company provided for additional contribution to the Trust @ 6.75 *per cent* and @ 3.70 *per cent* for FY 2018-19 and 2019-20. However, the Company did not provide additional contribution for FY 2020-21 on the net amount payable to the Trust.

This has resulted in understatement of Provisions and Loss by ₹0.14 crore.

**A.2.2 Trade Payable (Note 18): ₹765.01 crore**

Above includes an amount of ₹6.32 crore as payable to two foreign parties pending for payment since more than 10 years. Since, the law of limitation prescribes that the parties cannot claim the amount after a period of three years, the same should be written back. Despite being assured by the Company during the previous year to take necessary action, the Company has failed to do so during the FY 2020-21.

This has resulted in overstatement of Trade Payable and Loss by ₹ 6.32 crore.

**A.2.3 Other Current Liabilities (Note 21)**
**Others - ₹1.13 crore**

**(i)** Above does not include provision of ₹0.49 crore towards claims of Food Corporation of India (FCI). The Company accepted three claims of FCI valuing ₹0.49 crore which comprises of claims on account of dispatch earned (2006-08), Liquidated damages (2006-08) and net sling charges (1994-95). FCI claimed ₹92.18 crore in connection with wheat export from Central Pool Stock, interest towards delayed payment, cost of gunny bags, storage charges etc., from the Company and raised the issue at Administrative Machinery for Redressal of CPSEs' Disputes (AMRCD). The AMRCD directed (May 2020) the Company and FCI to reconcile the disputed matter and during reconciliation, the Company accepted three claims of ₹0.49 crore. However, no provision towards the same has been created by the Company.

This has resulted in understatement of Other Current Liabilities and Loss by ₹0.49 crore.

**(ii)** Above does not include provision of ₹0.13 crore towards electricity charges of the Scope Complex payable for the month of March 2021. As the invoice for the same had been received in June 2021 well before the finalization (October 2021) of the accounts, the amount should have been provided for in the accounts of FY 2020-21.

---

[2] ₹2.68 crore payable to Trust*5.3% (rate applicable for three years FD as approved by BoD)

This has resulted in understatement of Other Current Liabilities and Loss by ₹0.13 crore.

**A.3 Exceptional Items – Expense (Note 32): ₹877.17 crore**

Above does not include provision of ₹0.16 crore towards terminal dues of two employees of MMTC Employees Cooperative Canteen Society who were terminated by the Company in March 2016. The terminal dues were accepted to be paid by the Company.

This has resulted in understatement of exceptional items and Loss by ₹0.16 crore.

**B. Comments on Disclosure**
**Contingent Liabilities and Disclosures (Note No.34): ₹ 942.62 crore**

(i) Above does not include contingent liability of ₹7.29 crore on account of outstanding rent and interest of the NIC building as per the order passed by Estate Officer, Kolkata directing the Company to pay the amount to National Insurance Company Limited (NICL) for unauthorized occupation of its building for the period April 2014 to April 2019. The Company, against the above orders, filed an appeal before the City Civil Court, Kolkata and where the order of Estate Officer was stayed against which NICL filed a review petition before the Hon'ble High Court, Kolkata against the order passed by the Ld. Chief Judge, City Civil Court, Kolkata. The case is still pending and not listed for hearing and is sub judice, hence the same should be shown under Contingent Liabilities.

(ii) A Reference is invited to Note No.3 (c) which stated that, "*The valuation of MMTC's immovable properties have been carried out and as per latest valuation report fair value on 31.03.2021 is ₹1642 crore, as against the previous valuation of ₹1389 crore in May 2019 (Refer Note 32 (ii))*". However, it was observed that the Note 32 (ii) does not contain any such details regarding the valuation. Thus, the Notes to Accounts are deficient to that extent.

(iii) The Hon'ble Delhi High Court after hearing the execution petition plea of Anglo American Metallurgical Coal Pte. Ltd. directed (March 2021) the Company to deposit ₹585.94 crore within two months from the date of the said order. Due to financial crisis, the Company could not comply with the order. The Hon'ble Delhi High Court passed an order on 27.08.2021 for attachment of two bank accounts amounting to ₹1.02 crore.

As per Ind AS-10 on "Events after the Reporting Period", "an entity needs to update the disclosures in its financial statements to reflect information received after the reporting period, even when the information does not affect the amounts that it recognizes in its financial statements".

However, the Company has not disclosed the above fact in the Notes to Accounts and thus, the same was deficient to that extent.

**C. Comments on Independent Auditor's Report**
**Independent Auditor's Report for the year ended 31 March 2021**

(i) Statutory Auditor at Sl. No. 1 (under the paragraph Key Audit Matters) has stated that "*the company has 5 regional offices*" whereas the Company has six regional offices as on 31.03.2021 which has also been disclosed under General Information in the Financial Statements. Hence, reporting by Independent Auditor is deficient to that extent.

(ii) Considering the impact of above comments, the loss for the year (₹769.69 crore) as depicted in the statement of Profit & Loss of the Company would increase by 53.67 *per cent* to reach ₹1182.82 crore. Hence, the Financial Statements of the Company do not present a "true & fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that the Financial Statements presented a true & fair view.

**For and on behalf of**
**Comptroller & Auditor General of India**

Vidhu Sood

**(Vidhu Sood)**
**Principal Director of Audit**
**(Industry & Corporate Affairs)**
**New Delhi**

**Place: New Delhi**
**Date: 29.12.2021**

**MMTC Limited: Corporate Office, New Delhi**
**Replies to Final Comments issued by C&AG on Annual Accounts (Standalone)for the year ended 31st March 2021**

| C&AG Final comments(Standalone) | Management's reply to C&AG comments |
|---|---|
| **A Comments on Profitability**<br>**A.1 Assets**<br>**A.1.I Investments (Note 6)** | |
| **Non-Current Investments held for Sale (Note 6 C): Rs.466.95 crore**<br>Above includes an investment of Rs.I6 crore in Indian Commodity Exchange (ICEX) against which a provision of Rs.8.16 crore (considering the ratio of accumulated losses to share capital of ICEX which was about 51 per cent) was made by the Company in FY 2019-20. It was observed that ratio of accumulated losses to Share capital of ICEX has increased to 61 per cent as on 31 March 2021, however, the Company has not made an additional provision amounting to Rs.1.60 crore which is against the Company's own accounting treatment followed in previous year.<br>This has resulted in overstatement of Non-Current Investments held for Sale and understatement of Loss by Rs.1.60 crore. | It was decided that it would be appropriate to make partial provision of Rs.8.16 crores for impairment of investment in ICEX out of Rs.16/- crores invested during the year 2019-20 and accordingly the provision for impairment was made.<br>Further ICEX have informed that total turnover of exchange during 2020-21 was Rs.1666.17 crore with a total of 1960 clients. Due to impact of Covid-19 trading operations during 2020-21 were severely affected in all commodity exchanges including ICEX. ICEX have planned to strengthen their operations on account of global pandemic and global recession. Their focus is on utilizing mutual fund transactions and raising capital with renewed emphasis on commodities. In view of above creating further provision of Rs.1.60 crores may not be required.<br>However, the observation of C&AG with respect to provision of accumulated losses if any on ICEX will be reviewed and suitable action including provision will be taken in FY 2021-22. |
| **A.1.2 Deferred Tax Assets (Note 10): Rs.555.44 crore**<br>Above includes Deferred Tax Assets (DTA) of Rs330.69 crore created on the probable income of Rs.946.33 crore 1 assessed by the Company as receivable from Neelachal Ispat Nigam Limited (NINL) as on 31.03.2021. Though the Company did not recognize interest receivable for the FY 2019-20 and 2020-21 due to uncertainty of its realization, however, considered the same as certain for creation of DTA. Moreover, interest for FY 2021-22 was also considered for creation of DTA which was not only against the stand taken by the Company that income receivable from NINL is uncertain but also against the Generally Accepted Accounting Principles.<br>This has resulted in overstatement of Deferred Tax Assets and understatement of Loss by Rs.330.69 crore. | MMTC is having a business loss of Rs. 1,094.22 crores (Standalone) for the F.Y. 2020-21.<br>As per the provisions of Income Tax Act, this loss can be carried forward up to 8 years as unused Tax losses and may be adjusted with the future taxable business profits. Further, as per Ind As 12 – Income Taxes, "a deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized."<br>MMTC signed a Master Debt Resolution Agreement during the year. According to which, interest income is expected from NINL in March, 2022 through divestment proceeds of NINL to the tune of Rs. 946.33 crores. |

| C&AG Final comments(Standalone) | Management's reply to C&AG comments |
|---|---|
| | As approved by the Competent Authority, Deferred Tax Assets amounting to Rs. 324.60 crores have been created on tax losses limited to the probable interest proceeds from NINL i.e Rs. 946.33 crores for compliance with provisions of Income Tax and Ind As 12 and to make clear picture of current tax and future tax.<br><br>Further, as per Ind AS 12 – the carrying amount of a Deferred Tax Asset shall be reviewed at the each reporting period. The carrying amount of DTA shall be reduced to the extent that it is no longer probable that sufficient taxable profit will be available and such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available."<br><br>As the bidding process of divestment of NINL has reached its finality and M/s Tata Steel Long Products Limited (TSLP) became the H1 bidder for Rs 12100 crs, Post Divestment of NINL issue will be reviewed and suitable action will be taken in FY 2021-22. Hence MMTC will get all the dues including interest which has not been recognized in accounts due to uncertainty of realisability of receipt.<br><br>In view of the above, MMTC Management is confident of recovering all its dues from the divestment proceeds of NINL and hence deferred tax created is in line with Ind AS 12. |
| **A.1.3 Other Financial Assets (Note 9)**<br><br>**Other Advances (Non-Current): Rs. 8.79 crore**<br><br>Above includes an amount of Rs.0,21 crore shown as recoverable from various parties since more than 25 years on which the provision was made by the Company. The cases are very old and no documents are available with the Company and the chances of recovery are also remote. Thus, the above amount should have been written off in the books as on 31.03.2021. Despite being assured by the Company in the previous year to take necessary action on the above observation, the Company has failed to do so during the FY 2020-21.<br><br>This has resulted in overstatement of Other Advances by Rs.0.21 crore and consequent understatement of Allowance for bad and doubtful receivables by the same amount. | As the cases pertains to the year 1995-96 and the files/ records are difficult to be traced. However, efforts are being made to trace out the relevant files/documents. The observation of C&AG will be reviewed and it will be written off in 2021-22. |

<table>
<tr><th>C&AG Final comments(Standalone)</th><th>Management's reply to C&AG comments</th></tr>
<tr><td>A.2 Equity and Liabilities<br><br>A.2.1 Provisions - Current (Note 20 B)<br><br>A.2.1.1 Others - Provisions for litigation settlements: Rs.888.81 crore<br><br>Above does not include provision towards interest of Rs.103.11 crore payable for pre-arbitration period of the disputed case with M/s. Anglo American Metallurgical Coal Pte. Ltd.<br><br>The Company entered (March 2007) into a contract with M/s. Anglo American Metallurgical Coal Pte. Ltd (the supplier) for lifting 4,66,000 MTs of coking coal. However, the Company did not lift the contracted quantity and the supplier invoked arbitration in September 2012. The matter went into International Court of Arbitration (1A) and was decided in favour of the supplier directing the Company to pay USD 78,720,414.92 along with pre-award interest @ 7.5 per cent and future interest @ 15 per cent from the date of award till the date of payment.<br><br>The matter went into the !-Iorf ble Supreme Court (SC) and the award of IA was upheld by the SC vide order dated 17 December 2020. The Company filed (16 January 2021) a review petition and SC ordered (29 July 2021) that given the large interest component of the award, pendents lite and future interest may be reduced to 6% simple interest.<br><br>However, SC order did not say anything about interest for pre-arbitration period which implies that interest rate for pre-arbitration period as decided by I A, holds good. However, the Company did not make any provision towards interest payable for pre-arbitration period and has sought clarification (October 2021) from SC, The Company has shown the entire pre-arbitration interest under contingent liabilities. Audit is of the view that, considering the conservative principle of accounting, a provision equivalent to 6 per cent should have, at least, been made in llie Financial statements.<br><br>Thus, non-provision of interest for pre-arbitration period has resulted in understatement of Provisions and Loss by Rs.103.11 crore. This has also resulted in overstatement of contingent liabilities by Rs.103.11 crore.</td><td><br><br><br><br><br><br>As per the Hon'ble Supreme Court decision dated 29.07.2021, interest rate for the Pendent elite period and future period is reduced to 6% from 7.5% & 15% respectively but order is silent on the interest rate for pre Arbitration period. As per the decision of Hon'ble Supreme Court, MMTC had already made provision of Rs. 887.43 crores in the books of accounts for the F.Y. 2020-21. Considering the order of Hon'ble Supreme Court interest rate for pre Arbitration period from 1.10.2009 to 26.09.2012 has been kept as NIL. Keeping in view Learned Attorney General of India (AG) opinion, Quote "it may not be prudent at this stage as the learned AG has opined that any ambiguity arising from the Hon'ble Supreme Court order dated 29.7.2021 could be resolved by the court itself" Unquote Further as per the advice of Learned AG, MMTC had filed an application before Supreme Court for clarification of order dated 29.07.2021, passed by Apex Court.<br><br>It is reiterated that Learned AG opined that any ambiguity arising from the Hon'ble Supreme Court order dated 29.7.2021 could be resolved by the court itself. The Company have filled clarification application which was listed on 28.01.2022 by Hon'ble Supreme Court. Upon hearing, Hon'ble Court listed the matter after two weeks. The specific date of hearing is awaited.<br><br>On clarification from Hon'ble Supreme Court, the observation of C&AG will be reviewed and suitable action will be taken in FY 2021-22.</td></tr>
</table>

| C&AG Final comments(Standalone) | Management's reply to C&AG comments |
|---|---|
| **A.2.1.2 Bonus/ Performance Related Pay: Rs.17.46 crore**<br><br>Above includes provision of Rs.17.08 crore towards Performance Related Pay (PRP) of which Rs.13.99 crore pertains to the FY 2017-18 & 2018-19 and 53.09 crore excess provision booked in earlier years. The Company booked interest receivable from its joint venture company, Neelachai Ispat Nigam Limited (NINL) during 2017-18 and 2018-19 to arrive at PRP, whereas the Company was actually not making profits on cash basis, a fact which was admitted by the Company in its reply (March 2021) to Deputy Chief Labour Commissioner and while seeking clarification (December 2020) from Department of Commerce,<br><br>Moreover, considering of interest receivable from JV company for the purpose of PRP is also in violation of DPE guidelines (18 September 2013) which inter-alia stipulates that, "PRP may be distributed based on profit accruing only from core business activities of the CPSEs". Further, the PRP for FYs 2017-18 and 2018-19 were not approved by the Remuneration Committee of the Directors and considering the extreme cash crunch, the Company is not in a position to recommend PRP.<br><br>In view of the above and considering the fact that the Company has also initiated the recovery of PRP in line with its BoD approval (November 2020), the provision created towards the PRP should also have been reversed.<br><br>This has resulted in overstatement of Provisions and Loss by Rs. 17.08 crore. | The concept of PRP as part of pay package was introduced by DPE as per the guidelines in its OM dated 26/11/2008 & 09/02/2009. As per the DPE guidelines, the PRP is to be paid to the serving employees after the accounts are finalized and approved by the Board, CAG and adopted by the AGM, Company rating, the employees grade and rating of the employee concerned.<br><br>The final PRP is paid after the approval of nomination and Remuneration Committee of Directors (RCoD) as mandated in DPE guidelines.<br><br>The proposal for final payment of PRP for FY 2017-18 & 2018-19 have not been put up to the RCoD for approval pending MOU rating of company & employee rating thus, final PRP for both FYs not paid. However, as per the past practice, pending finalization of PRP an ad hoc advance was released to the employees against undertaking, with due approval of CMD. This was in line with the past precedence of releasing ad hoc advance for several years.<br><br>MMTC Board of Directors in its 459th meeting held on 13/11/2020 observed that such ad hoc payments was unfair and needs to be recovered by following due procedure. The matter relating to the ad hoc advance was observed adversely by the MMTC Board of Directors, the entire matter was placed before the RCoD vide division's note dated 30/03/2021. The said note was taken up for discussion by the RCoD in its 10th meeting held on 31/03/2021. RCoD after taking note of the position as explained in the note for discussion was of the view that the recovery of ad hoc/ advance be put on hold till the Labour Commissioner decides on the petition of the Staff Federation and receipt of opinion from DPE on the same and directed to place the matter before the Board of Directors for appraisal.<br><br>Since the Company had registered profit during FY 2017-18 and 2018-19 provisions were made in books of accounts for payment of PRP in line with the accounting principles & DPE guidelines. |

<table>
<tr><th>C&AG Final comments(Standalone)</th><th>Management’s reply to C&AG comments</th></tr>
<tr><td></td><td>With regard to deduction of interest on idle cash/ bank balances for the purpose of calculating PBT and distribution of PRP in CPSE’s, it is submitted that at the time of calculation of PBT, the interest earned on idle cash/bank balances has been deducted.<br><br>Further, due to precarious liquidity position of the company, 50% of eligible PRP was only released to the serving employees for FY 16-17. No PRP to superannuated employees was released.<br><br>It is assured that the provision created will be reversed in 2021-22 and recoveries will be made as soon as possible following due process.<br><br>As the bidding process of divestment of NINL has reached its finality and M/s Tata Steel Long Products Limited (TSLP) became the H1 bidder for Rs 12100 crs, MMTC will get all the dues including interest which has not been recognized in accounts due to uncertainty of realisability of receipt. Hence Board may like to review the issue of PRP once again.</td></tr>
<tr><td>A.2.1.3 Provisions (Note 20 B): Rs.926.59 crorc<br><br>Above does not include Rs.0.14 crore payable to Post-Retirement Medical Benefit Trust (Trust) for the FY 2020-21. The BoD of the Company (411th meeting) approved additional contribution in lieu of interest at the rate admissible for a term-deposit of three years to be credited to the fund annually on the amount of fund vested with the company. Accordingly, the Company provided for additional contribution to the Trust @ 6.75 per cent and @ 3.70 per cent for FY 2018-19 and 2019-20. However, the Company did not provide additional contribution for FY 2020-21 on the net amount payable to the Trust.<br><br>This has resulted in understatement of Provisions and Loss by Rs. 0.14 crore.</td><td>Board in its 447th meeting dated 15.05.2019 had approved “the formation of Trust for medical need of Retired employees of MMTC and also transfer of Rs 150.05 crores in one or more instalments after receipt of Income tax exemptions for the TRUST and to make regular transfer of contributions thereafter”.<br><br>Total Funds of Rs 150 crores in 7 instalments from the period 19.12.2019 to 3.3.2020 was transferred to Trust.<br><br>As approved by BOD in its 411th meeting additional contribution in lieu of interest at the rate admissible for a term deposit of three years to be credited to the fund annually on the amount of fund vested with the company.<br><br>As on 31.03.2021, Rs 9.31 crs is payable to Trust & Rs 6.63 crs is receivable from Trust and interest payable to Trust is meagre, hence interest provision has not been created.<br><br>The observation of C&AG will be complied with and suitable action will be taken in FY 2021-22</td></tr>
</table>

| C&AG Final comments(Standalone) | Management's reply to C&AG comments |
|---|---|
| **A.2.2 Trade Payable (Note 18): Rs.765.01 crore**<br>Above includes an amount of Rs.6.32 crore as payable to two foreign parties pending for payment since more than 10 years. Since, the law of limitation prescribes that the parties cannot claim the amount after a period of three years, the same should be written back. Despite being assured by the Company during the previous year to take necessary action, the Company has failed to do so during the FY 2020-21.<br>This has resulted in overstatement of Trade Payable and Loss by Rs. 6.32 crore. | As per approval of competent authority, RO Chennai has already passed necessary entries in the books of accounts for FY 2021-22 to write back the Liability in respect of M/s V. S. LAD amounting to Rs 4.06 crore.<br>As regards the liability in respect of M/s Obalapuram Mining Co. Pvt Ltd, Bellary (OMC) amounting to Rs 2.26 crore is concerned, R/O Chennai has been advised to review the matter.<br>The observation of C&AG will be complied with and suitable action will be taken in FY 2021-22 |
| **A.2.3 Other Current Liabilities (Note 21) Others - Rs.1.13 crore**<br>(i) Above does not include provision of Rs .49 crore towards claims of Food Corporation of India (FCI). The Company accepted three claims of FCI valuing Rs.0.49 crore which comprises of claims on account of dispatch earned (2006-08), Liquidated damages (2006-08) and net sling charges (1994-95). FCI claimed Rs. 92.18 crore in connection with wheat export from Central Pool Stock, interest towards delayed payment, cost of gunny bags, storage charges etc., from the Company and raised the issue at Administrative Machinery for Redressal of CPSEs' Disputes (AMRCD). The AMRCD directed (May 2020) the Company and FCI to reconcile the disputed matter and during reconciliation, the Company accepted three claims of Rs.0.49 crore. However, no provision towards the same has been created by the Company.<br>This has resulted in understatement of Other Current Liabilities and Loss by Rs.0.49 crore. | FCI has moved AMRCD proceedings against MMTC. The committee comprising Secretary (F&PD), Commerce Secretary and Law Secretary has directed both MMTC and FCI to reconcile their claims and counter claims on each other. Accordingly, both MMTC and FCI are working towards reconciliation of the claims.<br>As mentioned in GAP note MMTC has accepted three claims of FCI and GAP has further enumerated the claims; claims totaling to Rs. 1.11 crore, this is a matter of record. The three claims accepted by MMTC were also confirmed by Chartered Accountants (ASC & Associates) appointed for verification of claims between MMTC and FCI in their report dated 29.06.2021. The reconciliation of claims and counter claims between MMTC and FCI is continuing.<br>Further to above , the following points may also be perused<br>1.The three claims accepted by MMTC (after due approval of Competent Authority) referred in the POM 4 dated 26.11.2021 pertain to wheat imports of 2007-08 (Despatch and LD) and sugar imports of 1995-96(Sling charges). Interest to be charged on admitted amounts will be decided by AMRCD while deciding the case.<br>2. The matter is pending for final decision by AMRCD and the requirement for provisioning on the admitted amount by MMTC shall be considered after the final decision of AMRCD is known.<br>Hence the observation of C&AG be complied with and suitable action will be taken in FY 2021-22. |

| C&AG Final comments(Standalone) | Management's reply to C&AG comments |
|---|---|
| (ii) Above does not include provision of Rs 0.13 crore towards electricity charges of the Scope Complex payable for the month of March 2021. As the invoice for the same had been received in June 2021 well before the fmalization (October 2021) of the accounts, the amount should have been provided for in the accounts of FY 2020-21.<br><br>This has resulted in understatement of Other Current Liabilities and Loss by Rs 0.13 crore. | The provision for administrative expenses like electricity charges and other miscellaneous expenses payable been created on estimated basis in the books of accounts as on 31.03.2021, if the bill is not received on actual basis. Any difference between provision created on particular head and actual expenses on settlement shall be accounted for in the next financial year. Accordingly the shortfall amount of Rs.13 lakhs has been accounted for in the 1st quarter of financial year 2021-22.<br><br>The electricity bill of SCOPE Complex was paid in the month of June 2021 and the same has been accounted for in 2021-22. |
| **A 3. Exceptional Items - Expense (Note 32): Rs.877.17 crore**<br><br>Above does not include provision of Rs.0.16 crore towards terminal dues of two employees of MMTC Employees Cooperative Canteen Society who were terminated by the Company in March 2016. The terminal dues were accepted to be paid by the Company.<br><br>This has resulted in understatement of exceptional items and Loss by Rs.0.16 crore. | VSS compensation was not accepted by two employees of the MMTC Employees Cooperative Society and filed the case in the Labour Court Delhi challenging termination of their service. The case is sub-judice as on date.<br><br>In the case of Kundan Lal vs MMTC pleadings were completed. Matter is now fixed for arguments. Previous date was 10.11.2021. Next Date of hearing is awaited. The matter is sub judice and not reached its finality. Liability, if any, will be provided once the legal case concludes.<br><br>However gratuity being the statutory obligation has been paid by the MMTC Canteen Society. Acceptance of Gratuity leads to cessation of service, thus, it is felt that the dispute on termination has no locus standi.<br><br>The VSS compensation not accepted by the two employees of erstwhile MMTC employees Cooperative Canteen Society while rest of the employees have taken the compensation and accepted the same. These two employees are contesting for regularization in MMTC in the Industrial Tribunal alleging that their termination is illegal.<br><br>Since the matter is sub judice, it would not be prudent to make any provision on this account till the time the matter gets resolved by the Industrial Tribunal. |

| C&AG Final comments(Standalone) | Management's reply to C&AG comments |
|---|---|
| **B. Comments on Disclosure**<br><br>**Contingent Liabilities and Disclosures (Note No.34): Rs. 942.62 crore** | |
| (i) Above does not include contingent liability of Rs.7.29 crore on account of outstanding rent and interest of the NIC building as per the order passed by Estate Officer, Kolkata directing the Company to pay the amount to National Insurance Company Limited (N1CL) for unauthorized occupation of its building for the period April 2014 to April 2019. The Company, against the above orders, filed an appeal before the City Civil Court, Kolkata and where the order of Estate Officer was stayed against which NICL filed a review petition before the Hon'ble High Court. Koikata against the order passed by the Ld. Chief Judge, City Civil Court, Kolkata. The case is still pending and not listed for hearing and is sub judice, hence the same should be shown under Contingent Liabilities. | MMTC has already booked firm liability from time to time in the books of accounts of RO. Kolkata towards rent and electricity charges payable as per the lease agreement dated 23.06.2004 issued by NIC for the period from February,2014 to 15.4.2019 and part of the liabilities have also been adjusted against payment of bills raised by NIC to MMTC towards electricity and other charges. As per books of accounts as on 31.3.2020, the amount of firm liability on account of rent payable till 31.03.2019 to NIC stands Rs.91,77,890.00.<br><br>In the light of the direction of City Civil Court vide their order dated 9.7.2019 and also in terms of the lease agreement dated 23.06.2004 issued by NIC for having lease for a period of 15 years with 25% enhancement of rent in every five years w.e.f.01.04.2004 till 31.03.2019, the provision for contingent liability of Rs.8.21 crore towards damages claimed by NIC, at this stage ,may not arise. In the meanwhile MMTC, Kolkata vacated the premises of NIC.<br><br>Since the matter is sub judice, it would not be prudent to disclose Rs.8.21 crore towards damages claimed by NIC in contingent liabilities account till the time the matter gets resolved by the Court. |
| (ii) A Reference is invited to Note No.3 (c) which stated that, "Tlie valuation of MMTC's immovable properties have been carried out and as per latest valuation report fair value on 31.03.2021 is Rs 1642 crore, as against the previous valuation of Rs 1389 crore in May 2019 (Refer Note 32 (ii))". However, it was observed that the Note 32 (ii) does not contain any such details regarding the valuation. Thus, the Notes to Accounts are deficient to that extent. | The observation of C&AG is noted and same shall be suitably incorporated/modified in the printed accounts of the financial year 2020-21. |
| (iii) The Hon'ble Delhi High Court after hearing the execution petition plea of Anglo American Metallurgical Coal Pte. Ltd. directed (March 2021) the Company to deposit Rs.585.94 crore within two months from the date of the said order. Due to financial crisis, the Company could not comply with the order. The Hon'ble Delhi High Court passed an order on 27,08.2021 for attachment of two bank accounts amounting to Rs.1.02 crore.<br><br>As per Ind AS-10 on "Events after the Reporting Period", "an entity needs to update the disclosures in its financial statements to reflect information received after the reporting period, even when the information does not affect the amounts that it recognizes in its financial statements".<br><br>However, the Company has not disclosed the above fact in the Notes to Accounts and thus, the same was deficient to that extent. | As the order for attachment of the bank accounts of BBSR and Paradip has been passed in the year 2021-22 and necessary accounting entries will also be passed during the year 2021-22. Hence the necessary disclosure will also be looked into in accounts of the Financial year 2021-22.<br><br>However, attachment of two bank accounts has been effected on 27.08.2021, accordingly necessary accounting entry of the said amount will be passed and disclosure in the notes to accounts, as required in the books of accounts will be made during the financial year 2021-22. |

| C&AG Final comments(Standalone) | Management's reply to C&AG comments |
|---|---|
| **C. Comments on Independent Auditor's Report on Independent Auditor's Report for the year ended 31 March 2021** | |
| (i) Statutory Auditor at SI. No. 1 (under the paragraph Key Audit Matters) has stated that "the company has 5 regional offices" whereas the Company has six regional offices as on 31.03.2021 which has also been disclosed under General Information in Financial Statement. Hence, reporting by Independent Auditor is deficient to that extent. | The observation of C&AG is noted and would be suitably incorporated/modified in the printed accounts of the financial year 2020-21. |
| (ii) Considering the impact of above comments, the loss for the year (Rs.769.69 crore) as depicted in the statement of Profit & Loss of the Company would increase by 53.67 per cent to reach Rs.1182.82 crore. Hence, the Financial Statements of the Company do not present a "true & fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that the Financial Statements presented a true & fair view. | It has been assured by statutory auditors that necessary provision will be made in 2021-22 after discussing the matters with the management. Further that there is sufficient reason for the recognition of deferred tax asset and non provision of interest payable to Anglo American Metallurgical Coal Pte Ltd is correct and thus present a true and fair view on the financial statements. It is a matter of opinion only.<br><br>Further the loss and contingent liabilities has been correctly shown in the books of accounts for 2020-21 . |

# DECADE AT A GLANCE

(₹ in crore)

| Year Ended 31st March | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **What we owe** | | | | | | | | | | | |
| Equity Share capital | **150** | 150 | 150 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Other Equity | **272** | 1034 | 1339 | 1349 | 1334 | 1278 | 1259 | 1242 | 1241 | 1321 | 1280 |
| | **422** | 1184 | 1489 | 1449 | 1434 | 1378 | 1359 | 1342 | 1341 | 1421 | 1380 |
| Borrowings | **2364** | 3732 | 922 | 519 | 440 | 272 | 287 | 413 | 1478 | 3430 | 6084 |
| Other Long Term Liabilities | **4** | 6 | - | - | - | 19 | 20 | 10 | 19 | 5 | - |
| Long Term Provisions | **44** | 45 | 189 | 184 | 188 | 179 | 177 | 183 | 170 | 137 | - |
| | **2834** | **4967** | **2600** | **2152** | **2062** | **1847** | **1843** | **1947** | **3008** | **4993** | **7463** |
| **What we own** | | | | | | | | | | | |
| Fixed assets | **71** | 72 | 67 | 65 | 65 | 209 | 206 | 212 | 211 | 205 | 211 |
| Less: depreciation | **33** | 29 | 22 | 17 | 12 | 152 | 148 | 130 | 119 | 108 | 99 |
| Net fixed assets | **38** | 43 | 45 | 48 | 52 | 58 | 58 | 82 | 92 | 97 | 111 |
| Investment Property | **4** | 4 | 4 | 4 | 4 | - | - | - | - | - | - |
| Investments | **23** | 22 | 452 | 453 | 485 | 460 | 446 | 446 | 470 | 467 | 283 |
| Assets held for sale | **467** | 467 | - | - | - | - | - | - | - | - | - |
| Other Non Current Assets including Financial Assets | **75** | 78 | 74 | 94 | 219 | 146 | 134 | 78 | 115 | 112 | - |
| Working capital (a-b) | **1672** | 4122 | 1794 | 1317 | 1070 | 955 | 977 | 1115 | 2187 | 4245 | 7035 |
| Deferred Tax Assets | **555** | 231 | 231 | 236 | 233 | 229 | 228 | 226 | 145 | 72 | 34 |
| | **2834** | 4967 | 2600 | 2152 | 2062 | 1847 | 1843 | 1947 | 3008 | 4993 | 7463 |
| **What we earned** | | | | | | | | | | | |
| Sales | **26365** | 24056 | 28293 | 15757 | 11593 | 12460 | 18242 | 25075 | 28416 | 65929 | 68855 |
| Exports | **1805** | 1802 | 1104 | 1795 | 1580 | 673 | 2301 | 4127 | 2980 | 2045 | 3693 |
| Imports | **20697** | 19074 | 21625 | 11878 | 8480 | 10296 | 14530 | 18714 | 20954 | 61042 | 63301 |
| Domestic | **3863** | 3180 | 5564 | 2084 | 1533 | 1492 | 1411 | 2234 | 4482 | 2842 | 1860 |
| Interest earned | **5** | 11 | 4 | 17 | 28 | 125 | 100 | 138 | 280 | 646 | 475 |
| Other income | **54** | 100 | 701 | 740 | 130 | 71 | 68 | 280 | 221 | 477 | 237 |
| | **26424** | **24167** | **28998** | **16514** | **11751** | **12656** | **18409** | **25492** | **28916** | **67052** | **69566** |
| **What we spent** | | | | | | | | | | | |
| Cost of sales | **26269** | 23961 | 28506 | 16118 | 11489 | 12374 | 18076 | 24924 | 28299 | 66048 | 68726 |
| Establishment Expenses | **135** | 194 | 221 | 259 | 196 | 202 | 192 | 190 | 203 | 184 | 184 |
| Administration Expenses | **28** | 56 | 55 | 48 | 52 | 53 | 51 | 47 | 48 | 52 | 55 |
| Finance Cost ( incl. Interest paid) | **198** | 139 | 65 | 17 | 21 | 30 | 17 | 67 | 220 | 576 | 372 |
| Depreciation & Amortization | **5** | 6 | 6 | 5 | 7 | 5 | 18 | 12 | 12 | 12 | 13 |
| Debts/claims/assets written off/withdrawn | **6** | - | 1 | 0 | 1 | 0 | 30 | 1 | 0 | 0 | 0 |
| Allowance for Bad and Doubtful Debts / claims/ advances | **1** | 1 | 16 | - | 1 | 0 | 1 | 1 | 6 | 13 | 23 |
| Extra-ordinary items | | - | - | - | - | - | - | 210 | 244 | 100 | - |
| Exceptional items * | **876** | 37 | 9 | 8 | (96) | (66) | (37) | 23 | 13 | (0) | - |
| | **27518** | **24394** | **28879** | **16455** | **11669** | **12597** | **18348** | **25476** | **29045** | **66987** | **69373** |

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **What we saved** | | | | | | | | | | | |
| Profit for the year | **(1094)** | (227) | 119 | 59 | 81 | 59 | 62 | 16 | (128) | 65 | 194 |
| Provision for taxation | **(324)** | - | 37 | 10 | 24 | 3 | 12 | (4) | (57) | 5 | 70 |
| Profit after tax (before Prior Period Adj.) | **(770)** | (227) | 82 | 49 | 57 | 56 | 50 | 20 | (71) | 60 | 124 |
| Prior period adjustment | **-** | - | - | - | - | 1 | 2 | 2 | (1) | (11) | 2 |
| Profit available for appropriation | **(770)** | (227) | 82 | 49 | 57 | 55 | 48 | 19 | (71) | 71 | 122 |
| Dividend | **-** | 45 | 30 | 30 | 30 | 30 | 25 | 15 | 10 | 25 | 25 |
| Tax on dividend | **-** | 9 | 6 | 6 | 6 | 6 | 5 | 3 | 0 | 4 | 4 |
| Retained earnings | **(770)** | (281) | 46 | 13 | 21 | 19 | 18 | 1 | (81) | 42 | 93 |
| **Gross Profit** | **113** | 174 | 474 | 333 | 220 | 130 | 208 | 346 | 300 | 277 | 330 |
| **Profit before Tax** | **(1094)** | (227) | 119 | 59 | 81 | 58 | 60 | 14 | (128) | 76 | 192 |
| **Profit after tax** | **(770)** | (227) | 82 | 49 | 57 | 55 | 48 | 19 | (71) | 71 | 122 |
| **Net worth** | **422** | 1184 | 1489 | 1449 | 1434 | 1378 | 1359 | 1342 | 1341 | 1421 | 1380 |
| **Capital employed** | **654** | 433 | 917 | 846 | 682 | 740 | 748 | 784 | 800 | 913 | 865 |
| **Working capital** | **1672** | 4122 | 1794 | 1317 | 1070 | 955 | 977 | 1115 | 2187 | 4245 | 7035 |
| **Ratios** | | | | | | | | | | | |
| Overheads to sales % | **0.62** | 1.04 | 0.98 | 1.95 | 2.14 | 2.04 | 1.33 | 0.94 | 0.88 | 0.36 | 0.35 |
| Stocks to sales % | **0.17** | 0.91 | 0.99 | 10.86 | 20.42 | 3.22 | 1.75 | 1.23 | 3.13 | 1.40 | 0.94 |
| Trading profit to sales% | **0.43** | 0.72 | 1.68 | 2.11 | 1.90 | 1.04 | 1.14 | 1.38 | 1.05 | 0.42 | 0.48 |
| Profit before tax to sales % | **(4.15)** | (0.94) | 0.42 | 0.37 | 0.70 | 0.46 | 0.33 | 0.06 | (0.45) | 0.12 | 0.28 |
| Profit after tax to sales % | **(2.92)** | (0.94) | 0.29 | 0.31 | 0.49 | 0.44 | 0.26 | 0.07 | (0.25) | 0.11 | 0.18 |
| Debtors to sales % | **2.11** | 8.00 | 0.98 | 2.24 | 4.36 | 6.64 | 16.64 | 6.92 | 7.83 | 4.20 | 3.69 |
| Working capital to sales % | **6.34** | 17.14 | 6.34 | 8.36 | 9.23 | 7.66 | 5.36 | 4.45 | 7.69 | 6.44 | 10.22 |
| Sales to working capital (times) | **15.77** | 5.84 | 15.77 | 11.96 | 10.84 | 13.05 | 18.67 | 22.48 | 13.00 | 15.53 | 9.79 |
| Profit for the year to capital employed % | **167.28** | (52.42) | 12.98 | 6.97 | 11.90 | 7.90 | 8.23 | 2.04 | (16.04) | 7.13 | 22.41 |
| Profit after tax to capital employed % | **117.74** | (52.42) | 8.94 | 5.79 | 8.36 | 7.42 | 6.41 | 2.37 | (8.82) | 7.75 | 14.07 |
| Profit for the year to net worth % | **(259.24)** | (19.17) | 7.99 | 4.07 | 5.66 | 4.25 | 4.53 | 1.19 | (9.58) | 4.58 | 14.05 |
| Profir after tax to net worth % | **(182.46)** | (19.17) | 5.51 | 3.38 | 3.97 | 3.98 | 3.53 | 1.39 | (5.27) | 4.97 | 8.81 |
| Number of employees | **702** | 786 | 943 | 1117 | 1226 | 1334 | 1439 | 1530 | 1605 | 1673 | 1767 |
| Sales per employee | **37.56** | 30.61 | 30.00 | 14.11 | 9.46 | 9.34 | 12.68 | 16.39 | 17.70 | 39.41 | 38.97 |

* Exceptional Items for Year 2021, 2020, 2019, 2018, 2017, 2016 & 2015 excludes Write-down of inventories to net realisable value.

## SOURCES AND UTILISATION OF FUNDS

(₹ in crore)

| | 2020-21 | 2019-20 | 2018-19 |
|---|---|---|---|
| **SOURCES** | | | |
| **Internal generation** | | | |
| Profit after tax | (770) | (227) | 81 |
| Deferred Tax Adjustments | (325) | 0 | 5 |
| Depreciation | 34 | 30 | 24 |
| Provisions | 707 | 708 | 668 |
| Equity | 150 | 150 | 150 |
| Reserves | 1042 | 1261 | 1258 |
| **External generation** | | | |
| Banks | 2364 | 3732 | 922 |
| Current liabilities | 1746 | 1561 | 1805 |
| Other liabilities | 974 | 103 | 239 |
| **TOTAL SOURCES** | **5922** | **7318** | **5152** |
| **UTILISATION** | | | |
| Fixed assets | 75 | 77 | 73 |
| Investments | 540 | 540 | 461 |
| Trade debts | 946 | 2314 | 669 |
| Inventories | 46 | 218 | 280 |
| Loan & advances | 3919 | 3818 | 3378 |
| Cash & bank balance | 166 | 120 | 55 |
| Deferred Tax | 230 | 231 | 236 |
| **TOTAL UTILISATION** | **5922** | **7318** | **5152** |

## STATEMENT OF CHANGES IN FINANCIAL POSITION

(₹ in crore)

| **SOURCES OF FUNDS** | | **2020-21** | | **2019-20** | | **2018-19** |
|---|---|---|---|---|---|---|
| **Internal generation** | | | | | | |
| Profit after tax | (770) | | (227) | | 81 | |
| Depreciation | 5 | (765) | 6 | (221) | 6 | 87 |
| Deferred Tax Adjustment | | 231 | | 231 | | 236 |
| **Borrowings** | | | | | | |
| Loan funds | | (1,368) | | 2,810 | | 403 |
| **TOTAL SOURCES** | | **(1,902)** | | **2,820** | | **726** |
| **APPLICATION OF FUNDS** | | | | | | |
| Fixed assets | | - | | 6 | | 3 |
| Investments | | 1 | | 37 | | (1) |
| Deferred Tax Asset | | 555 | | 231 | | 231 |
| Final Dividend | | - | | 45 | | 30 |
| Dividend Tax | | - | | 9 | | 6 |
| Inventory | | (172) | | (62) | | (1,432) |
| Trade Receivables | | (1,370) | | 1,648 | | (75) |
| Loan & Other Assets | | 103 | | 440 | | 566 |
| Cash & Bank balance | | 46 | | 65 | | (13) |
| Liabilities | | (183) | | 238 | | 1,323 |
| Provisions | | (882) | | 163 | | 88 |
| **TOTAL APPLICATION OF FUNDS** | | **(1,902)** | | **2,820** | | **726** |

## COMMODITY - WISE PERFORMANCE

(₹ in crore)

| Year ended 31st March | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EXPORTS** | | | | | | | | | | | | |
| Iron Ore | **1792** | 1602 | 564 | 1091 | 923 | 361 | 1,401 | 1,670 | 989 | 305 | 1,939 | 1,924 |
| Manganese ore/ oxide | **5** | 9 | 10 | | - | - | 7 | 14 | 23 | 34 | 58 | 102 |
| Chrome ore/ concentrate | **-** | 74 | 126 | 191 | 350 | 82 | 34 | 353 | 378 | 616 | 808 | 627 |
| Pig iron | **-** | 110 | 375 | 401 | 242 | 230 | 629 | 1,099 | 289 | 940 | 814 | 489 |
| Slag | **-** | - | 8 | 1 | - | - | - | 2 | - | - | - | - |
| Fertilizer | **-** | - | - | - | - | - | - | 235 | 153 | 149 | 74 | 80 |
| Agro Products | **-** | - | - | - | - | - | 229 | 754 | 1,148 | - | 2 | - |
| Raw Wool | **-** | - | - | - | - | - | - | - | - | 1 | - | - |
| Merchanting Trade | **-** | - | - | 61 | 21 | - | - | - | - | - | - | - |
| General Trade | **8** | 7 | 21 | 50 | 45 | - | - | - | - | - | - | - |
| **Total Exports** | **1805** | **1802** | **1104** | **1795** | **1580** | **673** | **2301** | **4127** | **2980** | **2045** | **3693** | **3223** |
| **IMPORTS** | | | | | | | | | | | | |
| **Metals/ IRM** | | | | | | | | | | | | |
| Copper/Copper Cathodes | **-** | - | - | 1 | 166 | - | - | - | 10 | 133 | 124 | 155 |
| Zinc | **-** | 95 | 136 | 147 | - | 101 | 56 | 62 | 84 | 138 | 121 | 149 |
| Lead | **73** | 1 | 0 | 0 | - | 0 | 3 | 2 | 5 | 4 | 12 | 9 |
| Tin | **-** | 8 | 8 | 45 | 39 | 18 | 20 | 39 | 42 | 67 | 101 | 52 |
| Nickel | **-** | 32 | 23 | 26 | 58 | 18 | 72 | 75 | 57 | 139 | 330 | 104 |
| Aluminium | **-** | - | - | - | - | - | - | - | - | - | - | 1 |
| Antimony Metal | **-** | - | - | 1 | 4 | 4 | 5 | 7 | 6 | - | 3 | 1 |
| Steel /Steel Scrap/ HR Coils | **-** | - | - | - | - | - | - | - | - | 48 | 108 | 158 |
| Others | **-** | 21 | 25 | 26 | 10 | - | - | - | 11 | 58 | 28 | 33 |
| **SUB TOTAL** | **73** | **157** | **192** | **246** | **278** | **141** | **156** | **185** | **214** | **587** | **827** | **664** |
| **Fertilizers:** | | | | | | | | | | | | |
| Sulphur | **6** | 6 | 17 | 14 | 6 | 16 | 23 | 23 | 23 | 22 | 14 | 22 |
| Urea | **9180** | 11091 | 10111 | 1823 | 2,418 | 2,611 | 7,797 | 3,597 | 1,170 | 4,893 | 1,453 | 1,408 |
| DAP | **-** | - | - | - | - | - | - | - | - | 145 | - | 57 |
| MOP | **-** | - | - | - | 158 | - | 176 | 128 | 560 | 528 | 394 | 930 |
| Phosphoric Acid | **-** | - | - | - | 46 | - | - | - | - | - | - | - |
| Others | **-** | - | - | 1 | 24 | 97 | - | - | - | - | - | 0 |
| **SUB TOTAL** | **9186** | **11097** | **10128** | **1838** | **2652** | **2725** | **7996** | **3747** | **1754** | **5587** | **1861** | **2418** |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Diamonds/Gold/ Emeralds | **11364** | 7072 | 9581 | 8939 | 4,874 | 6,342 | 4,334 | 8,412 | 13,137 | 50,461 | 50,193 | 31,603 |
| Agro Products | **-** | 96 | 610 | 529 | 106 | 58 | 70 | 1,214 | 1,378 | 1,184 | 1,492 | 1,464 |
| Hydrocarbons | **74** | 646 | 1097 | 323 | 570 | 1,013 | 1,948 | 5,151 | 4,469 | 3,220 | 8,923 | 3,820 |
| Others | **-** | 5 | 17 | 3 | - | 17 | 26 | 5 | 3 | 3 | 4 | 0 |
| **TOTAL IMPORTS** | **20697** | **19073** | **21625** | **11878** | **8480** | **10296** | **14530** | **18713** | **20955** | **61042** | **63301** | **39969** |
| **DOMESTIC** | | | | | | | | | | | | |
| Copper/Zinc/ Brass/Alum. | **1** | 5 | 1 | | - | 0 | - | - | - | - | 2 | 119 |
| Pig Iron/Slag/ Steel | **1** | 558 | 1488 | 417 | 174 | 187 | 176 | 234 | 980 | 827 | 418 | 635 |
| Fertilizers | **-** | 3 | 5 | 2 | 0 | 160 | 86 | 5 | 8 | 9 | 4 | 4 |
| Agro Products | **644** | 660 | 370 | 20 | 103 | 298 | - | 502 | 1,604 | 846 | 129 | 125 |
| Gems & Jewellery/Silver | **2701** | 1232 | 3206 | 1168 | 1,165 | 708 | 812 | 761 | 538 | 682 | 492 | 527 |
| Hydrocarbon | **510** | 692 | 356 | 439 | 69 | 114 | 176 | 446 | 1,166 | 348 | 587 | 175 |
| Others | **6** | 31 | 138 | 38 | 22 | 24 | 161 | 287 | 186 | 130 | 228 | 347 |
| **TOTAL DOMESTIC** | **3863** | **3181** | **5564** | **2084** | **1533** | **1492** | **1411** | **2234** | **4482** | **2842** | **1860** | **1932** |
| **TOTAL TURNOVER** | **26365** | **24056** | **28293** | **15757** | **11593** | **12460** | **18242** | **25075** | **28416** | **65929** | **68854** | **45124** |

## VALUE ADDED STATEMENT

(₹ in crore)

| | 2020-21 | | 2019-20 | | 2018-19 | |
|---|---|---|---|---|---|---|
| **VALUE ADDED** | | | | | | |
| Sales & other trade earning | 26,382 | | 24,135 | | 28,979 | |
| Add:Other income | 37 | | 25 | | 18 | |
| | 26419 | | 24160 | | 28997 | |
| Less: Cost of material and services used | 25,186 | | 23,295 | | 27,624 | |
| **TOTAL VALUE ADDITION** | **1233** | | **865** | | **1373** | |
| **VALUE DISTRIBUTION** | | | | | | |
| Operating expenses | 1,081 | 87.70 | 659 | 76.18 | 881 | 64.15 |
| Employment costs | 135 | 10.95 | 194 | 22.48 | 221 | 16.13 |
| Administrative costs | 912 | 73.94 | 105 | 12.14 | 69 | 5.02 |
| Provisions | 1 | 0.09 | 0 | 0.06 | 16 | 1.16 |
| Depreciation | 5 | 0.40 | 6 | 0.65 | 6 | 0.40 |
| Interest(net) | 193 | 15.68 | 128 | 14.76 | 62 | 4.49 |
| Income tax | (325) | (26.32) | - | 0.00 | 37 | 2.71 |
| Retained earning | (770) | (62.43) | (227) | (26.26) | 81 | 5.93 |
| **TOTAL VALUE DISTRIBUTION** | **1,233** | **100** | **865** | **100** | **1,373** | **100** |
| **ANALYSIS** | | | | | | |
| Number of employee | 702 | | 786 | | 943 | |
| Value added per employee | 1.76 | | 1.10 | | 1.46 | |
| Net worth | 422 | | 1,184 | | 1,489 | |
| Value added per rupee of net worth | 2.92 | | 0.73 | | 0.92 | |

# COUNTRY-WISE IMPORTS

(₹ in crore)

| Year ended 31st March | 2021 | 2020 | 2019 |
|---|---|---|---|
| **AFRICA** | | | |
| EGYPT | 1113 | 904 | 576 |
| ALGERIA | - | 105 | 121 |
| NIGERIA | - | - | 66 |
| SOUTH AFRICA | 83 | - | - |
| | **1,196** | **1,009** | **763** |
| **ASIA** | | | |
| CHINA | 3207 | 4238 | 3603 |
| VIETNAM | 98 | 91 | - |
| INDONESIA | 424 | 1109 | 155 |
| JAPAN | - | 7 | 2 |
| KOREA | 2 | 1 | 35 |
| MALAYSIA | 94 | - | - |
| HONGKONG | - | - | 43 |
| RUSSIA | 249 | 665 | 695 |
| SINGAPORE | - | 55 | 196 |
| | **4074** | **6166** | **4729** |
| **EAST EUROPE** | | | |
| KAZAKHISTAN | - | 21 | 6 |
| UZBEKISTAN | - | 45 | 73 |
| UKRAINE | 1110 | 719 | - |
| | **1110** | **785** | **79** |
| **MIDDLE EAST** | | | |
| BAHRAIN | 336 | 536 | 291 |
| DUBAI | - | 46 | 105 |
| IRAN | - | - | 1391 |
| OMAN | 1278 | 1371 | 997 |
| QATAR | 83 | 343 | 383 |
| SAUDI ARABIA | - | 191 | 501 |
| TURKEY | 4642 | 128 | - |
| UAE | - | 1244 | 1454 |
| | **6339** | **3859** | **5122** |
| **NORTH AMERICA** | | | |
| USA | 5 | 11 | 207 |
| | **5** | **11** | **207** |
| **SOUTH AMERICA** | | | |
| BRAZIL | 1 | - | - |
| | 1 | - | - |
| **OCEANIA** | | | |
| AUSTRALIA | 94 | 870 | 2446 |
| | **94** | **870** | **2446** |
| **WEST EUROPE** | | | |
| LUXEMBOURG | | - | - |
| FINLAND | 204 | 199 | 127 |
| NETHERLANDS | 6 | 7 | - |
| LATIVA | | 104 | 121 |
| SWITZERLAND | 4844 | 3396 | 2607 |
| NORWAY | | 21 | 25 |
| UK | 1667 | 1956 | 3615 |
| ITALY | 11 | | |
| | **6732** | **5683** | **6495** |
| **TOTAL IMPORTS** | **19551** | **18383** | **19841** |

## COUNTRY-WISE EXPORTS

(₹ in crore)

| Year ended 31st March | 2021 | 2020 | 2019 |
|---|---|---|---|
| **ASIA** | | | |
| BANGLADESH | - | - | 205 |
| CHINA | 8 | 85 | 78 |
| HONGKONG | 5 | - | - |
| JAPAN | 1393 | 1252 | 512 |
| KOREA | 399 | 350 | 125 |
| NEPAL | - | 1 | 8 |
| INDONESIA | - | 5 | 6 |
| SINGAPORE | - | 109 | |
| THAILAND | - | - | 170 |
| **TOTAL EXPORTS** | **1805** | **1802** | **1104** |

## CONTRIBUTION TO EXCHEQUER

(₹ in crore)

| | 2020-21 | 2019-20 | 2018-19 |
|---|---|---|---|
| **To Central Government** | | | |
| Export Duty | 182 | 179 | 234 |
| Import Duty | 1,073 | 569 | 580 |
| Service Tax | - | - | - |
| CST | - | - | - |
| GST | 163 | 239 | 88 |
| Income Tax (Incl. Tax on Dividend)/TDS | 21 | 46 | 25 |
| Dividend | - | 40 | 27 |
| **Total** | **1,439** | **1,073** | **954** |
| **To Railways & Ports** | | | |
| Railway freight | - | 1 | 12 |
| Plot rent to Railways/Ports | 3 | - | 4 |
| Port Charges | - | 8 | 4 |
| **Total** | **3** | **9** | **20** |
| **To State Government** | | | |
| GST | 143 | 66 | 107 |
| **Total** | **143** | **66** | **107** |
| **Grand Total** | **1,585** | **1,148** | **1,081** |

# PERFORMANCE AT A GLANCE

(₹ in crore)

| For the financial year ending 31st March | 2021 | 2020 | 2019 |
|---|---|---|---|
| **Total Sales** | **26365** | 24056 | 28293 |
| which includes- | | | |
| Exports | 1805 | 1802 | 1104 |
| Imports | 20697 | 19074 | 21625 |
| Domestic | 3863 | 3180 | 5564 |
| Trading Profit | 113 | 174 | 474 |
| Income from Other Sources | 43 | 36 | 21 |
| **Profit After Tax** | (770) | (227) | 82 |
| **At Year End** | | | |
| Total Assets | 5507 | 6580 | 4455 |
| Share Capital | 150 | 150 | 150 |
| Net Worth | 422 | 1184 | 1489 |
| **Per Share (Rupees)** | | | |
| Earnings | (5.13) | (1.51) | 0.55 |
| Dividend | - | - | 0.30 |
| Net Worth to Share Capital (times) | 2.81 | 7.89 | 9.93 |
| Profit after Tax to Capital Employed (%) | 117.74 | (52.42) | 8.94 |
| Profit after Tax to Net Worth (%) | (182.46) | (19.17) | 5.51 |
| Sales per Employee (Rs.) | 37.56 | 30.61 | 30.00 |

# INDEPENDENT AUDITOR'S REPORT

**To the Members of MMTC Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of MMTC Limited("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements"), in which are incorporated the financial statements for the year ended on that date audited by the Branch Auditors of the Company's Regional Offices at Mumbai,Vizag, Chennai, Hyderabad and Bhubaneshwar.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015,as amended, thereof ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the losses and total comprehensive income(Comprising of net loss and total comprehensive loss), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of Matters**

1. We draw attention to Note No. 34(vi) to the Standalone Ind-AS financial statements in respect of pre-award interest payable to Anglo Coal amounting to ₹ 128.89 crores for the period 1.10.2009 to 24.09.2012. The Company is of the opinion that pre-arbitration interest is not payable to Anglo Coal for the mentioned duration and only pendente lite and future interest will be payable at 6% simple interest as per Supreme Court order dated 29.07.2021.

   MMTC is holding total exposure of Rs. 3987.58 crores (including equity investment) with Neelachal Ispat Nigam Limited (NINL). Cabinet Committee on Economic Affairs (CCEA) has accorded 'in principle' approval for strategic divestment of equity investment held by MMTC and other Central/ State Public Sector Undertakings (PSUs) on 8th January 2020 and subsequent various meetings on divestment by DIPAM. Management has considered that no impairment of investment and advance to NINL is required as full outstanding amount due from NINL will be realized from the divestment proceeds. (Also refer Note No. 36(c) to the standalone Ind-AS financial statements).

2. We draw attention to Note No. 10 of the Standalone Ind-AS financial Statements, the Company has made deferred tax assets amounting to Rs. 330.69 crores on losses limited to the probable interest proceeds (from financial year 2019-20, 2020-21 &2021-22) to be realized through divestment proceeds of NINL.

3. We draw attention to Note No. 17 to the Standalone Ind-AS financial statements in respect of restructuring of loans where it has been agreed with the lender banks that outstanding amount of loan and interest will be repaid by 31.03.2022 through the divestment proceeds of NINL.

4. We draw attention to the Note No. 49 of the statements which describes the impact of covid-19, a global pandemic, on the operations and financial matters of the company.

   Our opinion is not modified in respect of these matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

| Sl. No | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1. | Refer note no. 34 on the claims not acknowledged as debt incorporating therein claims on account of pending legal cases. There are large numbers of cases pending before various adjudicating authorities. These legal cases involve significant judgement to determine the possible outcome of those disputes and independent legal assessment to pursue the case.<br><br>The company has 5 regional offices and different divisions to handle the trade activities including accounting of that particular activity. However, in lot of cases the legal cases are pursued at corporate office level while related financial information / transactions are dealt at RO level, thereby difficulties are faced in giving a comprehensive and holistic treatment to the transaction. | We obtained list of all the pending legal cases handled at Corporate office legal division on 31st March 2021 with a note from management on the changes in the status of the cases from that of last year. We considered the effect of information provided by the management and analysed the impact of financial obligation of the Company.<br><br>It was suggested to management to have legal cases and financial obligation if any at the same location in order to have clarity in reporting in financial statement. |
| 2. | Refer note no. 11 include advance to related parties wherein interest income on loan/advance given to NINL has not been recognized as an income during the year. | In view of the significance of the matter, we applied following audit procedures in this area, among others to obtain sufficient appropriate evidence.<br><br>We discussed the matter with the management to understand the possibility of recovery of interest<br><br>Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of IND AS 115 Revenue recognition.<br><br>Assessed the relevant disclosures made in the financial statements. |

| | | |
|---|---|---|
| 3. | Assessment of impairment of investment in subsidiary and joint ventures(Refer note no. 6)<br>The company as at 31st March, 2021 has non-current and current investments. | Our audit procedures include but we are not limited to the following:<br>Obtained and understanding of the management process.<br>Discussed extensively with management regarding impairment indicators and evaluated the design and testing operating effectiveness of controls.<br>Assessed the methodology used by the management to estimate the recoverability of investment and ensured that it is consistent with applicable accounting standards. |
| 4. | Refer Note No 32 (ii) on provision on Anglo Coal | In view of the significance of the matter, we applied following audit procedures:<br>Obtained and understanding of relevant documents in relation to the matters of anglo coal.<br>Discussed with management regarding the possible impact and shown in the financial statement. |

**Management's Responsibilities for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

We did not audit the financial statements/ financial information of 5 Regional Offices included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 4267.69 crores as at March 31, 2021 and total revenue of Rs. 1671.31crores for the year ended on that date, as considered in the standalone financial statements. The financial statements/financial information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

**Reporton Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid financial statements.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with the companies (Indian accounting Standards) Rules, 2015 as amended;

e) Being a Government Company pursuant to the Notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Company;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

g) As per Notification number G.S.R. 463 (E)dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act regarding remuneration to director is not applicable to the Company, since it is a Government Company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. There are pending litigation including matters relating to sales tax, custom duty and excise duty which are disclosed as contingent liability – refer to Note 34 and 36 to the standalone financial statements, the impact of the same is unascertainable as the matters are sub-judice.

   ii. The Company is not having any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

   iii. The Company has not transferred Rs 0.66 lakhs to the Investor education and protection fund.

3. As required by CAG of India through directions, issued under Section143(5) of the Act, 2013 we give our report in the attached **"Annexure C"**.

**For M.L. Puri & Co.**
**Chartered Accountants**
**FRN: 002312N**

**Place: New Delhi**
**Date: 27.10.2021**
**UDIN:21095584AAAALG7320**

**CA R.C. Gupta**
**Partner**
**M.No.095584**

# Annexure-A To the Independent Auditor's Report on the Financial Statements of The MMTC LIMITED.

Refer to in Paragraph 4 under "Other Legal and Regulatory Requirement" we further report that:

**1. In Respect of Fixed Asset**

i. The Company has maintained proper records in respect of its fixed assets showing full particulars including quantitative details and situation of fixed asset.

ii. Based on the physical verification reports produced before us, in our opinion, the said assets have been physically verified by the management at reasonable intervals except fixed assets provided to officials of Ministry of Corporate Affairs.

However, reconciliation of physical verification with fixed assets register has not been done by the management in Mumbai and Corporate Office books.

iii. Title deeds of immovable property are held in the name of the company except in the case mentioned below:

| Region/Office | Asset Description | Gross Value (In Rs.) | Area | Remarks |
|---|---|---|---|---|
| Corporate Office | Leaesehold Land (Scope)<br>Office Building (Scope) | 1.04 Crore<br>5.74 Crore | - | Lease Deed is in the name of scope which is yet to be executed in favour of the company |

Further, 36 title deeds has been deposited with Hon'ble High Court in respect of dispute with Anglo American Metallurgical Coal Pte Limited.

**2. In Respect of Inventory**

i. As explained to us, the inventories have been physically verified during the year by the management.

ii. In our opinion and according to the information and explanation given to us, no material discrepancies were noticed during the course of physical verification.

iii. In our opinion and according to the information and explanation given to us, the procedure, the procedure of physical verification of inventories followed by the management needs to be strengthen in relation to the size of the MMTC Limited and the nature of its business.

**3. Loans to parties given to parties covered under section 189-Refer note no-36(c)**

The company has granted unsecured loan to one of its joint venture company, Neelachal Ispat Nigam Limited.

i. In our opinion and according to the information and explanation given to us, terms and conditions on which loan has been granted is not prejudicial to the interest of the company.

ii. According to the information and explanation given to us, payment terms of loan and interest were revised by the Board by granting extension and enhancing credit facility for which a fresh agreement is yet to be entered.

iii. According to the information and explanation given to us and in consequence to extension of credit facility extended for which agreement is yet to be entered, we are unable to comment upon the amount overdue, if any, as on balance sheet date.

**4. Compliance of Provision of Section 185 and 186 of the Companies Act, 2013 in respect of loans, guarantees and securities**

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities as applicable.

5. **Acceptance of Deposits**

According to the information and explanations given to us, the Company has not accepted deposits as per the directive issued by the Reserve Bank of India and the provision of Section 73 to 76 or any other relevant provision of the Act and the rules framed there under.

6. **Maintenance of Cost Records**

As explained to us, maintenance of cost records has not been prescribed by the Central Government for the Company under Section 148(1) of the Act.

7. **Undisputed & Disputed Statutory Dues**

   i. According to the information and explanations given to us and as per the records verified by us, the Company has been regular in depositing undisputed statutory dues including Income Tax, Provident Fund dues, Professional Tax, Value Added Tax and Service Tax with the appropriate authorities.

   ii. There were no undisputed amount payable in respect of Income Tax, Provident Fund dues, Professional Tax, GST, Value Added Tax and Service Tax and other statutory dues in arrear as at 31st March 2021 for more than six months from the date they became payable except the amount of demand raised by CPC (TDS) from the year 2007-08 to 2018-2019 for Rs 2,74,760 in Bhubaneshwar division and Rs. 4,44,220 in Corporate Office division.

   iii. In case of dues of Income Tax or sales tax or service tax or duty of custom or duty of excise or value added tax or cess which have not been deposited on account of any dispute are attached as **"Annexure I"**.

8. **Loans from Banks/Financial Institutions/Government/Debentures**

According to the information and explanations given to us and as per the records verified by us, the Company has defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders as per details attached in **"Annexure II"**.

9. **Proceeds of Public Issue(including debt instruments)/Term Loans**

According to the information and explanations given to us and as per the records verified by us, the Company has not raised any money during the year through initial/further public offer (including debt instruments). Term loans raised by the company during the year have been utilized for the purpose for which they were obtained.

10. **Frauds on or by the Company**

According to the information and explanations given to us and based on the audit procedures performed in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company or its officers, noticed or reported during the year, nor have we been informed of such case by the management.

11. **Managerial Remuneration**

As per notification No. GSR 463(E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of Companies Act, 2013 is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

12. **Nidhi Companies**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

13. **Related Party Transactions**

According to the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the Company are in compliance with section 177 and 188 of the Act, where applicable and the relevant details in respect of such transactions have been appropriately disclosed in the standalone Financial Statements under Ind As-24 – "Related Party Disclosures" specified under Section 133 of the Act read with relevant rules.

**14. Preferential Issue**

According to the information and explanations given to us and based on our examination of records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

**15. Non-Cash Transactions with Director's etc.**

As per the information's and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of section 192 of the Act are not applicable.Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

**16. Provision of 45-IA of the Reserve Bank of India Act,1934**

According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For M.L. Puri & Co.**
**Chartered Accountants**
**FRN: 002312N**

**Place: New Delhi**
**Date: 27.10.2021**
**UDIN:21095584AAAALG7320**

**CA R.C. Gupta**
**Partner**
**M.No.095584**

**Annexure "I"to Clause 7 (iii) of Annexure A to Independent Auditors' Report on the Standalone Financial Statements of MMTC Limited**

**Mumbai Region**

| Nature of Statute | Nature of Dues | Year | Amount Involved | Amount Deposited | Authority |
|---|---|---|---|---|---|
| Bombay Sales Tax Act | Sales Tax | 1989-90 | 15,01,06,778 | 5,00,000 | Jt. Comm. Of Sale tax (Appeal IV) |
| Bombay Sales Tax Act | Sales Tax | 1990-91 | 23,35,46,478 | 5,00,000 | Jt. Comm. Of Sale tax (Appeal IV) |
| Bombay Sales Tax Act | Sales Tax | 1991-92 | 32,98,738 | 4,00,000 | Jt. Comm. Of Sale tax (Appeal IV) |
| Bombay Sales Tax Act | Sales Tax | 2001-02 | 45,03,961 | - | Jt. Comm. Of Sale tax (Appeal I) |
| Bombay Sales Tax Act & Central Sales Tax Act, 1956 | Sales Tax | 2004-05 | 42,00,789 | - | Jt. Comm. Of Sale tax (BST Appeals) |
| Maharashtra VAT, 2002 | Sales Tax | 2008-09 | 13,04,722 | 71,495 | Maharashtra Sales Tax Tribunal |
| Maharashtra VAT, 2002 | Sales Tax | 2007-08 | 0** | - | Maharashtra Sales Tax Tribunal) |
| Maharashtra VAT, 2002 | Sales Tax | 2010-11 | 45,01,471 | 2,78,400 | Maharashtra Sales Tax Tribunal |
| Maharashtra VAT, 2002 | Sales Tax | 2009-10 | 17,22,430 | 94,380 | Maharashtra Sales Tax Tribunal |
| Maharashtra VAT, 2002 | Sales Tax | 2011-12 | 0* | - | Jt. Comm. Of Sale tax (Appeal VI) |
| Maharashtra VAT, 2002 | Sales Tax | 2013-14 | 13,29,839 | 72,921 | Jt. Comm. Of Sale tax (Appeal VI) |
| Central Sale Tax,1956 | Sales Tax | 2011-12 | 48,25,144* | 1,00,000 | Jt. Comm. Of Sale tax (Appeal VI) |
| Central Sale Tax,1956 | Sales Tax | 2008-09 | 51,81,979 | - | Maharashtra Sales Tax Tribunal |
| Central Sale Tax,1956 | Sales Tax | 2007-08 | 71,97,308 | - | Maharashtra Sales Tax Tribunal |
| Central Sale Tax,1956 | Sales Tax | 2014-15 | 7,63,905 | 405,793 | Jt. Commissioner of sales tax (Appeal VI) |
| Custom Act,1962 | Custom Act | 2012-13 | 23,98,53,708 | 23,98,53,708 | Commissioner of Customs |

*Both Appeals are filed with same appellate authority for common issue.
**Filed Second appeal for seeking more refund than granted in 1st appeal.

**Chennai Region**

| Nature of Statute | Nature of Dues | Year | Amount | Authority |
|---|---|---|---|---|
| TNGST Act | Sales Tax Penalty & Interest | 2001-02 | 1,78,566 (SPANDEX YARN) | Assistant Commissioner of Commercial Taxes |
| TNVAT Act | VAT & Penalty | 2008-09 | 3,55,08,765 (DUN PEAS) | Jt. Commissioner of Commercial Taxes Appeals |

**Vizag Region**

| Nature of Statute | Nature of Dues | Year | Amount | Authority |
|---|---|---|---|---|
| APGST* | APGST | 1968-69 | 18,56,325 | STAT HYD |
| APGST* | APGST | 1985-86 | 25,05,806 | STAT VIZAG |
| APGST* | APGST | 1989-90 | 4,79,000 | STAT |
| APGST* | APGST | 1991-92 | 19,34,139 | AC LTU |
| APGST* | APGST | 1997-98 | 25,27,960 | STAT VIZAG |
| CST** | CST | 1994-95 | 8,41,695 | AC LTU |
| CST** | CST | 2007-08 | 1,04,614 | ADC |
| VAT | APVAT | 2013-14 | 22,63,563 | ADC |
| CST | CST | 2013-14 | 4,10,662 | ADC |
| VAT | APVAT | 2014-15 | 4,17,000 | ADC |
| Customs Duty | Customs Duty | 2009-10 | 92,92,463 | CESTAT, Hyderabad |

*Out of the disputed amounts relating to APGST/VAT/CST the RO has deposited a sum of Rs. 98,70,324/- with the respective authorities.

**Out of the disputed amounts relating to Custom duty the RO had deposited a sum of Rs. 76,07,136/- with the respective authorities.

**Kolkata Region**

| Nature of Statute | Nature of Dues | Year | Amount | Authority |
|---|---|---|---|---|
| Central Sales Tax,1956 | Sales Tax | 2005-06 | 10,17,873 | Appellate Board |
| Central Sales Tax,1956 | Sales Tax | 2013-14 | 46,07,728 | Calcutta High Court |
| WB Value Added Tax Act, 2003 | West Bengal VAT | 2013-14 | 51,46,313 | Calcutta High Court |

**Hyderabad Region**

| Nature of Statute | Nature of Dues | Year | Amount | Authority |
|---|---|---|---|---|
| CST | Central Sales Tax | 1989-90 | 1,49,770 | STAT |
| APGST | Central Sales Tax | 1991-92 | 24,02,576 | STAT |
| APGST | Sales Tax | 1992-93 | 13,96,269 | STAT-VIZAG |
| APGST | Sales Tax | 1993-94 | 17,62,687 | STAT-VIZAG |
| APGST | Sales Tax | 1993-94 | 6,30,615 | STAT-VIZAG |
| CST | Central Sales Tax | 1993-94 | 4,41,446 | STAT-VIZAG |
| CST | Central Sales Tax | 1994-95 | 2,04,081 | AC LTU |
| CST | Sales Tax | 1997-98 | 58,43,100 | STAT-VIZAG |
| CST | Sales Tax | 1999-00 | 39,04,454 | STAT-VIZAG |
| CST | Sales Tax | 2000-01 | 2,52,926 | STAT-VIZAG |
| VAT | VAT | 2006-07 | 6,76,058 | AC LTU,STAT |
| VAT | VAT | 2007-08 | 71,000 | AC AUDIT |
| VAT | VAT | 2008-09 | 7,84,474 | STAT |
| VAT | VAT | 2012-13 | 99,49,808 | ADC (CTO) |
| CST | Central Sales Tax | 2013-14 | 4,40,000 | STAT |
| APV AT-JC | VAT | 2013-14 | 22,00,000 | APV AT-JC |
| CST | CENTRAL SALES TAX | 2014-15 | 6,33,008 | DC (CTO) |

**Corporate Office**

| Nature of Statute | Nature of Dues | Year (AY) | Amount | Forum |
|---|---|---|---|---|
| Income Tax Act | Income Tax | 2018-19 | 2,09,96,930 | |
| Income Tax Act | Income Tax | 2017-18 | 1,59,36,207 | CIT(A) |
| Income Tax Act | Income Tax | 2016-17 | 3,24,12,680 | CIT(A) |
| Income Tax Act | Income Tax | 2015-16 | 1,17,51,934 | ITAT |
| Income Tax Act | Income Tax | 2014-15 | 1,55,24,136 | ITAT |
| Income Tax Act | Income Tax | 2013-14 | 3,34,92,278 | ITAT |
| Income Tax Act | Income Tax | 2011-12 | 91,77,995 | ITAT |
| Income Tax Act | Income Tax | 2010-11 | 2,57,474 | ITAT |
| Income Tax Act | Income Tax | 2009-10 | 8,06,98,915 | ITAT |
| Income Tax Act | Income Tax | 2008-09 | 1,44,83,413 | CIT(A) / Sup. Court |
| Income Tax Act | Income Tax | 2005-06 | 4,51,65,330 | Sup. Court |
| Income Tax Act | Income Tax | 2004-05 | 3,58,34,174 | ITAT |
| Income Tax Act | Income Tax | 2003-04 | 1,08,96,834 | ITAT |

| | | | | |
|---|---|---|---|---|
| Income Tax Act | Income Tax | 2001-02 | 1,17,77,218 | High Court |
| Income Tax Act | Income Tax | 2000-01 | 1,16,64,510 | High Court |
| Income Tax Act | Income Tax | 1999-00 | 2,85,69,897 | ITAT |
| Income Tax Act | Income Tax | 1998-99 | 58,90,533 | ITAT |
| Income Tax Act | Income Tax | 1997-98 | 50,22,928 | ITAT |
| Income Tax Act | Income Tax | 1996-97 | 3,73,75,477 | ITAT |
| | **Total** | | **42,69,28,865** | |

Out of the above demand, an amount of Rs. 20,45,10,551 has been deposited by the company.

**Delhi Region**

| Name of Statute | Nature of Dues | Year | Amount | Authority |
|---|---|---|---|---|
| UP-VAT | LST/CST | 1990-91 | 6,17,588 | Moradabad, Allahabad High Court |
| UP-VAT | LST | 1991-92 | 4,70,578 | Moradabad, Allahabad High Court |
| UP-VAT | LST | 1992-93 | 2,64,037 | Moradabad, Allahabad High Court |
| UP-VAT | LST | 1993-94 | 1,85,100 | Moradabad, Allahabad High Court |
| UP-VAT | LST | 1987-88 | 16,35,160 | Joint Commissioner (Appeals), Kanpur |
| UP-VAT | VAT | 1996-97 | 6,11,808 | Commissioner (Appeals), UP-VAT |
| UP-VAT | VAT+ Interest for non-submission of Form-3B (Gold)& Non-submission of Form 3C1 (Mentha Oil) | 2007-08 | 62,457 | Commissioner (Appeals), UP-VAT |
| Haryana VAT | LST | 1992-93 | 4,24,587 | Faridabad, Punjab & Haryana High Court, Chandigarh |
| MP-VAT | LST | 1999-00 | 1,50,004 | Sales Tax Authority, Indore |
| MP-VAT | LST | 1998-99 | 47,30,692 | Assessing Authority, Indore |
| Custom & Central Excise | Customs Duty & Interest on non-export of Gold Jewellery against Gold Loan by Associates | 1999-00 | 2,72,67,919 | Pending before Hon'ble Delhi High Court as per directions of Hon'ble Supreme Court of India. |

**Jaipur Region**

| **Nature of Statute** | **Nature of Dues** | **Year** | **Amount** | **Authority** |
|---|---|---|---|---|
| Rajasthan Sales Tax Act | Sales Tax | 2003-04 | 1,49,46,540 | Rajasthan Kar Board, Ajmer. (Rs. 35.49 lacs have been deposited under protest). Sales Tax Dept. has appealed against the order of DC (Appeals) in Kar Board. Next date of hearing is 15/07/2020. |
| Rajasthan Sales Tax Act | Sales Tax | 1999-00 | 26,07,605 | Rajasthan Kar Board, Ajmer. Pending with Kar Board against demand on account of 4767 MT DAP u/s 84 of RST Act. Next date of hearing is 14/06/2020. |
| Income Tax | Income Tax | 2009-10 to 2017-18 | 23,030 | TDS Demand |
| Income Tax | Income Tax | 2018-19 | 1,330 | TDS Demand |
| Income Tax | Income Tax | 2020-21 | 590 | TDS Demand |

* Total amount deposit under protest Rs. 35,49,446.

**Bhubaneswar Region**

| **Nature of Statute** | **Nature of Dues** | **Year** | **Amount** | **Authority** |
|---|---|---|---|---|
| OST Act | OST | 1977-78 | 41,95,457 | SLP Filed in Supreme Court |

| | | | | |
|---|---|---|---|---|
| OAST Act | OAST | 1977-78 | 2,09,773 | SLP Filed in Supreme Court |
| OST Act | OST | 1979-80 | 54,32,092 | SLP Filed in Supreme Court |
| OAST Act | OAST | 1979-80 | 3,00,090 | SLP Filed in Supreme Court |
| OST Act | OST | 1980-81 | 1,30,21,518 | SLP Filed in Supreme Court |
| OAST Act | OAST | 1980-81 | 6,53,245 | SLP Filed in Supreme Court |
| OST Act | OST | 1981-82 | 15,18,451 | SLP Filed in Supreme Court |
| OAST Act | OAST | 1981-82 | 3,27,928 | SLP Filed in Supreme Court |
| Orrisa Sales Tax | Interest Penalty | 1978-79 | 26,50,388 | High Court of Orissa |
| Orrisa Sales Tax | Odisha Sales Tax | 1978-79 | 34,00,919 | High Court of Orissa |
| Orrisa Sales Tax | Odisha Sales Tax | 1978-79 | 1,70,046 | High Court of Orissa |
| Orrisa Sales Tax | Interest Penalty | 1979-80 | 6,53,452 | High Court of Orissa |
| Orrisa Sales Tax | Central Sale Tax | 1982-83 | 34,83,020 | High Court of Orissa |
| Orrisa Sales Tax | Interest | 1978-79 | 3,57,42,030 | Reply Flied Before DCCT as per HC direction |
| Orrisa Sales Tax | DEPB | 2006-09 | 14,98,22,308 | Odisha Sales Tax Tribunal |
| Orrisa Sales Tax | DEPB | 2010-12 | 5,08,43,080 | High Court of Orissa |
| OVAT | Value Added Tax | 2013-14 | 14,28,18,841 | Odisha Sales Tax Tribunal |
| CST (Odisha) | Central Sale Tax, 1956 | 2013-14 | 58,07,05,822 | Odisha Sales Tax Tribunal |
| ET (Odisha) | Entry Tax | 2013-14 | 52,63,10,091 | Odisha Sales Tax Tribunal |
| CST (Odisha) | Declaration Form Issue | 2011-14 | 75,79,583 | Odisha Sales Tax Tribunal |
| CST (Odisha) | Sales Tax | 2015-16 | 9,48,103 | Odisha Sales Tax Tribunal |
| Central Excise Act | Service Tax | 2003-05 | 4,78,54,163 | Customs Excise & Service Tax Appellate Tribunal |
| Central Excise Act | Service Tax | 2003-07 | 22,62,28,349 | Customs Excise & Service Tax Appellate Tribunal |
| Central Excise Act | Service Tax | 2007-08 | 5,02,15,256 | Customs Excise & Service Tax Appellate Tribunal |
| Central Excise Act | Service Tax | 2008-10 | 10,33,25,317 | Customs Excise & Service Tax Appellate Tribunal |
| Central Excise Act | Service Tax | 2010-11 | 5,86,09,553 | Commissioner of customs Excise & Service Tax ,Bhubaneswar |
| Central Excise Act | Service Tax | 2011-12 | 5,84,53,943 | Commissioner of customs Excise & Service Tax ,Bhubaneswar |
| Central Excise Act | Service Tax | 2009-12 | 49,99,50,599 | Commissioner of customs Excise & Service Tax ,Bhubaneswar |
| Central Excise Act | Service Tax | 2009-11 | 1,13,80,588 | Commissioner of customs Excise & Service Tax ,Bhubaneswar |
| Central Excise Act | Service Tax | 2012-13 | 56,47,089 | Commissioner of customs Excise & Service Tax , Bhubaneswar |
| Central Excise Act | Service Tax | 2012-13 | 6,71,92,937 | Commissioner of customs Excise & Service Tax , Bhubaneswar |
| Central Excise Act | Service Tax | 2013-14 | 9,94,263 | Customs Excise & Service Tax Appeallate Tribunal |
| Central Excise Act | Customs | 2012-13 | 149,02,87,737 | Customs Excise & Service Tax Appeallate Tribunal |
| Central Excise Act | Service tax | 2014-15 | 17,71,628 | Commissioner of customs Excise & Service Tax , Bhubaneswar |

| | | | | |
|---|---|---|---|---|
| Central Excise & Custom Act | Service Tax | 2015-16 | 59,54,842 | Commissioner of customs Excise & Service Tax , Bhubaneswar |
| Central Excise & Custom Act | Custom Interest and penalty | 2017-18 | 1,32,576 | Commissioner of customs Excise & Service Tax , Bhubaneswar |
| Central Excise Act | Service Tax | 2017-18 | 18,315 | Dept Filed Appeal |

**Ahmadabad Region**

| Nature of Statute | Nature of Dues | Year | Amount | Authority |
|---|---|---|---|---|
| Custom Act 1962 | Differential Custom Duty | 2012-13 | 17,83,24,573 | CESTAT Chennai |

**Annexure "II"to Clause 8 of Annexure A to Independent Auditors' Report on the Standalone Financial Statements of MMTC Limited**

| Particulars | Amount of Default as on Balance Sheet Date | | Maximum Period of Default (in days) | |
|---|---|---|---|---|
| **Name of the lenders Banks:** | **Principal (Rs.)** | **Interest (Rs.)** | **Principal** | **Interest** |
| | | | | |
| Bank of Maharashtra | 1,60,00,00,000 | 9,41,84,941 | 199 | 182 |
| Punjab & Sind Bank | 2,30,00,00,000 | 12,71,95,194 | 196 | 182 |
| Punjab National Bank | 5,00,00,00,000 | 25,06,70,473 | 93 | 182 |
| Indian Bank (erst. Allahabad Bank) - Term Loan Repayable in 12 equal quarterly installment of Rs. 16.67 cr. Due from 31.12.2020 | 16,67,00,000 | 10,23,17,700 | 90 | 182 |
| Union Bank of India (erst. Corporation Bank) | 5,00,00,00,000 | 21,53,80,335 | 38 | 182 |
| | | | | |
| **Grand Total** | **14,06,67,00,000** | **78,97,48,643** | | |

# Annexure B To the Independent Auditor's Report of even date on the Standalone Financial Statements MMTC Limited

**Report on the Internal financial Controls under section 143(3)(i) of the Companies Act,2013("the Act")**

We have audited the internal financial controls over financial reporting of MMTC Limited("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial of the company reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

**For M.L. Puri & Co.**
**Chartered Accountants**
**FRN: 002312N**

**Place: New Delhi**
**Date: 27.10.2021**
**UDIN:21095584AAAALG7320**

**CA R.C. Gupta**
**Partner**
**M.No.095584**

# Annexure C To the Independent Auditor's Report of even date in the Financial Statements of MMTC LIMITED

**Report on the Directions issued by C&AG under section 143(5) of the Companies Act, 2013 for the Financial Year 2020-2021**

| Sr. No. | Particulars | Response |
|---|---|---|
| I | Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated. | Yes, the company has system in place to process all the accounting transactions through standalone IT System from which data is transferred to its ERP system. However, in the absence of a modern integrated ERP, certain transactions are manually punched/ recorded in the IT System. Those transactions do not have any implication on integrity of the accounts and any financial implication. List of such transactions which are passed manually in the IT system are as below:<br>Based on our audit procedures, on test basis, wherever the accounting transactions are based on workings outside IT system, no instances of lack of integrity of accounts and no financial implications have been noted / reported. |
| II | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. | The Company had approached all lenders for loan restructuring during the FY 2020-21 and final loan restructuring agreement could not be finalized/signed during 2020-21.Finally it has been signed on 10th June 2021 and impact during FY 2020-21 is NIL. |
| III | Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation. | There is no such case. |

**List of transaction passed manually in ERP system.**

| S. No. | Accounting Area | Accounting Activity | Impact on integrity and financial implication |
|---|---|---|---|
| 1 | Sale of retail commodity including IGC | Sale of goods in retail business is done through independent software, the data of which is not automatically integrated into ERP without manual intervention. | None |
| 2 | Closing inventory | Valuation of closing inventory at lower of cost or market value is done manually and incorporated in ERP through Journal Vouchers. | None |
| 3 | Depreciation | Depreciation as prescribed in schedule III of Companies Act 2013 is to be computed manually and entered into system through Journal Voucher. | None |
| 4 | Hedging Enteries | Accounting entries for hedging are passed manually and entered in ERP system through Journal Vouchers at each period end. | None |
| 5 | Month end expenses provisions | The exercise is done manually and entered into system through Journal Voucher. | None |

**For M.L. Puri & Co.**
**Chartered Accountants**
**FRN: 002312N**

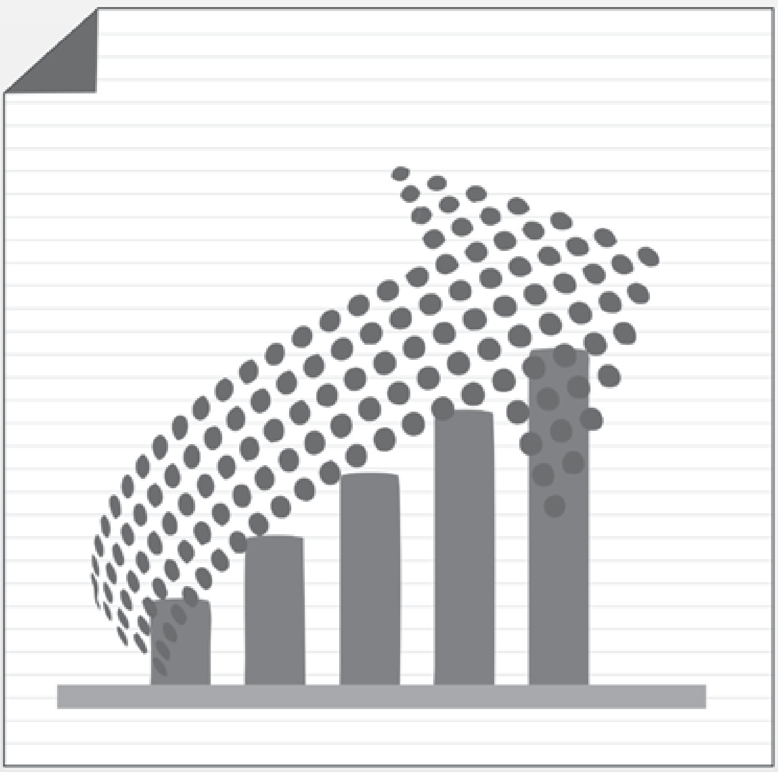
**Place: New Delhi**
**Date: 27.10.2021**
**UDIN:21095584AAAALG7320**

**CA R.C. Gupta**
**Partner**
**M.No.095584**

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

# FINANCIAL STATEMENTS

for the financial year ended 31st March, 2021



# MMTC Limited
## Balance Sheet as at March 31, 2021

(₹ in Crore)

| Particulars | Note No | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment * | 3 | **34.39** | 38.64 |
| Right to Use Assets | 3 | **3.35** | 4.47 |
| Capital work-in-progress | 3 | **-** | - |
| Investment Property | 4 | **3.88** | 4.03 |
| Other intangible assets | 5 | **0.39** | 0.56 |
| Financial Assets | | | |
| Investments | 6A | **22.83** | 21.76 |
| Trade Receivables | 7A | **-** | - |
| Loans | 8 | **5.44** | 6.65 |
| Others | 9 | **45.33** | 46.13 |
| Deferred tax Assets (net) | 10 | **555.44** | 230.84 |
| Other non-current Assets | 11A | **24.79** | 24.80 |
| **Current Assets** | | | |
| Inventories | 12 | **45.64** | 217.74 |
| Financial Assets | | | |
| Investments | 6B | **-** | - |
| Trade Receivables | 7B | **555.69** | 1,925.36 |
| Cash & Cash Equivalents | 13 | **132.71** | 63.27 |
| Bank Balances other than above | 14 | **33.21** | 56.86 |
| Loans | 8 | **1.36** | 1.72 |
| Others | 9 | **5.80** | 8.48 |
| Current Tax Assets (net) | 15 | **2.64** | 11.44 |
| Other Current Assets | 11B | **3,566.92** | 3,450.45 |
| Assets held for Sale | 6C | **466.95** | 466.97 |
| **Total Assets** | | **5,506.76** | **6,580.17** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 16A | **150.00** | 150.00 |
| Other Equity | 16B | **272.46** | 1,034.15 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 17A | - | 166.70 |
| Other Financial Liabilities | 19A | **3.61** | 5.81 |
| Provisions | 20A | **44.03** | 44.84 |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 17B | **2,364.01** | 3,565.18 |
| Trade payables | | | |
| Total outstanding dues of micro and small enterprises | 18 | **0.03** | 0.08 |
| Total outstanding dues of creditors other than micro and small enterprises | | **764.98** | 663.13 |
| Other Financial Liabilities | 19B | **208.82** | 199.35 |
| Other current liabilities | 21 | **772.23** | 698.53 |
| Provisions | 20B | **926.59** | 52.40 |
| Current Tax Liabilities (net) | 22 | **-** | - |
| **Total Equity and Liabilities** | | **5,506.76** | **6,580.17** |

See accompanying notes to Financial Statements 1 to 52

As per our report of even date attached

**For and on behalf of Board of Directors**

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**(CA. R C Gupta)**
Partner
M. No. 095584
Date: 27.10.2021
Place: New Delhi

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F) & CFO
DIN: 08751137

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

* Valuation of MMTC"s immovable properties has been carried out and as per latest valuation report fair value as on 31.3.2021 is ₹ 1642 crore, as against the previous valuation of ₹ 1389 crore in May 2019.

| MMTC Limited | | | |
|---|---|---|---|
| **Statement of Profit and Loss for the year ended March 31, 2021** | | | |
| | | | **(₹ in Crore)** |
| **Particulars** | **Note No.** | **Year Ended March 31, 2021** | **Year Ended March 31, 2020** |
| **Income** | | | |
| Revenue From Operations | 23 | **26,381.61** | 24,134.98 |
| Other Income | 24 | **42.19** | 32.19 |
| **Total Income (I)** | | **26,423.80** | **24,167.17** |
| **Expenses** | | | |
| Cost of Material Consumed | 25 | **75.51** | 177.46 |
| Purchase of Stock in Trade | 26 | **24,948.63** | 23,073.63 |
| Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress | 27 | **161.85** | 43.96 |
| Employees' Benefits Expenses | 28 | **135.04** | 194.37 |
| Finance Costs | 29 | **198.48** | 139.00 |
| Depreciation & Amortization Expenses | 30 | **4.94** | 5.65 |
| Other Expenses | 31 | **1,116.39** | 716.01 |
| **Total expenses (II)** | | **26,640.84** | **24,350.08** |
| **Profit/(Loss) Before Exceptional Items and Tax (I-II)** | | **(217.04)** | (182.91) |
| Exceptional Items - Expense/(Income) | 32 | **877.17** | 44.32 |
| **Profit / (Loss) Before Tax** | | **(1,094.22)** | **(227.23)** |
| **Tax Expenses** | 33 | | |
| Current tax | | **-** | - |
| Adjustments relating to prior periods | | **0.07** | (0.12) |
| Deferred tax | | **(324.60)** | - |
| **Total Tax Expense** | | **(324.53)** | **(0.12)** |
| **Profit / (Loss) for the year (A)** | | **(769.69)** | **(227.11)** |
| **Other Comprehensive Income / (Loss)** | | | |
| **Items that will not be reclassified to profit or loss:** | | | |
| -Remeasurements of the Defined Benefit Plans | | **6.93** | (11.27) |
| -Equity Instruments through Other Comprehensive Income | | **1.07** | (9.38) |
| **Total Other Comprehensive Income / (Loss) net of tax (B)** | | **8.00** | **(20.65)** |
| **Total Comprehensive Income / (Loss) for the year (A)+(B)** | | **(761.69)** | **(247.76)** |
| **Earnings per equity share :** | | | |
| Basic & Diluted (in ₹) | 43 | **(5.13)** | **(1.51)** |

See accompanying notes to Financial Statements 1 to 52

As per our report of even date attached

**For and on behalf of Board of Directors**

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**(CA. R C Gupta)**
Partner
M. No. 095584
Date: 27.10.2021
Place: New Delhi

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F) & CFO
DIN: 08751137

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

**MMTC Limited**

**Balance Sheet as at March 31, 2021**

(₹ in Crore)

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| Net Profit/Loss before tax | | **(1,094.22)** | | (227.23) |
| **Adjustment for:-** | | | | |
| Loss on valuation of inventories | **1.59** | | 7.50 | |
| Depreciation & amortisation expense | **4.94** | | 5.65 | |
| Net Foreign Exchange (gain)/loss | **(11.95)** | | (5.81) | |
| (Profit) /Loss on sale of PPE & Right to Use Assets | **(1.38)** | | (0.06) | |
| Provision for dimunition in value of non current investment | **-** | | 33.80 | |
| Interest income | **(4.68)** | | (10.59) | |
| Dividend income | **(28.71)** | | (12.41) | |
| Finance Costs | **197.99** | | 138.68 | |
| Interest Expense on Lease | **0.49** | | 0.32 | |
| Debts/claims written off | **5.80** | | 0.34 | |
| CSR expenditure | **0.89** | | 1.43 | |
| Allowance for Bad and Doubtful Debts / claims/ advances | **1.06** | | 0.49 | |
| Provision no longer Required | **(0.30)** | | (3.83) | |
| Liabilities Written Back | **(4.38)** | | (4.91) | |
| Provision for DWA risk | **0.08** | | 0.04 | |
| | | **161.46** | | 150.63 |
| **Operating Profit before Working Capital Changes** | | **(932.76)** | | **(76.60)** |
| **Adjustment for:-** | | | | |
| Inventories | **170.51** | | 54.57 | |
| Trade Receivables | **1,367.33** | | (1,645.31) | |
| Loans & Other Financial Assets | **5.05** | | (3.99) | |
| Other current & non current assets | **(92.81)** | | (476.26) | |
| Trade payables | **113.90** | | (359.04) | |
| Other Financial Liabilities | **7.26** | | 25.09 | |
| Other current & non current liabilities | **73.70** | | 137.81 | |
| Provisions | **879.34** | **2,524.28** | (154.15) | (2,421.28) |
| | | **1,591.52** | | **(2,497.89)** |
| Taxes Paid | | **8.74** | | (19.50) |
| **Net cash flows from operating activities** | | **1,600.26** | | **(2,517.39)** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Purchase of fixed assets | **(0.49)** | | (4.96) | |
| Sale of fixed Assets | **2.61** | | 0.69 | |
| Sale/(Purchase) of Investment | **0.02** | | (79.42) | |
| Interest received | **4.68** | | 10.59 | |
| Dividend Received | **28.71** | **35.53** | 12.41 | (60.68) |
| **Net cash flows from investing activities** | | **35.53** | | **(60.68)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Borrowings | **(1,367.87)** | | 2,809.95 | |
| Finance Costs | **(197.99)** | | (138.68) | |
| Lease (Interest) | **(0.49)** | | (3.40) | |
| Dividend (inclusive of tax) paid | **-** | **(1,566.36)** | (54.25) | 2,613.61 |
| Net Cash From Financing Activities | | **(1,566.36)** | | **2,613.61** |
| D. Net changes in Cash & Cash equivalents | | **69.44** | | **35.54** |
| **E. Opening Cash & Cash Equivalents (Note No 13)** | | **63.27** | | **27.73** |
| **F. Closing Cash & Cash Equivalents (Note No 13)** | | **132.71** | | **63.27** |

**Note:**

1. The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 on Statement of Cash Flows.
2. Adjustments for certain accruals/deferrals made at Corporate Office on the basis of information received from branch offices.
3. Cash and Cash Equivalents consist of :-

**(₹ in crore)**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Balances with Banks | | |
| (a) in Current Account | **40.64** | 48.41 |
| (b) In term deposit with original maturity upto 3 month | **57.92** | - |
| (c) Debit balance in Cash Credit Account | **33.99** | 14.82 |
| Cheques/Drafts/Stamps on hand | **0.00** | 0.00 |
| Cash on hand | **0.16** | 0.04 |
| | **132.71** | **63.27** |

As per our report of even date attached

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**For and on behalf of Board of Directors**

**(CA. R C Gupta)**
Partner
M. No. 095584
Date: 27.10.2021
Place: New Delhi

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F) & CFO
DIN: 08751137

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

**MMTC Limited**

**Statement of Changes in Equity for the period ended 31.03.2021**

**A. Equity Share Capital**

(₹ in Crores)

| Particulars | No of Shares | Amount |
|---|---|---|
| Balance as at 1.4.2020 | **1,500,000,000** | 150 |
| Changes in Equity Share Capital during the year | - | - |
| **Balance as at 31.3.2021** | **1,500,000,000** | **150** |

(₹ in Crores)

| Particulars | No of Shares | Amount |
|---|---|---|
| Balance as at 1.4.2019 | 1,500,000,000 | 150 |
| Changes in Equity Share Capital during the year | - | - |
| **Balance as at 31.3.2021** | **1,500,000,000** | **150** |

**B. Other Equity as at March 31, 2021**

(₹ in Crores)

| | Share application money pending allotment | Reserves and Surplus | | | Equity instruments through OCI | Effective Portion of cash flow hedges | Exchange difference on translation | Other items of OCI | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Research & Development Reserve | General Reserve | Retained Earnings | | | | | |
| Balance as at 1.4.2020 | - | - | 596.97 | 460.83 | (10.00) | - | - | (13.65) | **1,034.15** |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | (769.69) | 1.07 | - | - | 6.93 | **(761.69)** |
| Dividend and DDT | - | - | - | - | - | - | - | - | - |
| Unamortized premium on forward contract | - | - | - | - | - | - | - | - | - |
| Items recognized directly in retain earnings | - | - | - | - | - | - | - | - | - |
| Re-measurements of defined benefit plans | - | - | - | - | - | - | - | - | - |
| Any other changes | - | - | - | - | - | - | - | - | - |
| Balance as at 31.3.2021 | - | - | **596.97** | **(308.86)** | **(8.93)** | - | - | **(6.72)** | **272.46** |

**Other Equity as at March 31, 2020**

(₹ in crore)

| | Share application money pending allotment | Reserves and Surplus | | | Equity instruments through OCI | Effective Portion of cash flow hedges | Exchange difference on translation | Other items of OCI | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Research & Development Reserve | General Reserve | Retained Earnings | | | | | |
| Balance as at 1.4.2019 | - | 0.35 | 586.62 | 755.28 | (0.62) | - | - | (2.38) | 1,339.25 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | (227.11) | (9.38) | - | - | (11.27) | (247.76) |
| Dividend and DDT * | - | - | - | (54.25) | - | - | - | - | (54.25) |
| Unamortized premium on forward contract | - | - | - | - | - | - | - | - | - |
| Items recognized directly in retain earnings | - | - | - | (3.09) | - | - | - | - | (3.09) |
| Re-measurements of defined benefit plans | - | - | - | - | - | - | - | - | - |
| Any other changes | - | (0.35) | 10.35 | (10.00) | - | - | - | - | - |
| Balance as at 31.3.2020 | - | - | 596.97 | 460.83 | (10.00) | - | - | (13.65) | 1,034.15 |

*Final dividend for the year ended March 31, 2020 @ ₹ Nil per share amounting to ₹ Nil crore and dividend distribution tax of ₹ Nil crore (P.Y. @ ₹ 0.30 per share amounting to ₹ 45 crore for the year ended March 31, 2019 and dividend distribution tax of ₹ 9.25 crore).

Dividend not recognised at the end of reporting period **(₹ in crore)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Dividend proposed | - | - |
| The dividend distribution tax on proposed dividend | - | - |

As per our report of even date attached
**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**For and on behalf of Board of Directors**

**(CA. R C Gupta)**
Partner
M. No. 095584
Date: 27.10.2021
Place: New Delhi

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F) & CFO
DIN: 08751137

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

**MMTC LIMITED**

**Notes to the Financial Statements for the year ended March 31, 2021**

## 1. General Information

Established in 1963 and domiciled in India, the Company is 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 5 Regional Offices at various places in India and a wholly owned subsidiary MMTC Transnational Pte Ltd, at 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 Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention on going concern basis from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

### 2.2 Functional & presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. All amounts included in the financial statements are reported in crores of Indian rupees (upto two decimal) except number of equity shares and per share data and when otherwise indicated.

### 2.3 Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised

### 2.4 Revenue Recognition

i) Trading Income

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognized when the company satisfies a performance obligation by transferring the promised goods or services to a customer and the customer obtains control of the same and it is probable that the company will collect the consideration to which it is entitled in exchange for the goods or services that is transferred to the customer.

**Purchases and Sales**

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

b. Products are also traded through the commodity exchanges. Purchase/ Sale is booked in respect of trade done through different commodity exchanges and is backed by physical delivery of goods.

c. Gold/Silver kept under deposit: As per the arrangements with the Suppliers of Gold/Silver, the metal is kept by the supplier with the company on unfixed price basis for subsequent withdrawal on loan or outright purchase basis.

(i) Purchases include gold/silver withdrawn from consignment deposit of the supplier on outright purchase basis for sale to exporters, as per the scheme of Foreign Trade Policy being operated by the Company as a nominated agency.

(ii) Purchase of Gold/Silver during the year for domestic sale is accounted for on withdrawal from the Gold/Silver consignment deposit of the supplier 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 accounted for as prepaid expenses.

(iii) Gold/silver withdrawn on loan basis from the Gold/Silver under deposit, are booked as loan given to customers and grouped under financial assets. The corresponding liability towards the stocks received from foreign suppliers is grouped under Trade Payable. Loan/Trade Payable are adjusted when purchases and sales are booked.

d. In respect of Gold/Silver sourced domestically where price fixation is deferred, purchase is initially accounted for on the basis of invoice received from the supplier. The difference, if any, arising on price fixation is accounted for through debit / credit note.

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

f. High Sea Sales

Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods, upon which buyer obtains control over the goods and the company becomes entitle to receive sales consideration, in favour of buyer before the goods cross the custom frontiers of India.

ii) Other Operating Revenue

The income relating to the core activities of the company which are not included in revenue from sales / services for e.g. dispatch earned, subsidy, claims against losses on trade transactions, interest on credit sales and trade related advances (other than on overdue) etc., which are derived based on the terms of related trade agreements with business associates or schemes on related trade, are accounted for under 'Other Operating Revenue'.

iii) Claims

Claims are recognized in the Statement of Profit & Loss (Net of any payable) on accrual basis including receivables from Govt. towards subsidy, cash incentives, reimbursement of losses etc, when its ultimate realisation is probable. Claims recognized but subsequently becoming doubtful are provided for through Statement of Profit and Loss. Insurance claims are accounted upon being accepted by the insurance company. Claims towards shortages/ damages including liquidated damages/ deficiencies in quality/quantity etc are accounted for in accordance with the provisions of relevant contracts. In case there is no such provisions in the existing contract, the claim is accounted for on receipt of acceptance by the party besides collectability of the claim amount being probable. On recognition of such claims the same will be realised/set off against advance received/claims payable etc. to the same party.

iv) Service Income

Revenue from services is booked, when performance obligation is satisfied by transferring the promised services to the customers, for the consideration to which the company is entitled.

v) Dividend and interest income

Dividend income from investments is recognized when the Company's right to receive payment is established and it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of income can be measured reliably.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

vi) Revenue Recognition on Actual Realization

Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since realisability of such items is uncertain, in accordance with the provisions of Ind AS- 115:-

a) Duty credit / exemption under various promotional schemes of Foreign Trade Policy in force, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/ service tax / sales-tax /VAT/GST and interest thereon etc.

b) Decrees pending for execution/contested dues and interest thereon, if any:

c) Interest on overdue recoverable where realisability is uncertain.

d) Liquidated damages on suppliers/underwriters.

**2.5 Property, Plant and Equipments**

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Certain items of small value like calculators, wall clock, kitchen utensils etc. whose useful life is very limited andthe costof such item isupto Rs.2000/- in each case, are directly charged to revenue in the year of purchase. Cost of mobile handsets is also charged to revenue irrespective of cost.

**2.6 Intangible Assets**

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they are available for use. Softwares are amortized over its useful life subject to a maximum period of 5 years or over the license period as applicable. Intangible assets upto Rs.2,000/- in each case are directly charged to revenue.

No intangible assets arising from research is recognised and expense on research directly charged to profit and loss account when it is incurred. An intangible assets arising from development is recognised, if the asset fulfils the criteria for recognition as per Ind AS. Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

### 2.7 Non-Current Assets Held for Sale

The company classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and the fair value less costs to sell.

### 2.8 Depreciation

Depreciation is provided on straight line method as per the useful lives approved by the Board of Directors, which are equal to those provided under schedule II of the Companies Act, 2013. The useful life of an asset is reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and if the useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The residual value of all the assets is taken as Re 1/-. The useful lives of the assets are taken as under:-

| Name of Assets | Useful life as adopted by the company as per Schedule II |
|---|---|
| **A. General Assets** | |
| Furniture & Fittings | 10 |
| Office Equipment | 5 |
| Vehicles – Scooter | 10 |
| Vehicles – Car | 8 |
| Computers - Servers and networks | 6 |
| Computers – End User Devices | 3 |
| Lease-hold Land | As per Lease Agreement |
| Wagon Rakes | As per Agreement / Wagon Investment Scheme |
| Electrical installations excluding fans | 10 |
| Water Supply, Sewerage and Drainage | 5 |
| Roads | |
| Carpeted Roads – RCC | 10 |
| Carpeted Roads - Other than RCC | 5 |

| | |
|---|---|
| Non Carpeted Roads | 3 |
| Culverts | 30 |
| Buildings | |
| RCC | 60 |
| Other than RCC | 30 |
| Residential Flats (Ready Built) | |
| RCC | 60 |
| Other than RCC | 30 |
| Temporary Structure & wooden partition | 3 |
| Warehouse / Godown | 30 |
| **B. Manufacturing Unit's Assets** | |
| Factory Buildings | 30 |
| Electronic installations excluding fans | 10 |
| Water Supply, Sewerage and Drainage | 5 |
| Plant and Machinery | |
| Single Shift | 15 |
| Double Shift | 10 |
| Triple Shift | 7.5 |
| Plant and Machinery- Wind Energy Generation Plant | 22 |
| **C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company** | 5 |
| **D. Amortization of Intangible Assets** | |
| Softwares | 5 years or License period as applicable |

**2.9 Impairment**

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

*Impairment of financial assets*

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

2.10 **Borrowing Costs**

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset.

The Company recognises other borrowing costs as an expense in the period in which it incurs them.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

2.11 **Foreign currency translation**

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency monetary items (except overdue recoverable where realisability is uncertain) are converted using the closing rate as defined in the Ind AS-21. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Statement of Profit and Loss.

Liability in foreign currency relating to acquisition of fixed assets is converted using the closing rate. The difference in exchange is recognized in the Statement of Profit and Loss.

2.12 **Inventory**

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The method of determination of cost and valuation is as under:

a) Exports:

(i) Cost of export stocks is arrived at after including direct expenses incurred up to 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 up to the point at which they are lying is considered. However, 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.

(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 up to the point at which they are lying is considered. Costs include wastage and other direct manufacturing costs.

d) Packing material

Packing material is valued at lower of the cost or net realisable value.

e) Stocks with fabricators

Stocks with fabricators are taken as the stocks of the company, till adjustments.

**2.13 Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**2.14 Contingent Liabilities / Assets**

Contingent Liabilities

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made

Contingent Liabilities are disclosed in the General Notes forming part of the accounts

Contingent Assets

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it's virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

2.15 **Leases**

An asset held under lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

An asset held under lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The company normally enters into operating leases which are accounted for as under:-

(i) Rental income from operating leases is recognized either on a straight-line basis or another systematic basis over the term of the relevant lease.

(ii) Where the company is lessee, at commencement date right to use of assets are recognized at cost and the present value of lease payments that are not paid recognized as lease liability. Subsequently, right of use assets measured by using cost model with any adjustment required for re-measurement of lease liability and lease liability is measured by increasing the carrying amount to reflect the interest on lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any re-assessment or lease modifications.

(iii) As a practical expedient , short term leases and leases for which the underlying assets is of low value upto Rs.1,00,000/- per month or Rs.12,00,000/-per year are not recognized as per the provisions given under Ind AS-116 (Leases) and are recognized as an expense on a straight line basis over the lease term.

2.16 **Employee benefits**

i. Provision for gratuity, leave compensation and long service benefits i.e. service award, compassionate gratuity, employees' family benefit scheme and special benefit to MICA division employees is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Lossand any change due to plan amendment, curtailment and settlement is considered for determining the current service cost, net interest, past service cost or gain/loss for settlement etc.

ii. Provision for post-retirement medical benefit is made on defined contribution basis.

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

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

v. Superannuation Pension Benefit, a defined contribution scheme is administered by Life Insurance Corporation of India (LIC). The Company makes contributions based on a specified percentage of each eligible employee's salary.

Short-term employee benefit obligations

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under PRP Scheme, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.17 **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/ statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

*Deferred tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

*Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

*Dividend Distribution Tax*

Company is recognising the dividend distribution tax payable on payment of dividend under other equity since the dividend payable consequent upon approval of shareholders in Annual General Meeting is also presented under other equity.

*Uncertainty over income tax treatments*

Company while determining taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12 company is considering the probability of accepting the same treatment by income tax authorities and any change due to this adjusted retrospectively with cumulative effect by adjusting equity on initial application without adjusting comparatives.

2.18 **Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties. After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties are depreciated in accordance to the class of asset that it belongs and the life of the asset is as conceived for the same class of asset at the Company.

2.19 **Earnings per share**

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any shares splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.20 **Discontinued operations**

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

2.21 **Financial instruments**

i) Non-derivative financial instruments

Non-derivative financial instruments consist of:

- Financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Financial assets and financial liabilities are offsetted and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

e) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost

An entity controlled by the company is considered as a subsidiary of the company.

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

Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

ii) Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

Subsequent to initial recognition, derivative financial instruments are measured as described below:

a) Cash flow hedges

In respect of firm commitments and forecast transactions changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of profit and loss.

b) Others

Changes in fair value of foreign currency derivative instruments neither designated as cash flow hedges nor hedges of net investment in foreign operations are recognized in the statement of income and reported within foreign exchange gains/ (losses), net within results from operating activities.

Changes in fair value and gains/ (losses) on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded in finance expenses.

2.22 **Segment Information**

The Chairman and Managing Director (CMD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments." The CMD of the Company evaluates the segments based on their revenue growth and operating income.

The Company has identified its Operating Segments as Minerals, Precious Metals, Metals, Agro Products, Coal & Hydrocarbon, Fertilizer and General Trade/others.

The Assets and liabilities used in the Company's business that are not identified to any of the operating segments are shown as unallocable assets/liabilities. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since the assets are used interchangeably and hence a meaningful segregation of the available data is onerous.

2.23 **Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts. Taking into account the nature of activities of the company, prior period errors are considered material if the items of income / expenditure collectively (net) exceed 0.5% of sales turnover of the company.

# Notes to accounts for the year ended March 31, 2021

## 3. Property, Plant and Equipment

(₹ in crore)

| Particulars | Gross carrying value as at April 1, 2020 | Additions | Disposal/adjustments | Gross carrying value as at March 31, 2021 | Accumulated depreciation as at April 1, 2020 | Additions/ Impairment | Disposal/ adjustments | Accumulated depreciation as at March 31, 2021 | Net Carrying Value as at March 31, 2021 | Net Carrying Value as at March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Land freehold | | | | | | | | | | |
| - Office building | 0.37 | - | - | **0.37** | - | - | - | **-** | **0.37** | **0.37** |
| - Staff Quarters | 0.13 | - | - | **0.13** | - | - | - | **-** | **0.13** | **0.13** |
| Land leasehold | | | | | | | | | | |
| - Office building | 1.07 | - | (0.00) | **1.07** | 0.09 | 0.02 | - | **0.11** | **0.96** | **0.98** |
| - Staff Quarters | 1.85 | - | - | **1.85** | 0.56 | 0.22 | - | **0.78** | **1.07** | **1.29** |
| Building | | | | | | | | | | |
| - Office Building | 6.68 | - | (0.23) | **6.45** | 0.80 | 0.17 | (0.03) | **0.94** | **5.51** | **5.87** |
| - Staff Quarters/Residential Flats | 1.21 | - | - | **1.21** | 0.18 | 0.04 | - | **0.22** | **0.99** | **1.03** |
| - Water supply, Sewerage & Drainage | 0.06 | - | - | **0.06** | 0.04 | 0.01 | - | **0.05** | **0.01** | **0.02** |
| -Electrical Installations | 3.07 | - | (0.00) | **3.07** | 1.89 | 0.06 | (0.00) | **1.95** | **1.12** | **1.17** |
| -Roads & Culverts | 0.02 | - | - | **0.02** | 0.02 | 0.00 | - | **0.02** | **0.01** | **0.01** |
| - Audio/Fire/Airconditioning | 0.06 | - | (0.00) | **0.06** | 0.05 | 0.00 | (0.00) | **0.05** | **0.01** | **0.01** |
| Plant & Equipment | 41.11 | - | (0.51) | **40.60** | 15.39 | 2.97 | (0.51) | **17.85** | **22.75** | **25.72** |
| Furniture & Fixtures | | | | | | | | | | |
| - Partitions | 0.39 | - | (0.00) | **0.39** | 0.35 | 0.01 | (0.00) | **0.36** | **0.03** | **0.04** |
| - Others | 1.52 | 0.01 | (0.04) | **1.48** | 0.57 | 0.15 | (0.02) | **0.69** | **0.80** | **0.96** |
| Vehicles | 0.50 | - | (0.02) | **0.48** | 0.24 | 0.06 | (0.02) | **0.28** | **0.20** | **0.26** |
| Office Equipments | 1.81 | 0.20 | (0.20) | **1.81** | 1.41 | 0.20 | (0.03) | **1.58** | **0.23** | **0.38** |
| Others:- | | | | | | | | | | |
| - Railway Wagon Rakes | 0.00 | - | - | **0.00** | 0.00 | - | - | **0.00** | **0.00** | **0.00** |
| - Railway Loop Line at BNHT | 0.00 | - | - | **0.00** | - | - | - | - | 0.00 | 0.00 |
| - Computer/ Data Processors | 2.38 | 0.01 | (0.10) | **2.29** | 1.98 | 0.18 | (0.09) | 2.07 | 0.23 | 0.40 |
| **Total** | **62.23** | **0.21** | **(1.10)** | **61.34** | **23.58** | **4.07** | **(0.71)** | **26.95** | **34.39** | **38.64** |
| **Last Year** | 62.16 | 0.71 | (0.64) | 62.23 | 19.70 | 4.28 | (0.39) | 23.58 | **38.64** | |
| **Right to Use Assets** | **6.07** | **0.14** | **(1.15)** | **5.06** | **1.60** | **0.42** | **(0.30)** | **1.71** | **3.35** | **4.47** |
| **Last Year** | 1.62 | 4.45 | - | 6.07 | 0.13 | 1.47 | - | 1.60 | **4.47** | |
| **Capital Work in Progress** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Last Year** | 0.28 | - | (0.28) | **-** | **-** | **-** | **-** | **-** | **-** | |

a) Leasehold lands, roads and culverts, sewerage, drainage and water supply for staff quarters at Delhi includes those held jointly with STC Limited earlier on 50:50 basis. However, during 2018-19, the company has obtained execution of separate lease deed for 16.16 acre land from DDA towards its share.

(b) During the year, the company assessed the impairment loss of assets and accordingly provision towards impairment in the value of PPE amounting to ₹ Nil crores (P.Y. Nil crore) has been made during the year.

(c) Valuation of MMTC's immovable properties has been carried out and as per latest valuation report fair value as on 31.3.2021 is ₹ 1642 crore, as against the previous valuation of ₹ 1389 crore in May 2019.

## 4. Investment Property

(₹ in crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Gross carrying value as at beginning of the year | **4.88** | 4.66 |
| Additions | **-** | 0.22 |
| Disposal/adjustments | **-** | - |
| Gross carrying value as at end of the year | **4.88** | **4.88** |
| Accumulated depreciation as at beginning of the year | **0.84** | |
| Additions | **0.16** | 0.19 |
| **Accumulated depreciation as at end of the year** | **1.00** | **0.85** |
| **Net Carrying Value as at end of the year** | **3.88** | **4.03** |

### Amounts recognised in profit or loss for investment properties

(₹ in crore)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Rental income | **1.50** | 1.35 |
| Profit from investment properties before depreciation | **1.50** | 1.35 |
| Depreciation | **0.08** | 0.08 |
| **Profit from investment properties** | **1.42** | **1.27** |

### Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

(₹ in crore)

| Particulars | 31-Mar-21 | 31-Mar-20 |
|---|---|---|
| Within one year | - | - |
| Later than one year but not later than five year | - | - |
| Later than five year | - | - |
| **Total** | **0.00** | **0.00** |

### Estimation of fair value

The investment properties have been measured following cost model. The fair values of investment properties determined by independent valuer is ₹ 107.63 crore (P.Y. ₹ 96.48 crore)

## 5. Other Intangible Assets

(₹ in crore)

| Particulars | Gross carrying value as at April 1, 2020 | Additions | Disposal/ adjustments | Gross carrying value as at March 31, 2021 | Accumulated depreciation as at April 1, 2020 | Additions | Disposal / adjustments | Accumulated depreciation as at March 31, 2021 | Net Carrying Value as at March 31, 2021 | Net Carrying Value as at March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Computer Softwares** | **4.11** | **0.13** | **-** | **4.23** | **3.55** | **0.29** | **-** | **3.84** | **0.39** | **0.56** |
| **Last Year** | 3.39 | 0.64 | 0.08 | 4.11 | 2.59 | 0.78 | 0.18 | 3.55 | **0.56** | |

## 6. Investments

(₹ in crore)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **A. NON-CURRENT INVESTMENTS** | | | | |
| **a) Investments in Equity Instruments at amortized cost** | | | | |
| **i)Subsidiaries** | | | | |
| **Unquoted** | | | | |
| MMTC Transnational Pte. Ltd. 1461502 (P.Y. 1461502) fully paid up equity shares of S$ 1each. | | **3.14** | | 3.14 |
| **ii) Joint Ventures** | | | | |
| **Unquoted** | | | | |
| MMTC Gitanjali Limited. 2987400(P.Y. 2987400) fully paid up equity shares of Rs.10 each. | **2.99** | | 2.99 | |
| Add/(Less): impairment in value of investment | **(2.99)** | **0.00** | (2.99) | 0.00 |
| Free Trade Warehousing Pvt. Ltd.5000(P.Y. 5000) fully paid up equity shares of Rs.10 each. | | **0.01** | | 0.01 |
| MMTC Pamp India Pvt. Limited.17446000(P.Y. 17446000) fully paid up equity shares of Rs. 10 each. | | **17.45** | | 17.45 |
| **iii) Others** | | | | |
| **Fair value through other comprehensive income** | | | | |
| **Quoted** | | | | |
| Bombay Stock Exchange Limited. 38961 (P.Y. 38961) fully paid up equity shares of Rs.2 each. | **3.00** | | 3.00 | |
| Add/(Less): Fair Value Adjustment through Other Comprehensive | **(0.77)** | **2.23** | (1.84) | 1.16 |
| **Amortized cost** | | | | |
| **Unquoted** | | | | |
| Indo French Biotech Limited. 4750000(P.Y. 4750000) fully paid up equity shares of Rs. 10 each. | **4.75** | | 4.75 | |
| Add/(Less): impairment in value of investment | **(4.75)** | **0.00** | (4.75) | 0.00 |
| **Total Investments in Equity Instruments** | | **22.83** | | **21.76** |

(₹ in crore)

| Total Non-Current Investments (Gross) | Aggregate Amount | Market Value | Aggregate Amount | Market Value |
|---|---|---|---|---|
| Aggregate amount of quoted investments and market value there of | **3.00** | **2.23** | 3.00 | 1.16 |
| Aggregate amount of unquoted investments | **28.33** | **-** | 28.33 | - |
| Aggregate amount of impairment in the value of investments | **7.74** | **-** | 7.74 | - |

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **B. CURRENT INVESTMENTS** | - | - | - | - |

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **6 C. NON-CURRENT INVESTMENTS HELD FOR SALE** | | | | |
| **a) Investments in Equity Instruments at amortized cost** | | | | |
| **Joint Ventures** | | | | |
| **Unquoted** | | | | |
| Neelachal Ispat Nigam Limited. 368762744 (P.Y. 368762744 ) fully paid up equity shares of 10 each. | | **459.11** | | 459.11 |
| Sical Iron Ore Terminal Limited. 33800000 (P.Y. 33800000) fully paid up equity shares of Rs. 10 each. | **33.80** | | 33.80 | |
| Add/(Less): Fair Value Adjustment through Profit & Loss | **(33.80)** | **-** | (33.80) | - |
| **Others** | | | | |
| **Fair value through other comprehensive income** | | | | |
| **Unquoted** | | | | |
| Indian Commodity Exchange Limited.32000000 (P.Y. 32000000) fully paid up equity shares of Rs. 5 each. | **16.00** | | 16.00 | |
| Add/(Less): Fair Value Adjustment through Other Comprehensive Income | **(8.16)** | **7.84** | (8.16) | 7.84 |
| **Total Investments held for sale** | | **466.95** | | **466.95** |
| **b) PPE HELD FOR SALE** | | **-** | | **0.02** |
| **TOTAL (a)+(b)** | | **466.95** | | **466.97** |

i. All Non-Current Investments in Equity Instruments of Subsidiaries and Joint Ventures are carried at cost less impairment in value of investment, if any. The Investment in Equity Instruments of others are carried at Fair Value.

ii. The Company had invested ₹ 33.80 crore (P.Y ₹ 33.80 crore) towards 26% equity in SICAL Iron Ore Terminal Limited (SIOTL), a Joint Venture for the construction and operation of iron ore terminal at Kamrajar Port. The construction of terminal was completed by November 2010, the same could not be commissioned due to restrictions on mining, transportation and export of iron ore. After due tender process, Kamrajar Port Ltd (KPL) has allowed to SIOTL for necessary modifications to also handle common user coal. MMTC's Board of Directors during its 428th meeting held on 14.09.16 approved MMTC's exit through open tender mechanism from the JV. Accordingly, bids were invited from interested bidders for sale of MMTC's equity. No bids were received in the tender process. However, the lead promoter (i.e. M/s Sical Logistics Ltd) has agreed to buy MMTC's equity at the reserve price of ₹ 34.26 crore. Accordingly, the Share Purchase Agreement (SPA) has been signed and in terms of the agreement M/s SICAL Logistics Ltd have deposited ₹ 0.50 crore with MMTC towards performance of the Agreement. As per terms of SPA, M/s SIOTL applied to M/s Kamrajar Port Ltd for NOC/Permission of MMTC's exit from the JV. The NOC was received in Oct 2019. However, balance payment has not been received so far. Keeping in view the delay in receipt of share purchase value from M/s SICAL Logistics Ltd and financial distress of M/s Sical Logistics Ltd, a provision has been created for ₹ 33.80 crore towards impairment in value of investment on SIOTL. Accordingly the investment has been shown as 'held for sale'.

   Further the company lodge a claim of ₹ 34.26 crore with Corporate Insolvency Resolution Professional appointed by NCLT pursuant to application by parties under Insolvency and Bankruptcy Code 2016.Meanwhile KPL issued notice of intent to terminate to SIOTL on 21.12.2020.The company file a writ petition on 24.06.2021 in Madras High Court against the termination notice issued by KPL.

iii. Government of India has accorded 'in principle' approval for divestment of 100 % equity of MMTC in NINL. The process of divestment is underway through DIPAM. Accordingly, the investment has been shown as investment 'held for sale'.

iv. Against the initial investment of 5.20 crore equity shares of ₹ 5 each amounting to ₹ 26.00 crore in the Indian Commodity Exchange (ICEX) [representing 26% holding of the Company in ICEX], the Company divested 2 crore equity shares at a premium of 100% during 2015-16. A Right Issue at a 100% premium was brought out by ICEX in February/March 2016 that got fully subscribed. Again during FY 2016-17, ICEX brought out Right Issue at 100% Premium that also got fully subscribed. MMTC did not participate in the above Right Issues. MMTC's holding as on 31.03.2021 is 6%.

MMTC valued its equity holding in ICEX at book value of ICEX at ₹ 7.84 crore as at 31.3.2021 (P.Y. ₹ 7.84 crore). The equity shares of ICEX are not listed at any stock exchange in India as on 31.03.2021. MMTC has invited Request for Proposal (RFP) for divestment of 6% equity in ICEX and accordingly the investment has been shown as 'held for sale' as on 31.3.2021.

SEBI has granted the additional timeline till December 31, 2021 to comply with the shareholding limits as per SECC Regulations, 2018.

**7. Trade Receivable** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **(i) Other Trade Receivables** | | |
| a) Considered Good - Secured | **538.22** | 303.54 |
| b) Considered good - Unsecured | **17.47** | 1,621.82 |
| c) Which have significant increase in Credit Risk | **-** | - |
| d) Credit impaired | **390.02** | 388.97 |
| Less : Allowances for bad and doubtful debts | **390.02** | 388.97 |
| **Sub-Total** | **555.69** | **1,925.36** |
| **Total** | **555.69** | **1,925.36** |
| NON-CURRENT (A) | **-** | - |
| CURRENT (B) | **555.69** | 1,925.36 |
| **TOTAL** | **555.69** | **1,925.36** |

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 ₹ Nil (P.Y. ₹ Nil).

**Movement in allowances for bad & doubtful debt:** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | **388.97** | 391.20 |
| Additions during the year | **1.06** | 1.33 |
| Reversals during the year | **-** | (3.56) |
| Utilisations during the year | **-** | - |
| **Balance at the end of the year** | **390.02** | **388.97** |

**8. Loans** **(₹ in crore)**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | CURRENT | NON-CURRENT | CURRENT | NON-CURRENT |
| *Considered good - Secured* | | | | |
| Security Deposits | **-** | **0.06** | - | 0.01 |
| Loans to Related Parties | **-** | **-** | - | - |
| Loans to Employees | **0.62** | **2.57** | 0.72 | 3.14 |
| Others | **-** | **-** | - | - |
| **Sub- Total** | **0.62** | **2.63** | **0.72** | **3.15** |
| *Considered good - Unsecured* | | | | |
| Security Deposits | **-** | **1.89** | - | 1.87 |
| Loans to Related Parties | **-** | **0.00** | - | 0.00 |
| Loans to Employees | **0.74** | **0.92** | 1.00 | 1.63 |
| Others | **-** | **0.00** | - | - |
| **Sub- Total** | **0.74** | **2.81** | **1.00** | **3.50** |

| | | | | |
|---|---|---|---|---|
| *Which have significant increase in Credit Risk* | | | | |
| Security Deposits | **-** | **-** | - | - |
| Loans to Related Parties | **-** | **-** | - | - |
| Loans to Employees | **-** | **-** | - | - |
| Others | **-** | **-** | - | - |
| **Sub- Total** | **-** | **-** | **-** | **-** |
| *Credit impaired* | | | | |
| Security Deposits | **-** | **0.17** | - | 0.17 |
| Loans to Related Parties | **-** | **-** | - | - |
| Loans to Employees | **-** | **-** | - | - |
| Others | **0.03** | **0.14** | 0.03 | 0.14 |
| Less: Allowance for bad and doubtful loans | **0.03** | **0.31** | 0.03 | 0.31 |
| **Sub- Total** | **-** | **-** | **-** | **-** |
| **Total** | **1.36** | **5.44** | **1.72** | **6.65** |

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 ₹ Nil crore (P.Y. ₹ 0.004 crore).

**9. Other Financial Assets** **(₹ in crore)**

| **Particulars** | **As at March 31, 2021** | | **As at March 31, 2020** | |
|---|---|---|---|---|
| | **CURRENT** | **NON-CURRENT** | **CURRENT** | **NON-CURRENT** |
| Bank Deposits with more than 12 months maturity | **-** | **13.12** | - | 0.03 |
| Balance with bank for Unpaid Dividend | **-** | **0.22** | - | 0.22 |
| Receivable From NSEL (i) | **-** | **208.25** | - | 208.25 |
| Demurrage and Dispatch receivable | **5.00** | **6.26** | 5.82 | 6.41 |
| Forward Contract Receivable | **-** | **-** | - | - |
| Advances to other Companies (ii) | **-** | **33.53** | **-** | 33.53 |
| Other Advances | **(0.05)** | **8.79** | 1.40 | 8.71 |
| **Interest accrued due/not due on:** | | | | |
| - Term Deposits | **1.41** | **-** | 1.13 | - |
| - Loans to Employees | **0.55** | **7.10** | 0.71 | 7.69 |
| - Loans to Related Parties | **-** | **-** | - | - |
| - Loans to Others | **0.02** | **2.25** | 0.55 | 15.03 |
| **Others** | **-** | **9.90** | - | 11.27 |
| Less: Impairment / Allowances for bad and Doubtful Receivables | **1.13** | **244.09** | 1.13 | 245.01 |
| **Total** | **5.80** | **45.33** | **8.48** | **46.13** |

(i) Represents ₹ 208.25 crore (P.Y. ₹ 208.25 crore) recoverable from various borrowers and National Spot Exchange (NSEL) arising on account of default of payment obligation of NSEL against which full provision has already been made. The Company has filed legal suit in Bombay High Court against NSEL and others and hearings are in progress. CBI also investigated the case. The Hon'ble Supreme Court of India has set aside the order of amalgamation of NSEL with FTIL.

During pendency of SLP, Civil suit & notice of motion filed by MMTC was stayed, which may resume after disposal of above mentioned SLP.

Meanwhile State of Maharashtra has challenged a Judgment dated 22.08.2019 of Bombay HC via SLP (Civil)

No.21128-29 of 2019 before the Hon'ble Supreme Court of India. Said order dated 22.08.19 held that NSEL shall not fall within the definition of "Financial Establishment". MMTC has also filed intervention application in the said SLP which is pending adjudication. The matter came for final disposal on 02.02.2021. However, the Hon'ble Court adjourned the matter. Next date of hearing is awaited.

(ii) During the year a provision of ₹ Nil crore (P.Y. ₹ 0.36 crore) has been made against advance for project development to HFTWPL & KFTWPL. Total Provision as on 31.03.2021 is ₹ 16.30 crore (P.Y. ₹ 16.30 crore)

**10. Deferred Tax Assets** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Deferred Tax Liability** | | |
| Property, plant and equipment | **(7.83)** | (8.70) |
| **Sub Totalw** | **(7.83)** | **(8.70)** |
| **Deferred tax Assets** | | |
| Prov. For Doubtful Debts | **233.27** | |
| DWA Risk | **0.02** | 233.27 |
| VRS Expenses | **3.03** | 0.01 |
| Provision for CSR | **-** | 6.26 |
| Carried Forward Tax Losses * | **330.69** | - |
| Provision for Employee Benefit Expense | **(3.74)** | - |
| **Sub Total** | **563.27** | **239.54** |
| **Deferred tax Assets (net)** | **555.44** | **230.84** |

Deferred Tax assets have been recognised to the extent of expected utilisation against probable future taxable income of the company.

*The company has made deferred tax assets amounting to ₹ 330.69 crore on losses limited to the probable interest proceeds from F.Y. 2019-20 to 2021-22 to be realised through divestment proceed on NINL.

**Movement in deferred tax balances during the year** **(₹ in crore)**

| Particulars | Balance As at March 31 2020 | Recognised in Profit and Loss | Adjustments | Balance As at March 31 2021 |
|---|---|---|---|---|
| **Deferred Tax Liability** | | | | |
| Property plant and equipment | (8.70) | - | 0.87 | **(7.83)** |
| Sub Total | **(8.70)** | **-** | **0.87** | **(7.83)** |
| **Deferred tax Assets** | | | | |
| Provisions for Bad & Doubtful Debts | 233.27 | - | - | **233.27** |
| Prov. for DWA Risk | 0.01 | 0.01 | - | **0.02** |
| VRS Expenses | 6.26 | - | (3.23) | **3.03** |
| Carried Forward Tax Losses | - | 330.69 | - | **330.69** |
| Provision for Employee Benefit Expense | - | (3.74) | - | **(3.74)** |
| **Sub Total** | **239.54** | **326.96** | **(3.23)** | **563.27** |
| **Total** | **230.84** | **326.96** | **(2.36)** | **555.44** |

**Recognised Deferred tax assets**

Deffered tax assets have been recognised in respect of the following items **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deductible temporary differences | **555.44** | 230.84 |
| **Total** | **555.44** | **230.84** |

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

## 11. Other Assets

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. Non-Current** | | |
| Advances other than Capital Advances | | |
| -Security Deposits | **0.04** | 0.04 |
| - Advances to other Suppliers | **4.67** | 4.67 |
| - Other Advances | **17.12** | 17.12 |
| Allowances for bad and Doubtful Advance | **(18.02)** | (17.98) |
| Others | | |
| - Income Tax paid recoverable | **20.94** | 20.94 |
| - Others | **0.04** | 0.01 |
| **Total** | **24.79** | **24.80** |
| **B. Current** | | |
| Advances other than Capital Advances | | |
| - Security Deposits | **20.82** | 13.09 |
| - Advances to Related Parties | **1,425.00** | 1,425.00 |
| - Trade Related Advance to Related Parties | **2,103.47** | 1,796.00 |
| - Interest accrued realisability uncertain | **(547.87)** | (252.18) |
| - Advances to other Suppliers | **8.38** | 5.75 |
| - Claim Recoverable Others | **165.44** | 135.65 |
| - Gold/Silver stock towards unbilled purchases | **294.50** | 238.18 |
| - Other Advances | **15.41** | 23.68 |
| Allowances for bad and Doubtful Advance | **(3.36)** | (3.25) |
| Others | | |
| - Income Tax refund due | **11.12** | - |
| - Sales Tax refund due | **13.75** | 13.79 |
| - Excise/Custom duty refund due | **4.68** | 4.64 |
| - Service Tax refund due | **0.40** | 0.47 |
| - Others | **55.17** | 49.63 |
| **Total** | **3,566.92** | **3,450.45** |

## 12. Inventories

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Raw Materials | **5.83** | 11.31 |
| Finished Goods | **22.25** | 43.38 |
| Stock in trade | **13.82** | 155.85 |
| (includes goods in transit valued at ₹ 2.68 crore (P.Y. ₹ 7.69 crore). | | |
| Others-Inventory Hedge Adjustment | **3.74** | 7.20 |
| **Total** | **45.64** | **217.74** |

a) As taken, valued and certified by the management.

b) Inventories including goods in transit are valued at lower of the cost or realizable value as on 31st March 2021. Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 1.59 crore (P.Y. ₹ 7.50 crore).

c) Stock-in-trade includes the following:

(i) 9036 units (P.Y. 39936 units) Certified Emission Reductions (CERs) valued at ₹ 1 (P.Y. ₹ 1) as per Ind AS-2 'Inventories', being lower of cost or net realizable value.

(ii) Nil units (P.Y. Nil units) number of CERs under certification.

(iii) An amount of ₹ 4.91 crore (P.Y. ₹ 5.13 crore) has been spent on account of Depreciation, O&M cost of Emission Reduction equipment.

d) Stock in Trade includes an inventory of ₹ Nil crore (P.Y. ₹ 22.18 crore) valued at cost relating to onion imported under Price Stabilization Scheme of the Government of India to create Buffer Stock of onion. (Refer note 36(e)).

e) MMTC has been supplying imported Coking Coal to NINL pursuant to marketing agreement between MMTC and NINL. A decision was taken by promotors to shut down the plant in March, 2020 and it was also decided by MMTC that no further supply of Coking Coal shall be made to NINL. MMTC had imported 79848 MT of Goonyella Coking Coal in February'2020. In addition, MMTC was holding stocks of 15853 MT Blackwater Soft Coking Coal at Paradip port which was imported earlier and was not delivered to NINL. MMTC made attempts to dispose off the coal stocks by floating domestic and international tenders many times but due to unsatisfactory response, efforts were made to sell the coal to PSUs viz. RINL/SAIL. SAIL had initially committed to buy this coal but later refused to purchase the same citing unacceptable quality of the coal.

Thereafter, the stocks were disposed off through open tenders. The purchase cost of Goonyella Coking Coal i.e. 79848 MTs is ₹ 111 crore (approx.) excluding GST Cess and the purchase price of Black Water Soft Coking Coal is ₹ 17.23 crores (approx.) excluding GST Cess for a balance quantity of 15853 MT. During the FY 2020-21, 93119.49 MT of Coking Coal has been sold for ₹ 74.16 crore. with a loss of ₹ 37.66 crore.

**13. Cash & Cash Equivalents** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with Banks | | |
| (a) in Current Account | **40.64** | 48.41 |
| (b) In term deposit with original maturity upto 3 months | **57.92** | - |
| (c) Debit balance in Cash Credit Account | **33.99** | 14.82 |
| Cheques/Drafts/Stamps on hand | **0.00** | 0.00 |
| Cash on hand | **0.16** | 0.04 |
| **Total** | **132.71** | **63.27** |

**14. Bank Balances other than above** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| As Margin money/under lien | **23.22** | 44.71 |
| In term deposit with original maturity more than 3 months but less than 12 months | **9.99** | 12.16 |
| **Total (A)** | **33.21** | **56.86** |

**15. Current tax Assets (Net)** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance tax paid/TDS Recoverable for the FY 2020-21 | **2.64** | |
| Advance tax paid/TDS Recoverable for the FY 2019-20 | **-** | 11.44 |
| **Total** | **2.64** | **11.44** |

**16. A. Equity Shares Capital** **(₹ in crore)**

| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | | **Number** | Number |
| **Authorized** | | | |
| Ordinary shares of par value of ₹ 1 /- each | Number | **2,000,000,000** | 2,000,000,000 |
| | **Amount** | **200.00** | 200.00 |
| **Issued, subscribed and fully paid** | | | |
| Ordinary shares of par value of ₹ 1 /- each | Number | **1,500,000,000** | 1,500,000,000 |
| | **Amount** | **150.00** | 150.00 |

**Reconciliation of number of shares:**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Equity Shares | **1,500,000,000** | 1,500,000,000 |
| Add: -No. of Shares issued/ subscribed during the year | | |
| Less: Deduction | - | - |
| **Closing balance** | **1,500,000,000** | **1,500,000,000** |

**No. of Shares in the company held by shareholder holding more than 5 percent**

| Name of the Shareholder | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| - President of India | **1,348,903,143** | 1,348,903,143 |

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.

Movements in equity share capital: During the year, the company has not bought back any shares. The Company does not have any holding company.

During 2018-19, the company has allotted 50 crore equity shares in ratio of 1:2 as fully paid bonus shares by capitalization of free reserves amounting to ₹ 50 crore, pursuant to an ordinary resolution passed after taking consent of shareholders through postal ballot. Accordingly the paid up share capital of the company stands increased to ₹ 150/- crore divided into 150 crore equity share of ₹ 1/-each fully paid.

**B. Other Equity** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Research & Development Reserve | - | - |
| General reserve | **596.97** | 596.97 |
| Retained Earnings | **(308.86)** | 460.83 |
| Other Comprehensive Income Reserves | **(15.65)** | (23.65) |
| **Total Other Equity** | **272.46** | **1,034.15** |

**(i) Research & Development Reserve** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | - | 0.35 |
| Transfer from surplus | - | - |
| Transfer to general reserve | - | (0.35) |
| **Closing Balance** | **-** | **-** |

**(ii) General Reserve** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | **596.97** | 586.62 |
| Transfer from surplus/other reserves | - | 10.35 |
| Issue of Bonus Shares | - | - |
| **Closing Balance** | **596.97** | **596.97** |

**(iii) Retained Earnings** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | **460.83** | 755.27 |
| Net Profit for the year | **(769.69)** | (227.11) |
| Items recognized directly in retain earnings | **-** | (3.09) |
| Remeasurements of post employment benefit obligation | **-** | - |
| Dividend and Dividend Tax | **-** | (54.25) |
| Appropriations:- | | |
| General Reserve | **-** | (10.00) |
| **Closing Balance** | **(308.86)** | **460.83** |

**(iv) Other Reserve** **(₹ in crore)**

| | Equity instruments through OCI | Remeasurements - Post Employee Benefit Plans | Total other reserves |
|---|---|---|---|
| **As at April 1 2019** | (0.62) | (2.38) | **(3.00)** |
| Remeasurements of the defined benefit plans | - | (11.27) | **(11.27)** |
| Equity Instruments through other comprehensive income | (9.38) | - | **(9.38)** |
| **As at March 31, 2020** | **(10.00)** | **(13.65)** | **(23.65)** |
| Remeasurements of the defined benefit plans | - | 6.93 | **6.93** |
| Equity Instruments through other comprehensive income | 1.07 | - | **1.07** |
| **As at March 31, 2021** | **(8.93)** | **(6.72)** | **(15.65)** |

**17. Borrowings** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. NON-CURRENT** | | |
| (i) Term Loans | | |
| (a) From Banks | | |
| - Secured | **-** | - |
| - Unsecured | **-** | 166.70 |
| **Total** | **-** | **166.70** |
| **B. CURRENT** | | |
| (i) Loans repayable on Demand | | |
| (a) From Banks | | |
| - Secured ( against hypothecation of inventories, trade receivables and otther current assets present and future) | **185.20** | 463.42 |
| - Unsecured | **2,178.81** | 1,791.76 |
| Other Loans- From National Small Saving Fund (NSSF) | **-** | 1,310.00 |
| **Total** | **2,364.01** | **3,565.18** |

- 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. Interest payable on loan repayable on demand is based on MCLR plus spread of banks.

MMTC has been facing liquidity crisis for long time and also made default in repayment of loans due and monthly interest payment to banks from September 2020 (finance cost of ₹ 198.48 includes accrued interest of ₹ 84.48 crore). As per directives of Board, MMTC requested all lender banks for restructuring of loan in terms of RBI Circular no. RBI/2020-21/16 DOR No.BP/BC/3/21.04.048/2020-21 dated 06.08.2020 for resolution of Covid-19 related stress. The loan resolution plan was approved by all lender banks and was implemented w.e.f. 08.06.2021. Principal amount of loan outstanding as on the date of implementation of resolution plan was ₹ 2272.25 crore. Requisite information and / records were shared with banks and subsequently company and lender banks have signed Master Debt Resolution Agreement (MDRA), Trust and Retention Account Agreement (TRA) and other necessary documents thereto on 08.06.2021.

Post implementation of loan restructuring, MMTC account with all the lender banks to be regular/ standard with all the lender banks. By signing the documents, lenders waived existing event of default and no civil action or proceeding may be invoked under IBC. Under this scheme, the company has got moratorium/ deferment on recovery of interest for credit facilities upto 08.12.2021 for SBI and 31.03.2022 for other banks and for principal upto 31.03.2022 for all banks. The outstanding loan and accrued interest are to be repaid mainly through disinvestment proceeds of Neelachal Ispat Nigam Limited (NINL). It may be affected by outcome of legal cases, Anglo Coal case, Government directives and Covid-19 pandemic situation etc. GOI administrative Dept. i.e Dept. of Commerce has been duly informed.

**18. Trade Payable** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **CURRENT** | | |
| Trade Payables | | |
| Total outstanding dues of micro and small enterpriese | **0.03** | 0.08 |
| Total outstanding dues of creditors other than micro and small enterpriese | **764.20** | 650.74 |
| -Trade Payables to Related Parties | | |
| Total outstanding dues of micro and small enterpriese | **-** | - |
| Total outstanding dues of creditors other than micro and small enterpriese | **0.78** | 12.39 |
| **Total** | **765.01** | **663.21** |

**19. Other Financial Liabilities** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. NON-CURRENT** | | |
| Lease | **3.61** | 5.81 |
| **Total** | **3.61** | **5.81** |
| **B. CURRENT** | | |
| Payables-Other than trade | **14.79** | 9.50 |
| Despatch/ Demurrage payable | **3.95** | 4.90 |
| Amount recovered -pending remittance | **8.33** | 0.22 |
| Interest accrued on borrowings | **2.02** | 13.29 |
| Security Deposit &EMD | **43.57** | 38.07 |
| Unpaid Dividend | **0.22** | 0.22 |
| Claims payable | **47.20** | 45.41 |
| Lease | **0.35** | 0.27 |
| Others | **88.39** | 87.47 |
| **Total** | **208.82** | **199.35** |

**20. Provisions** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. NON-CURRENT** | | |
| **EMPLOYEE BENEFIT OBLIGATIONS** | | |
| a) Earned Leave | **13.12** | 11.68 |
| b) Compassionate Gratuity | **0.09** | 0.10 |
| c) Post Retirement Medical Benefit | | |
| Retired/retiring on or after 01.01.2007 | **5.22** | 4.25 |
| Retired before 01.01.2007 | **1.32** | 1.46 |

| | | |
|---|---:|---:|
| d) Half Pay Leave | **16.29** | 18.26 |
| e) Service Award | **3.41** | 3.88 |
| f) Employee's Family Benefit Scheme | **3.11** | 3.48 |
| g) Special benefit to MICA employees | **1.47** | 1.73 |
| **Total** | **44.03** | **44.84** |
| **B. CURRENT** | | |
| **EMPLOYEE BENEFIT OBLIGATIONS** | | |
| a) Earned Leave | **2.89** | 2.75 |
| b) Compassionate Gratuity | **0.03** | 0.06 |
| c) Post Retirement Medical Benefit | | |
| Retired/retiring on or after 01.01.2007 | **0.28** | 0.10 |
| Retired before 01.01.2007 | **2.49** | 0.27 |
| d) Half Pay Leave | **4.30** | 3.62 |
| e) Gratuity | **8.41** | 11.12 |
| f) Service Award | **0.94** | 0.97 |
| g) Bonus/performance related pay | **17.46** | 21.11 |
| h) Employee's Family Benefit Scheme | **0.52** | 0.55 |
| i) Special benefit to MICA employees | **0.38** | 0.43 |
| **Sub Total** | **37.70** | **40.98** |
| **OTHERS** | | |
| Destinational weight and analysis risk | **0.08** | 0.04 |
| Provision for Litigation Settlements | **888.81** | 11.38 |
| **Sub Total** | **888.89** | **11.42** |
| **Total** | **926.59** | **52.40** |

**21. Other Liabilities** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---:|---:|
| **Current** | | |
| Advance Received from Customers | **418.68** | 448.00 |
| Statutory dues Payable | **57.92** | 11.07 |
| Amount payable towards unbilled purchases | **294.50** | 238.18 |
| Others | **1.13** | 1.28 |
| **Total** | **772.23** | **698.53** |

**22. Current tax liabilities (Net)** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---:|---:|
| Income tax payable for the FY 2020-21 | - | - |
| **Total** | - | - |

## 23. Revenue From Operations

(₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Sale of Products | **26,361.59** | 24,051.99 |
| Sale of Services | **2.91** | 4.06 |
| Other Operating Revenue | | |
| - Claims | **25.90** | 89.25 |
| - Despatch Earned | **-** | - |
| - Other Trade Income | **(8.79)** | (10.32) |
| **Total** | **26,381.61** | **24,134.98** |

## 24. Other Income

(₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest Income | | |
| - From Fixed Deposits | **4.02** | 3.10 |
| - From Customers on amount overdue | **0.15** | 0.04 |
| - Others | **1.05** | 8.20 |
| Dividend Income | | |
| - From Subsidiary/Joint Ventures | **28.64** | 12.21 |
| - From Others | **0.07** | 0.20 |
| Other Non Operating Revenue (Net of expenses directly attributable to such income) | | |
| -Staff Quarters Rent | **0.70** | 0.64 |
| -Liabilities Written Back | **4.38** | 4.91 |
| -Misc. Receipt | **3.18** | 2.89 |
| **Total** | **42.19** | **32.19** |

## 25. Cost of Materials Consumed

(₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Opening stock of Raw Material | **11.31** | 26.97 |
| Add: Transfer from purchases | **70.30** | 161.13 |
| Less: Closing Stock of Raw Material | **6.10** | 10.64 |
| **Cost of Material Consumed** | **75.51** | **177.46** |
| **Consumables** | **-** | **-** |

## 26. Purchase of Stock-in-Trade

(₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **A. Purchases** | | |
| Precious Metal | **12,803.89** | 7,524.20 |
| Metals | **93.41** | 755.26 |
| Fertilizers | **9,156.43** | 11,058.25 |
| Minerals | **1,748.75** | 1,684.03 |
| Agro Products | **638.80** | 821.70 |
| Coal and Hydrocarbons | **480.81** | 1,219.42 |
| Others | **26.63** | 10.90 |
| **B. Stock Received/(Issued) in kind** | | |
| Precious Metals | **(0.09)** | (0.13) |
| **TOTAL** | **24,948.63** | **23,073.63** |

**27. Changes in Inventory** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **A. Finished Goods** | | |
| Opening Balance | **43.38** | 30.18 |
| Closing Balance | **22.58** | 46.53 |
| Changes in Inventory of Finished Goods | **20.80** | **(16.35)** |
| **B. Stock-In-Trade** | | |
| Opening Balance | **155.86** | 222.66 |
| Closing Balance | **14.81** | 162.35 |
| Changes in Inventory of Stock in Trade | **141.05** | **60.31** |
| Net (Increase) /Decrease | **161.85** | **43.96** |

**28. Employees' Benefit Expenses** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **a) Salaries and Wages** | | |
| Salaries and Allow ances | **101.22** | 125.53 |
| Leave Encashment | **7.81** | 11.94 |
| Bonus | **0.05** | 0.06 |
| Performance Related Pay | **-** | 0.00 |
| Medical Expenses | **6.95** | 13.20 |
| Group Insurance | **0.00** | 0.01 |
| VR Expenses | **0.00** | 22.87 |
| b) Contribution to Provident Fund & Other Funds | | |
| Providend Fund | **8.88** | 9.88 |
| Gratutity Fund | **4.01** | 3.41 |
| Family Pension Scheme | **0.84** | 1.02 |
| Superannuation Benefit | **4.56** | 5.09 |
| c) Staff Welfare Expenses | **0.72** | 1.36 |
| **TOTAL** | **135.04** | **194.37** |

As per the decision of Committee of Directors MMTC has deferred payment of perks to its serving employee's w.e.f. Sept 2020. Further restoration of same will be dependent on MMTC's financial position mainly post NINL divestment and elevant guidelines. Accordingly, no provision has been created during 2020-21.

**29. Finance Cost** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| a) Interest Expenses | **197.99** | 138.68 |
| b) Interest Expenses on Lease | **0.49** | 0.32 |
| c) Premium on forward contract | **-** | - |
| **TOTAL** | **198.48** | **139.00** |

**30. Depreciation And Amortization Expenses** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation on PPE | **4.49** | 4.71 |
| Depreciation on Investment Property | **0.16** | 0.16 |
| Amortization of Intangible Assets | **0.29** | 0.78 |
| **TOTAL** | **4.94** | **5.65** |

## 31. Other Expenses

(₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **a. Operating Expenses :** | | |
| Freight | **0.02** | 51.50 |
| Demurrage | **0.85** | 25.37 |
| Clearing, Handling, Discount & Other charges | **12.53** | 35.36 |
| L/C negotiation and other charges | **0.59** | 1.59 |
| Difference in foreign exchange | **(7.72)** | (6.61) |
| Customs duty | **1,072.70** | 546.41 |
| Packing Material | **0.17** | 1.25 |
| Insurance | **0.00** | 0.08 |
| Godown insurance | **1.37** | 0.87 |
| Plot and Godown rent | **0.66** | 2.86 |
| Provision for destinational weight and analysis risk | **0.08** | 0.04 |
| **Sub total (a)** | **1,081.25** | **658.72** |
| **b. Administrative Expenses :** | | |
| Rent | **1.31** | 2.22 |
| Security Expenses | **3.41** | 3.62 |
| Rates and taxes | **1.46** | 2.12 |
| Insurance | **0.20** | 0.25 |
| Repairs to buildings | **4.51** | 5.11 |
| Repairs to machinery | **0.02** | 0.03 |
| Repairs & Maintenance- Computers | **1.89** | 1.63 |
| Repairs & Maintenance - Others | **0.35** | 0.67 |
| Electricity & Water Charges | **2.33** | 3.13 |
| Advertisement & Publicity | **0.10** | 0.90 |
| Printing & Stationery | **0.19** | 0.47 |
| Postage & Courier | **0.04** | 0.15 |
| Telephone | **0.82** | 1.09 |
| Telecommunication | **0.33** | 0.39 |
| Travelling | **0.64** | 1.69 |
| Vehicle | **0.90** | 1.47 |
| Entertainment | **0.11** | 0.51 |
| Legal | **4.07** | 11.43 |
| Auditors' Remuneration (i) | **0.57** | 0.64 |
| Bank Charges | **0.60** | 1.88 |
| Books & Periodicals | **0.01** | 0.05 |
| Trade / Sales Promotion | **0.28** | 0.83 |
| Subscription | **0.20** | 0.61 |
| Training, Seminar & Conference | **0.01** | 0.14 |
| Professional/Consultancy | **1.36** | 2.39 |
| CSR Expenditure (ii) | **0.89** | 1.43 |
| Difference in foreign exchange | **(4.22)** | 0.80 |

| | | |
|---|---|---|
| Service Tax/GST | **1.93** | 0.82 |
| Exhibition and Fairs | **0.08** | 0.76 |
| Miscellaneous Expenses | **3.89** | 9.24 |
| **Sub Total (b)** | **28.28** | **56.47** |
| **c. Others :** | | |
| Bad Debts/Claims/Assets written off/withdrawn | **5.80** | 0.34 |
| Allowance for Bad and Doubtful Debts / claims/ advances | **1.06** | 0.49 |
| **Sub Total (c)** | **6.86** | **0.82** |
| **TOTAL (a+b+c)** | **1,116.39** | **716.01** |

**i) Amount paid to auditors**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| As Auditor | **0.29** | 0.33 |
| For Taxation Matters/Tax Audit | **0.14** | 0.16 |
| For Other Services | **0.13** | 0.15 |
| For Reimbursement of Expenses | **0.01** | 0.01 |
| **TOTAL** | **0.57** | **0.64** |

**ii) Details of CSR expenditure**

| | **March 31, 2021** | **March 31, 2020** |
|---|---|---|
| Gross amount required to be spent by the company (Equivalent to 2% of Average Net Profit during preceding three Years) | ₹ Nil crore | ₹ 1.73 crore |

| Particulars | Amount spent during the year | Balance unspent |
|---|---|---|
| For the year ended 31st March 2021 | | |
| (i) Construction / acquisition of any asset | **0.32** | 0.05 |
| (ii) On purposes other than (i) above | **0.58** | 0.05 |
| (iii) Against CSR Reserve of previous years | **-** | - |
| For the year ended 31st March 2020 | | |
| (i) Construction / acquisition of any asset | **0.82** | 0.37 |
| (ii) On purposes other than (i) above | **0.61** | 0.60 |
| (iii) Against CSR Reserve of previous years | **-** | - |

Amount spent during the year includes ₹ 0.32 crore (P.Y. ₹ 0.59 crore) for Construction of any asset and others of ₹ 0.58 crore (P.Y. ₹ 0.05 crore) being unspent as on 31.03.2020

**32. Exceptional Items** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Write-down of inventories to net realisable value and its reversal | **1.59** | 7.50 |
| Disposals of items of assets | **(0.24)** | (0.06) |
| Provision for dimunition in value of non current investment (i) | **-** | 33.80 |
| Profit on surrender of lease assets | **(1.13)** | - |
| Litigation settlements (ii) | **877.25** | 6.91 |
| Provisions no longer required | **(0.30)** | (3.83) |
| **TOTAL** | **877.17** | **44.32** |

(i) Represents provision towards equity investment in SICAL Iron Ore Terminal Ltd.

(ii) Exceptional items includes an amount of claim by a foreign supplier relating to import of coking coal in the year 2008-09 for supply to NINL (a JV company) for an amount of USD 7.872 crore and cost of arbitration USD 0.098 crore along with interest, which was finally decided by Hon'ble Supreme Court vide SC judgement dt.17.12.2020 and restored the arbitration award & Judgement dated 12.5.2014. In the meanwhile MMTC had filed a Review Petition on 16.01.2021 which was listed on 03.02.2021 and SC allowed open court hearing limited to the issue of interest part. The Hon'ble Supreme Court on 29.07.2021 directed to pay pendente lite and future interest at 6% simple interest. Accordingly, MMTC has made a provision of ₹ 877.43 crore (inclusive of claim of ₹ 583.15 crore& interest of ₹ 294.28 crore).

In compliance with the order dated 22.5.2019 passed by the Hon'ble Delhi High Court, the Company deposited the title deeds of immovable properties with the Registrar. After the favourable order, the company had filed application seeking inter alia dismissal of the execution /enforcement petition filed by the claimant but the claimant submitted that they are presently in the process of assailing the decision of the Division Bench to set aside the award, by preferring a Special Leave Petition before the Hon'ble Supreme Court. The Court vide its order dated 15th July, 2020 dismissed the enforcement petition as infructuous and ordered that the title deeds deposited by the company will be retained by the Registrar General of the Delhi High Court for a further period of 12 weeks and will be thereafter released to the company, subject to any orders passed by the Hon'ble Supreme Court in this regard. The title deeds of immovable properties is still with the Registrar of Delhi High Court. The Hon'ble Delhi High court after hearing the execution petition plea of M/s Anglo Coal, has directed vide order dtd.03.03.2021 to deposit ₹ 585.94 crore within two months from the date of the said order. Due to financial crisis the company could not be complied with order. The execution matter is being pursued in Hon'ble Delhi High Court pursuant to attachment of some of the MMTC's properties /Bank account. As per order dated 28.9.2021, MMTC was directed to deposit ₹ 1000 crore with the court from surplus of the divestment proceeds of NINL after discharging the dues of Bankers as per Master Debt Agreement dated 8.6.2021. Next date of hearing is as per latest order is 29.11.2021.

Though MMTC has been regularly updating NINL on the progress of legal case pertaining to Anglo Coal and have been repeatedly requesting NINL to provide for in the books of NINL, contingent liability arising out of Anglo Coal dispute, as the procurement was initiated by MMTC for NINL only. MMTC has sent various communications in this regard to NINL. However, NINL had not been made a party in legal proceedings against Anglo Coal by MMTC.

The Agenda Item pertaining to Anglo coal dispute was placed on table vide item no. 10 of 165th meeting of Board of Directors of NINL held on 27.05.2019. Chairman NINL on the Agenda tabled, briefed the Board on the transaction with Anglo Coal and current status of the legal case. Chairman, NINL also explained that MMTC as a sole and exclusive agent for procurement of raw materials on behalf of NINL had taken measures in the interest of NINL. The import of coking coal was meant for NINL only. It was also informed that MMTC has been and will continue to take all possible measures and legal recourse to defend the matter. However, the decision to reflect the liability in NINL was not taken even though it had been reflected against NINL in the Annual reports of MMTC without provisioning.

The nominee Directors of steel and mines, Government of Orissa, IPICOL and OMC expressed that the liability on account of Anglo coal dispute cannot be disclosed in the statement of accounts of NINL, since, the said liability does not accrue to NINL as the latter is not party to the contract. They further advised not to place such items as tabled items.

MMTC has mentioned Anglo Coal as contingent liability on account of NINL in MMTC's books of account from the FY 2009-10 to 2018-19 which have been audited by C&AG and approved by AGM. No provisioning have been made till 2018-19 in its books of account of MMTC for Anglo coal liability as it has been mentioned in the accounts of 2013-14 to 2018-19 that the liability on this account is to be borne by NINL. Pursuant to Hon'ble Supreme Court order the contingent liability of ₹ 1607 crore approx. appearing in the accounts of MMTC was again taken up by MMTC and was deliberated again in the 175th meeting of Board of Directors of NINL held on 18.02.2021. The decision minuted in NINL Board was *"The Contingent Liability of ₹ 1607 crore approx. appearing in the accounts of MMTC was deliberated and OMC informed that they have already sent a formal communication that these liabilities cannot form a part of liabilities in NINL books of accounts. NMDC also reiterated the observation of OMC in this regards. The stand taken by DIPAM on the issue on the reference of MMTC and Department of Commerce, Ministry of Commerce & Industry was also discussed."*

Again during 176th meeting of Board of Directors of NINL held on 06.03.2021, the contingent liability on account of Anglo Coal appearing in the accounts of MMTC was again raised by nominee Directors of MMTC and OMC informed that that they have already sent formal communication that this liability can't form a part of liabilities in NINL books of accounts. NMDC also reiterated the observation of OMC.

Post crystallization of this liability, MMTC vide its letter dated 07th September, 2021 lodged a formal claim on NINL seeking to incorporate this firm liability in the Books of Accounts of NINL.

In this regard, vide 180th meeting of Board of Directors of NINL held on 13.09.2021, the claim of MMTC was deliberated. Nominee Directors of MMTC had strongly emphasized that the transaction was done only on behalf of NINL and the liabilities arising therefrom cannot be denied by NINL. However, the Board of NINL decided, by way of majority, that the liability cannot be passed on to NINL. MMTC directors had also informed in the meeting that MMTC shall be seeking an opinion on the subject from a senior Govt. Counsel and shall submit the same along with decision of NINL Board to DoC/DIPAM for resolution.

Further to the above, vide 182nd meeting of Board of NINL held on 24.09.2021, while deliberating on the provisional accounts of NINL for FY 2020-21, the issue pertaining to liability on account of Anglo Coal dispute after crystallization of amount was again raised by nominee directors of MMTC, as the same has the bearing on MMTC's books of accounts for FY 2020-21, which is under finalization. However, all other Board Members refused to accept said liability in the books of NINL and the provisional accounts of NINL for 2020-21 was passed without incorporating the liability on account of Anglo Coal. The provisional accounts have been submitted to DIPAM by NINL on 28.09.2021.

MMTC had also sought an opinion from Learned AG regarding accrual of the liability of Anglo Coal on NINL. He opined that MMTC claim on NINL that it's too late in the day for MMTC to initiate legal proceedings against NINL as limitation period has expired.

The company is exploring available legal recourse against Anglo Coal.

**33. Tax Expense** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Current year | **-** | - |
| Adjustments relating to prior periods | **0.07** | (0.12) |
| **Sub Total (A)** | **0.07** | **(0.12)** |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | **(324.60)** | - |
| **Sub Total (B)** | **(324.60)** | **-** |
| **Total (A+B)** | **(324.53)** | **(0.12)** |

**Tax recognised in other comprehensive income**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Defined benefit plan acturial gains (losses) | - | - |
| **Total** | **-** | **-** |

**Reconciliation of effective tax**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit before tax | **(1,094.22)** | (227.23) |
| Enacted tax Rate | **34.94** | 34.94 |
| Computed Expected Tax Expenses | - | - |
| Non-deductible expenses | - | - |
| Tax exempt income/ any other deduction or allowable exp. | - | - |
| Change in estimates related to prior years | - | - |
| Deferred Tax | - | - |
| **Tax Expenses for the year** | - | - |
| Adjustment : Tax effect on OCI | - | - |
| **Net Tax Expenses for the year** | - | - |

**34. Contingent Liabilities & Disclosures:**

**i)** **(₹ in crore)**

| | Particulars | As at 31.3.2021 | As at 31.3.2020 |
|---|---|---|---|
| (I) | | | |
| a) | Claims against the company not acknowledged as debts including foreign currency claim. | 175.57 | 202.35 |
| b) | Disputed Income Tax Demand against which ₹ 20.45 crore (P.Y. ₹ 19.64 crore) deposited. | 42.69 | 40.59 |
| c) | Disputed TDS demands | 0.05 | 0.00 |
| d) | Disputed Sales Tax Demand against which ₹ 20.16 crore (P.Y. ₹ 12.36 crore) deposited and ₹ 0.07 crore (P.Y. ₹ 0.07 crore) covered by Bank Guarantees. | 202.73 | 202.66 |
| e) | Disputed Service Tax Demand | 113.76 | 107.10 |
| f) | Disputed Central Excise demand against which ₹ 0.76 crore (P.Y. ₹ 0.76 crore) Deposited. | 20.29 | 20.29 |
| g) | Disputed PF demand | 2.24 | 2.24 |
| h) | Custom Bonds | 254.80 | 267.08 |
| i) | Outstanding GR-1 against which Bank Guarantee furnished of ₹ 0.73 crore (P.Y. ₹ 0.73 crore). | 1.60 | 1.60 |
| j) | Claimsagainstthecompanynotacknowledgedasdebtsfrom a foreign supplier.* | 128.89 | - |
| **Total (I)** | | **942.62** | **843.91** |
| **(II)** | **Others on back to back basis where liability if any is to account of associate** | | |
| a) | Differential Custom Duty/Interest/Penalty etc. | 166.87 | 166.92 |
| **Total (II)** | | **166.87** | **166.92** |

**Movement in respect of items mentioned at S.No. I) a) to j)** **(₹ in crore)**

| S. No. | Particulars | Balance as at 31st March, 2020 | Reduction during the year in respect of opening balance | Addition during the year 2020-21 | Balance as at 31st March, 2021 |
|---|---|---|---|---|---|
| a) | Claims against the company not acknowledged as debts including foreign currency claim. | 202.35 | 30.88 | 4.10 | 175.57 |
| b) | Disputed Income Tax Demand | 40.59 | - | 2.10 | 42.69 |
| c) | Disputed TDS demands | - | - | 0.05 | 0.05 |
| d) | Disputed Sales Tax Demand | 202.66 | 0.01 | 0.08 | 202.73 |

| | | | | | |
|---|---|---|---|---|---|
| e) | Disputed Service Tax Demand | 107.10 | - | 6.66 | 113.76 |
| f) | Disputed Central Excise demand | 20.29 | - | - | 20.29 |
| g) | Disputed PF demand | 2.24 | - | - | 2.24 |
| h) | Custom Bonds | 267.08 | 74.66 | 62.38 | 254.80 |
| i) | Outstanding GR-1 | 1.60 | - | - | 1.60 |
| j) | Claims against the company not acknowledged as debts from a foreign supplier.* | - | - | 128.89 | 128.89 |
| | **Total** | **843.91** | **105.55** | **204.26** | **942.62** |

**Movement in respect of items mentioned at S.No. II) a)** **(₹ in crore)**

| S. No. | Particulars | Balance as at 31st March, 2020 | Reduction during the year in respect of opening balance | Addition during the year 2020-21 | Balance as at 31st March, 2021 |
|---|---|---|---|---|---|
| a) | Differential Custom Duty/Interest/ Penalty etc. | 166.92 | 0.05 | - | 166.87 |
| | **Total** | **166.92** | **0.05** | **-** | **166.87** |

**ia)** Guarantees issued by Banks on behalf of the Company ₹ 3.66 crore (P.Y. ₹ 3.87 crore) in favour of customer towards performance of contracts against which backup guarantees amounting to ₹ Nil crore (P.Y. ₹ 0.59 crore) have been obtained from associate suppliers.

**ii)** Letters of Credit opened by the Company remaining outstanding ₹ 8.50 crore (P.Y. ₹ 8.27 crore).

**iii)** Corporate Guarantees of ₹ 1345.82 crore (P.Y. ₹ 1345.82 crore) given by the company in favour of financial institutions/ banks on behalf of Neelachal Ispat Nigam Limited (NINL), a Joint Venture Company, for securing principal and interest in respect of loans to NINL. (Refer 36 c (iv))

**iv)** 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.

**v)** 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.

**vi)** *An amount of ₹ 128.89 crore (@7.50%) towards interest liability for the period 1.10.2009 to 24.9.2012 which has not been provided. Providing of interest for the period from 1.10.2009 to 24.09.2012 may not be prudent at this stage as the learned AG has opined that any ambiguity arising from the Hon'ble Supreme Court order dated 29.7.2021 could be resolved by the court itself.

**35. Commitments**

Capital Commitments: Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on capital account and not provided for is ₹ Nil (P.Y. ₹ Nil crore).

Capital commitment in respect of investment in joint venture ₹ Nil crore (P.Y. ₹ Nil crore).

**36. General Disclosures :-**

**a)** Following goods on account of un-billed purchases are held by the Company under deposit and shown under other current assets (note no. 11 (B)) as well as other current liabilities (note no.21).

| Items | 31/03/2021 | | 31/03/2020 | |
|---|---|---|---|---|
| | Qty | Value | Qty | Value |
| Gold (in Kgs) | 733.96 | 291.11 | 467.00 | 181.98 |
| Gold Jewellery (in Grams) | - | - | - | - |
| Silver (in Kgs) | 600.00 | 3.39 | 15,135.22 | 56.19 |
| **TOTAL** | **1,333.96** | **294.50** | **15,602.22** | **238.18** |

b) 3956.494 kgs (P.Y. 7970.788 kgs) of un-refined Silver is lying in DRO as on 31.3.2021 on behalf of Shri Mata Veshno Devi Shrine Board. The value of the stock cannot be ascertained as fineness of the Silver in not known.

c) Investment in and advances to Neelachal Ispat Nigam Ltd (NINL)-Joint Venture company :-

(i) The company alongwith Government of Odisha has set up a 1.1 MT integrated steel plant in Odisha and invested ₹ 459.11 crore (P.Y. ₹ 459.11 crore) (Note 6) towards 49.78% in equity capital in NINL. The Government of India (CCEA) has accorded 'in principle' approval on 8th January, 2020 for strategic divestment of equity investment held by MMTC and other Central/State PSUs. The process of divestment is underway through Department of Investment and Public Asset Management (DIPAM). The EOI has been invited by DIPAM and application for interested parties have been received and shortlisting of technically qualified parties are in process. Once this process is done, Request for proposal will be invited for technically qualified parties.

(ii) The company has been extending, from time to time, short term credit facility (cash credit) to NINL upto a limit of ₹ 1425.00 crore for its day to day operational activities on continuing basis. In addition, a trade related financial facility to the extent of ₹ 1875.00 crore has also been extended. Against this, outstanding under Other Assets (advances to related parties) (note 11) is ₹ 3528.47 crore (P.Y. ₹ 3221.00 crore) inclusive of interest of ₹ 252.18 crore & ₹ 295.69 crore not recognised as income for 2019-20 & 2020-21 respectively.

(iii) Reconciliation of accounts with NINL duly signed by MMTC & NINL has been done upto 31.03.2021 with outstanding balance of ₹ 3528.47 crore. NINL's confirmation of balance of ₹ 3528.47 crore as on 31.3.2021 is subject to finalization of NINL's annual accounts, but the same was informed in last NINL's Board Meeting.

(iv) The company has also given corporate guarantees amounting to ₹ 1345.82 crore (P.Y. ₹ 1345.82 crore) in favour of FIs/Banks/others to secure the loans availed by NINL (note 34 (iii)). Since NINL is unable to service the interest of lenders, some of the lenders and bond holders have invoked the corporate guarantees, which are being addressed by NINL/MMTC separately. NINL is showing ₹ 1295.82 crore in its books against corporate guarantees given by MMTC.

(v) The company has been recognising trade related interest during earlier years on accrual basis and is included in the outstanding advances. However, during 2019-20 & 2020-21 interest of ₹ 252.18 crore & ₹ 295.69 crore respectively is not recognised due to delay in divestment of NINL which is under divestment through DIPAM.

(vi) NINL have given corporate gurantee of ₹ 2800.00 crore (P.Y. ₹ 2800.00 crore) to the company to secure credit facilities extended to them from time to time.

(vii) NINL has been incurring losses for last 9 years and its net worth has become negative ₹ (-) 2564.71 crore as on 31.03.2020 (P.Y. ₹ (-) 956.49 crore as on 31.3.2019). Audited financial statements of NINL as on 31.3.2021 are not available as NINL is yet to finalise its audited accounts for the year 2020-21.

(viii) Considering the likely valuations of NINL and expected divestment proceeds, the Management has considered its investment and advances as good.

d) The Company has filed a recovery suit of ₹ 31.40 crore against M/s AIPL in respect of Mint sale transaction (P.Y. ₹ 31.40 crore) which included overdue interest of ₹ 2.95 crore (P.Y. ₹ 2.95 crore) which has been decreed in favour of the Company. M/s AIPL have also filed a suit against Government Mint/MMTC for damages of ₹ 167.20 crore (P.Y. ₹ 167.20 crore) which is not tenable as per legal opinion and is being contested.

e) Under Price Stabilization Scheme of the Government of India to create Buffer Stock of onion, MMTC imported onion from July 2019 onwards until 31.03.2020. As per the scheme MMTC's trading margin has been fixed at 1.5% on C&F cost at the time of sale and all expenses related to the import shall be to the account of Govt. The difference between the sale realisation and cost incurred including MMTC's margin has been shown as claim receivables from Govt. which will be adjusted with the advance received from Govt. The stocks have been stored in CWC/SWC/Other godowns in Mumbai.

f) A claim for ₹ 1.53 crore (P.Y. ₹ 1.53 crore) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 1.53 crore (P.Y. ₹ 1.53 crore) exists in the accounts after taking into account the EMD and other payables. The company has requested customs for abandonment which is pending for adjudication. A criminal & civil suit has been filed against the Associate.

g) At RO Mumbai, during the year 2011-12, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 3.98 crore (P.Y. ₹ 4.12 crore) 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 which was vacated and Indian bank had to make payment to the foreign bank. The matter is still pending in the court. 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 ₹ 8.60 crore (P.Y. ₹ 8.60 crore), already paid for and after adjustment of EMD & payables provision for the balance amount has been made during the year 2014-15.

h) At RO Hyderabad, fake bills of lading covering two shipments of copper valued at ₹ 3.75 crore (P.Y. ₹ 3.75 crore) were received during 2011-12 through banking channels against which no material was received. The foreign supplier has been paid in full through letter of credit after the company received full payment from its Indian customer. The company has initiated legal action against the foreign supplier. The amount of ₹ 4.44 crore for this transaction received in full and final settlement from the local buyer which includes in Advance received from customer under other non-current liabilities.

i) Hon'ble Delhi High Court has directed the Company to deposit ₹ 39.62 crore (P.Y. ₹ 39.62 crore) stated to be receivable by one of the Company's coal suppliers as per their books of accounts from MMTC in a case relating to execution of decree filed by a foreign party against the coal supplier. MMTC has filed application and counter affidavit stating that the supplier's contractual obligations are yet to be discharged and MMTC is unable to deposit any amount at this stage. Any amount found payable to the supplier after resolution of all issues, the same will be deposited with the court instead of releasing to the supplier without any liability on MMTC. The hearings are in progress and next date of hearing 20.9.2021.

**37. Financial Instruments- Fair Values and Risk Management**

**Financial Instruments by Categories**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**(₹ in crore as at March 31, 2021)**

| Particulars | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/liabilities at fair value through OCI | Total carrying value | Total fair value |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Investments in Equity Instruments (Ref Note No.6) | | | 10.07 | 10.07 | 10.07 |
| Cash & Cash Equivalents (Ref Note No. 13) | 132.71 | | | 132.71 | |
| Trade Receivable (Ref Note No. 7) | 555.69 | | | 555.69 | |
| Employee Loans (Ref Note No. 8) | 4.85 | | | 4.85 | |
| Loans to related party (Ref Note No. 8) | 0.00 | | | 0.00 | |
| Security Deposits & Other Loans (Ref Note No. 8) | 1.94 | | | 1.94 | |
| Other Financial Assets (Ref Note No. 9) | 51.13 | | | 51.13 | |
| **Liabilities:** | | | | | |
| Trade Payable (Ref Note No. 18) | 765.01 | | | 765.01 | |
| Borrowings (Ref Note No.17) | 2364.01 | | | 2364.01 | |
| Other Financial Liabilities (Ref Note No. 19) | 212.42 | | | 212.42 | |

**The carrying value and fair value of financial instruments by categories were as follows as on March 31, 2020:**

**(₹ in crore as at March 31, 2020)**

| Particulars | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/liabilities at fair value through OCI | Total carrying value | Total fair value |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Investments in Equity Instruments (Ref Note No.6) | | | 9.00 | 9.00 | 9.00 |
| Cash & Cash Equivalents (Ref Note No. 13) | 63.27 | | | 63.27 | |

| | | | | | |
|---|---|---|---|---|---|
| Trade Receivable (Ref Note No. 7) | 1925.36 | | | 1925.36 | |
| Employee Loans (Ref Note No. 8) | 6.49 | | | 6.49 | |
| Loans to related party (Ref Note No. 8) | 0.00 | | | 0.00 | |
| Security Deposits & Other Loans (Ref Note No. 8) | 1.88 | | | 1.88 | |
| Other Financial Assets (Ref Note No. 9) | 54.61 | | | 54.61 | |
| **Liabilities:** | | | | | |
| Trade Payable (Ref Note No. 18) | 663.21 | | | 663.21 | |
| Borrowings (Ref Note No.17) | 3565.18 | | | 3565.18 | |
| Other Financial Liabilities (Ref Note No. 19) | 205.16 | | | 205.16 | |

**Fair Value Hierarchy**

- **Level 1** - Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active markets.
- **Level 2** - Level 2 hierarchy includes financial instruments measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** - Level 3 hierarchy includes financial instruments measured using inputs that are not based on observable market data (unobservable inputs).

**The following tables present fair value hierarchy of assets and liabilities measured at fair value:**

**(₹ in crore as at March 31, 2021)**

| Particulars | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| Financial Investments at FVTOCI | | | | | | |
| Investment in Equity Instruments (BSE) | 2.23 | | | 2.23 | | Quoted Price |
| Investment in Equity Instruments (ICEX) | | | 7.84 | 7.84 | Book Value adopted as best estimate of Fair Value. | |
| **Total** | 2.23 | - | 7.84 | 10.07 | | |

**(₹ in crore as at March 31, 2020)**

| Particulars | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | |
| Financial Investments at FVTOCI | | | | | | |
| Investment in Equity Instruments (BSE) | 1.16 | | | 1.16 | | Quoted Price |
| Investment in Equity Instruments (ICEX) | | | 7.84 | 7.84 | Book Value adopted as best estimate of Fair Value. | |
| **Total** | 1.16 | - | 7.84 | 9.00 | | |

**Financial risk management, objectives and policies**

The company's activities expose it to the following financial risks:

-market risk

-credit risk and

-liquidity risk.

The company has not arranged funds that have any interest rate risk.

a) **Market risk**

(i) **Foreign Exchange Risk**

The company has import and export transactions and hence has foreign exchange risk primarily with respect to the US$. The company has not arranged funds through long term borrowings. The short term foreign currency loans (buyer's credit) availed from banks are fixed interest rate borrowings. As a result, the company does not have any interest rate risk. The company's risk management policy is to use hedging instruments to hedge the risk of foreign exchange.

The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company designates the spot element of forward contracts with reference to relevant spot market exchange rate. The difference between the contracted forward and the spot market exchange rate is treated as the forward element. The changes in the spot exchange rate of hedging instrument that relate to the hedged item is deferred in the cash flow hedge reserve and recognized against the related hedged transaction when it occurs. The forward element of forward exchange contract is deferred in cost of hedging reserve and is recognized to the extent of change in forward element when the transaction occurs.

The following tables show the summary of quantitative data about the company's exposure to foreign currency risk from financial instruments expressed in `:

**(₹ in crore as at March 31, 2021)**

| **Particulars** | **US Dollars (in Equiv INR)** | **Other Currencies (in Equiv INR)** | **Total** |
|---|---|---|---|
| Cash & cash equivalents | 4.11 | - | 4.11 |
| Trade Receivable | 280.86 | - | 280.86 |
| Demurrage / Despatch Receivable | 4.61 | 1.65 | 6.26 |
| Other Receivable | 0.98 | - | 0.98 |
| Total Receivable in foreign currency | 290.56 | 1.65 | 292.21 |
| Foreign Currency Loan payable | - | - | - |
| Interest on foreign currency loan payable | - | - | - |
| Trade Payables | 15.82 | 0.55 | 16.36 |
| Freight Demurrage / Despatch Payable | 1.15 | - | 1.15 |
| Provision towards Litigation Settlement | 98.05 | - | 98.05 |
| Others | 904.19 | - | 904.19 |
| **Total Payable in Foreign Currency** | **1,019.21** | **0.55** | **1,019.76** |

The company has no exposure in respect of foreign currency receivable/payable since loss/gain is to the account of the Associate supplier/customer except on provision towards litigation settlement where matter is still under dispute. Also the company has taken forward exchange contracts in respect of payables at the risk and cost of the associate.

**(₹ in crore as at March 31, 2020)**

| **Particulars** | **US Dollars (in Equiv INR)** | **Other Currencies (in Equiv INR)** | **Total** |
|---|---|---|---|
| Cash & cash equivalents | 3.49 | - | 3.49 |
| Trade Receivable | - | - | - |
| Demurrage / Despatch Receivable | 5.17 | - | 5.17 |
| Other Receivable | 7.58 | - | 7.58 |
| **Total Receivable in foreign currency** | **16.23** | **-** | **16.23** |
| Foreign Currency Loan payable | 227.25 | - | 227.25 |
| Interest on foreign currency loan payable | 1.30 | - | 1.30 |
| Trade Payables | 30.53 | - | 30.53 |
| Freight Demurrage / Despatch Payable | 16.60 | - | 16.60 |
| Provision towards Litigation Settlement | - | - | - |
| Others | - | - | - |
| **Total Payable in Foreign Currency** | **275.67** | **-** | **275.67** |

The company has no exposure in respect of foreign currency receivable/payable since loss/gain is to the account of the Associate supplier/customer. Also the company has taken forward exchange contracts in respect of payables at the risk and cost of the associate.

**Sensitivity:**

As of March 31, 2021 and March 31, 2020, every 1% increase or decrease of the respective foreign currencies compared to our functional currency would impact our profit before tax by approximately ₹ NIL and ₹ NIL, respectively.

**(i) Price Risk**

The company's exposure to equity securities price risk arises from investments held by the company and classified in balance sheet as at fair value through other comprehensive income. Out of the two securities held by the company, one is listed in NSE and the other (ICEX) is not listed.

As of March 31, 2021 and March 31, 2020, every 1% increase or decrease of the respective equity prices would impact other component of equity by approximately ₹ 0.02 crore and ₹ 0.01 crore, respectively. It has no impact on profit or loss.

**b) Credit Risk**

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

*Trade Receivables*

The company's outstanding trade receivables are mostly secured through letter of credit/BG except in respect of JV's and Govt of India.

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of Ind AS 109. The company's historical experience for customers, present economic condition and present performance of the customers, future outlook for the industry etc. are taken into account for the purposes of expected credit loss.

*Credit risk exposure*

An analysis of age of trade receivables at each reporting date is summarized as follows:

**(₹ in crore as at March 31, 2021)**

| Particulars | Gross amount | Impairment | Carrying Value |
|---|---|---|---|
| Not due | 426.51 | - | 426.51 |
| Overdue for less than one month | 1.86 | - | 1.86 |
| Overdue for more than one month upto two months | 0.13 | - | 0.13 |
| Overdue for more than two months upto three months | 0.50 | - | 0.50 |
| Overdue for more than three months upto six months | 0.09 | - | 0.09 |
| Overdue for more than six months | 516.62 | 390.02 | 126.60 |
| **Total** | **945.71** | **390.02** | **555.69** |

**(₹ in crore as at March 31, 2020)**

| Particulars | Gross amount | Impairment | Carrying Value |
|---|---|---|---|
| Not due | 54.90 | - | 54.90 |
| Overdue for less than one month | 261.77 | - | 261.77 |
| Overdue for more than one month upto two months | 498.91 | - | 498.91 |
| Overdue for more than two months upto three months | 859.39 | - | 859.39 |
| Overdue for more than three months upto six months | 114.45 | - | 114.45 |
| Overdue for more than six months | 524.91 | 388.97 | 135.94 |
| **Total** | **2,314.33** | **388.97** | **1,925.36** |

Trade receivables are generally considered credit impaired when overdue for more than three years (except government dues), unless the amount is considered receivable, when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired though overdue are of good credit quality.

With regard to certain trade receivables, the company has equivalent trade payables to associate suppliers which are payable on realization of trade receivables. Such trade receivables are considered not impaired though past due.

*Other financial assets*

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with scheduled banks which are subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since major loans like house building loans, vehicle loans etc. are secured against the property for which loan is granted to the employees. The other employee loans are covered under personal guarantee of concerned employees along with surety bonds of other serving employees. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

**c) Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company's principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Due to the dynamic nature of underlying businesses, the company maintains flexibility in funding by maintaining availability under committed credit lines.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. The company arranges credit from bank and maintains balance in cash and cash equivalents to meet short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the undisclosed cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

**(₹ in crore as at March 31, 2021)**

| Particulars | Less than 6 | 6 months to 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Trade Payables | 765.01 | | | | | 765.01 |
| Short term borrowings | 2364.01 | | | | | 2364.01 |
| Other Financial Liabilities | 208.82 | | | | | 208.82 |
| **Total** | **3337.84** | **-** | **-** | **-** | **-** | **3337.84** |

**(₹ in crore as at March 31, 2020)**

| Particulars | Less than 6 | 6 months to 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Trade Payables | 663.21 | | | | | 663.21 |
| Short term borrowings | 3565.18 | | | | | 3565.18 |
| Other Financial Liabilities | 199.35 | | | | | 199.35 |
| **Total** | **4427.74** | **-** | **-** | **-** | **-** | **4427.74** |

**38. Impact of Hedging Activities**

**Cash Flow Hedge**

As at 31st March 2020 there was no outstanding Hedging Instrument on account of the company.

#### Fair Value Hedge

As per the Risk Management Policy, the company enters into forward contracts with commodity exchanges to hedge against price fluctuations in gold and silver inventories. The gain or loss on the hedging instrument is recognized in profit or loss. The hedging gain or loss on the hedged item adjusts the carrying amount of the hedged item and is recognised in profit or loss.

a. *Disclosure of effects of hedge accounting on financial position for hedging instruments:*

**(₹ In crore as at March 31, 2021)**

| Type of Hedge and risk | Carrying amount of hedging instrument | | Change in fair value of hedging instrument used as the basis for recognizing hedge ineffectiveness for the period | Nominal amounts of the hedging instruments | |
|---|---|---|---|---|---|
| | Assets | Liabilities | | Quantity (kgs) | Value |
| **Fair Value hedge** | | | | | |
| **Price Risk** | | | | | |
| Forward contract to sell gold & silver | | | | 33 | 3.74 |

**(₹ In crore as at March 31, 2020)**

| Type of Hedge and risk | Carrying amount of hedging instrument | | Change in fair value of hedging instrument used as the basis for recognizing hedge ineffectiveness for the period | Nominal amounts of the hedging instruments | |
|---|---|---|---|---|---|
| | Assets | Liabilities | | Quantity (kgs) | Value |
| **Fair Value hedge** | | | | | |
| **Price Risk** | | | | | |
| Forward contract to sell gold & silver | | | | 176 | 51.35 |

b. Disclosure of effects of hedge accounting on financial position for hedged items:

**(₹ in crore as at March 31, 2021)**

| Type of Hedge and risk | Carrying amount of hedged item | | Accumulated amount of hedge adjustments on the hedged item included in the carrying amount of hedged item | Line item in the Balance Sheet in which the hedged item is included | Changes in value used as the basis for recognizing hedge ineffectiveness | Accumulated amount of hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses (para 6.5.10 of IndAS 109) |
|---|---|---|---|---|---|---|
| **Fair Value hedge** | | | | | | |
| **Price Risk** | | | | | | |
| Inventory of gold | - | - | - | Inventories | - | - |

(₹ in crore as at March 31, 2020)

| Type of Hedge and risk | Carrying amount of hedged item | | Accumulated amount of hedge adjustments on the hedged item included in the carrying amount of hedged item | Line item in the Balance Sheet in which the hedged item is included | Changes in value used as the basis for recognizing hedge ineffectiveness | Accumulated amount of hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses (para 6.5.10 of IndAS 109) |
|---|---|---|---|---|---|---|
| **Fair Value hedge** | | | | | | |
| **Price Risk** | | | | | | |
| Inventory of gold | - | - | - | Inventories | - | - |

**39. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"**

During the year, the company assessed the impairment loss of assets and accordingly provision towards impairment in the value of PPE amounting to ₹ Nil crores (P.Y. ₹ Nil crore) has been made during the year.

**40. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"**

**40.1 General description of various employee's benefits schemes are as under:**

**a) 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. The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

As per Actuarial Valuation company's expected contribution for FY 2021-22 towards the Gratuity Fund Contribution is ₹ 3.78 crore (P.Y. ₹ 4.29 crore). However, the company is making contribution to the fund as per the demand made by Life Insurance Corporation of India.

**b) Leave Compensation:**

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

The liability on this account is recognized on the basis of actuarial valuation.

**c) Long Service Benefits:** Long Service Benefits payable to the employees are as under-

**(i) Service Award:**

Service Award amounting to 3,500/- for each completed year of service is payable to the employees on superannuation/voluntary retirement scheme.

**(ii) Compassionate Gratuity**

Compassionate Gratuity amounting to 50,000/- is payable in lump-sum to the dependants of the employee on death while in service.

**(iii) Employees' Family Benefit Scheme**

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 12,000/- on rendering service of less than 20 years and similarly a monthly benefit @ 50% of Basic Pay & DA last drawn subject to maximum 12,000/- on rendering service of 20 years or more at the time of death.

**(iv) Special Benefit to MICA Division employees** amounting to 5,00,000/- (Officer), 4,00,000/- (Staff) and 3,00,000/- (Worker) upon retirement

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance Sheet & other disclosures are as under:

**Net defined benefit obligation** **(₹ in crore)**

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Defined Benefit Obligation | C.Y. | 90.85 | 16.01 | 20.59 | 4.35 | 1.85 | 0.12 | 3.63 |
| | P.Y. | 98.90 | 14.44 | 21.89 | 4.85 | 2.15 | 0.16 | 4.02 |
| Fair Value of Plan Assets | C.Y. | 82.45 | - | - | - | - | - | - |
| | P.Y. | 87.78 | - | - | - | - | - | - |
| Funded Status [Surplus/(Deficit)] | C.Y. | | - | - | - | - | - | - |
| | P.Y. | | - | - | - | - | - | - |
| Effect of asset ceiling | C.Y. | | - | - | - | - | - | - |
| | P.Y. | | - | - | - | - | - | - |
| **Net Defined Benefit Assets/ (Liabilities)** | C.Y. | **(8.41)** | **(16.01)** | **(20.59)** | **(4.35)** | **(1.85)** | **(0.12)** | **(3.63)** |
| | P.Y. | **(11.12)** | **(14.44)** | **(21.89)** | **(4.85)** | **(2.15)** | **(0.16)** | **(4.02)** |

**Movement in defined benefit obligation** **(₹ in crore)**

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Defined benefit obligation - Beginning of the year | C.Y. | 98.90 | 14.44 | 21.89 | 4.85 | 2.15 | 0.16 | 4.02 |
| | P.Y. | 105.48 | 18.03 | 23.32 | 5.70 | 2.30 | 0.16 | 4.00 |
| Current service cost | C.Y. | 3.28 | 0.76 | 0.82 | 0.15 | 0.05 | | |
| | P.Y. | 2.97 | 0.71 | 0.95 | 0.17 | 0.06 | | |
| Past Service Cost | C.Y. | 0.00 | - | | | | | |
| | P.Y. | 0.00 | - | | | | | |
| Interest Cost | C.Y. | 6.53 | 0.95 | 1.44 | 0.32 | 0.14 | | |
| | P.Y. | 7.90 | 1.37 | 1.78 | 0.43 | 0.18 | | |
| Benefits Paid | C.Y. | (11.29) | (4.57) | (2.54) | (0.79) | (0.41) | | |
| | P.Y. | (28.42) | (12.47) | (4.35) | (1.73) | (0.42) | | |
| Re-measurements - actuarial loss/ (gain) | C.Y. | (6.56) | 4.43 | (1.02) | (0.18) | (0.09) | (0.04) | (0.39) |
| | P.Y. | 10.97 | 6.79 | 0.19 | 0.27 | 0.03 | 0.00 | 0.02 |
| Defined benefit obligation – End of the year | C.Y. | 90.85 | 16.01 | 20.59 | 4.35 | 1.85 | 0.12 | 3.63 |
| | P.Y. | 98.90 | 14.44 | 21.89 | 4.85 | 2.15 | 0.16 | 4.02 |

**Movement in plan asset** **(₹ in crore)**

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | 31.03.2021 | 31.03.2020 |
| Fair value of plan assets at beginning of year | 87.78 | 99.20 |
| Interest income | 5.90 | 7.50 |
| Employer contributions | 0.06 | 9.51 |
| Benefits paid | (11.29) | (28.42) |
| Re-measurements - Actuarial (loss)/ gain | (0.01) | (0.00) |
| Fair value of plan assets at end of year | 82.45 | 87.78 |

**Amount Recognized in Statement of Profit and Loss** (₹ in crore)

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Current service cost | C.Y. | 3.28 | 0.76 | 0.82 | 0.15 | 0.05 | | |
| | P.Y. | 2.97 | 0.71 | 0.95 | 0.17 | 0.06 | | |
| Past Service Cost – Plan Amendment | C.Y. | 0.00 | - | - | - | - | | |
| | P.Y. | | - | - | - | - | | |
| Service Cost (A) | C.Y. | 3.28 | 0.76 | 0.82 | 0.15 | 0.05 | | |
| | P.Y. | 2.97 | 0.71 | 0.95 | 0.17 | 0.06 | | |
| Net Interest on Net Defined Benefit Liability/ (assets) (B) | C.Y. | 0.73 | 0.95 | 1.44 | 0.32 | 0.14 | | |
| | P.Y. | 0.42 | 1.37 | 1.78 | 0.43 | 0.18 | | |
| Net actuarial (gain) / loss recognized in the period | C.Y. | - | 4.43 | (1.02) | - | - | (0.04) | (0.39) |
| | P.Y. | - | 6.79 | 0.19 | - | | 0.00 | 0.02 |
| **Cost Recognized in P&L (A+B)** | C.Y. | 4.01 | 6.15 | 1.25 | 0.47 | 0.20 | (0.04) | (0.39) |
| | P.Y. | 3.39 | 8.87 | 2.92 | 0.60 | 0.24 | 0.00 | 0.02 |

**Amount recognized in Other Comprehensive Income (OCI)** (₹ in crore)

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Actuarial gain/ (loss) due to DBO Experience | C.Y. | 6.56 | | | 0.21 | 0.11 | | |
| | P.Y. | (10.97) | - | - | (0.09) | 0.08 | - | - |
| Actuarial gain/(loss) due to assumption changes | C.Y. | - | - | - | (0.03) | (0.02) | - | - |
| | P.Y. | - | - | - | (0.18) | (0.11) | - | - |
| Actuarial gain/ (loss) arising during the period (A) | C.Y. | 6.56 | - | - | 0.18 | 0.09 | - | - |
| | P.Y. | (10.97) | - | - | (0.27) | (0.03) | - | - |
| Returnon Plan assets (greater)/ less than discount rate (B) | C.Y. | 0.10 | - | - | - | - | - | - |
| | P.Y. | 0.01 | - | - | - | - | - | - |
| Actuarial gain/ (loss) recognized in OCI (A+B) | C.Y. | 6.66 | - | - | 0.18 | 0.09 | - | - |
| | P.Y. | (10.96) | - | - | (0.27) | (0.03) | - | - |

**Sensitivity Analysis** (₹ in crore as at March 31, 2021)

| Assumption | | Change in Assumption | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|---|
| | | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Discount rate | | 0.50% | (2.05) | (0.42) | (0.46) | (0.08) | (0.04) | - | |
| | | -0.50% | 2.07 | 0.44 | 0.48 | 0.09 | 0.05 | - | |
| Salary growth rate | | 0.50% | 2.07 | 0.44 | 0.48 | - | | - | |
| | | -0.50% | (2.07) | (0.42) | (0.46) | - | | - | |

(₹ in crore as at March 31, 2020)

| Assumption | | Change in Assumption | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|---|
| | | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Discount rate | | 0.50% | (2.28) | (0.37) | (0.50) | (0.09) | (0.05) | - | - |
| | | -0.50% | 2.40 | 0.39 | 0.53 | 0.10 | 0.05 | - | - |
| Salary growth rate | | 0.50% | 2.40 | 0.39 | 0.53 | - | - | - | - |
| | | -0.50% | (2.30) | (0.37) | (0.51) | - | - | - | - |

**Actuarial Assumption**

(₹ in crore as at March 31, 2020)

| Assumption | | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Method used | **C.Y.** | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit |
| | P.Y. | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit |
| Discount rate | **C.Y.** | 6.60% | 6.42% | 6.42% | 6.42% | 6.42% | 6.42% | 6.42% |
| | P.Y. | 6.60% | 6.60% | 6.60% | 6.60% | 6.60% | 6.60% | 6.60% |
| Rate of salary increase | **C.Y.** | 6.00% | 6.00% | 6.00% | - | - | - | - |
| | P.Y. | 6.00% | 6.00% | 6.00% | - | - | - | - |
| Mortality rate | **C.Y.** | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) |
| | P.Y. | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) |

**Expected Benefit Payments** (₹ in crore)

| Sr. No. | Year of payment | | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|---|
| | | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| 1 | 0 to 1 Year | | 16.33 | 2.89 | 4.30 | 0.94 | 0.38 | - | - |
| 2 | 1 to 2 Year | | 11.36 | 2.13 | 2.65 | 0.62 | 0.42 | - | - |
| 3 | 2 to 3 Year | | 11.75 | 1.82 | 3.07 | 0.62 | 0.28 | - | - |
| 4 | 3 to 4 Year | | 8.73 | 1.59 | 1.69 | 0.44 | 0.24 | - | - |
| 5 | 4 to 5 Year | | 6.60 | 1.01 | 1.39 | 0.29 | 0.31 | - | - |
| 6 | 5 to 6 Year | | 8.22 | 1.48 | 1.76 | 0.35 | 0.12 | - | - |
| 7 | 6 Year onwards | | 27.86 | 5.09 | 5.74 | 1.10 | 0.10 | - | - |

**Category of investment in Plan assets**

| Category of Investment | % of fair value of plan assets |
|---|---|
| Insured benefits | 100% |

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

e) Superannuation Pension Benefit – During the year, the Company has recognized ₹ 4.56 crore (P.Y. ₹ 5.09 crore) towards Defined Contribution Superannuation Pension Scheme in the Statement of Profit & Loss.

f) Post-Retirement Medical Benefit: Available to retired employees at empanelled hospitals for inpatient treatment and also for OPD treatment under 'Defined Contribution Scheme' as under:

a. The liability for the year 2020-21 in respect of scheme for retirees prior to 1.1.2007 has been Nil (1.50% of PBT) due to company has reported loss during the year and @ 4.50% of Basic+DA paid during 2020-21 in respect of scheme for retirees after 1.1.2007, as per the defined contribution scheme.

b. During 2019-20, the company has created trust for management of fund and paid ₹ 150.00 crore to trust against company's liability towards the scheme. Net Liability has been shown as company's obligation as on 31.3.2021 under 'Defined Contribution Scheme'.

c. During the year, total expenses of ₹ 3.60 crore (P.Y. ₹ 8.90 crore) has been charged to Profit & Loss Account.

**41. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"**

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies. Business segments of the company are:-Precious Metals, Metals, Minerals, Coal & Hydrocarbon, Agro Products, Fertilizer and Others

**Segment Revenue and Expense**

**Details regarding revenue and expenses attributable to each segment must be disclosed**

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

**Segment revenues and results** **(₹ in crore as at March 31, 2021)**

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **Segment Revenue from External Customers** | | | | | | | | |
| Within India | 14029.93 | 74.03 | 1.32 | 586.14 | 671.45 | 9185.83 | 28.17 | 24576.86 |
| Outside India | - | - | 1796.78 | - | - | - | 7.96 | 1804.74 |
| Inter-Segment Revenue | | | | | | | | |
| Total Segment Revenue | 14029.93 | 74.03 | 1798.10 | 586.14 | 671.45 | 9185.83 | 36.14 | 26381.61 |
| Segment Results | | | | | | | | |
| Within India | 53.13 | 0.80 | 1.32 | (30.73) | 7.02 | 29.40 | 2.97 | 63.91 |
| Outside India | - | - | 50.22 | - | - | - | 0.25 | 50.47 |
| Total segmental results | 53.13 | 0.80 | 51.54 | (30.73) | 7.02 | 29.40 | 3.22 | 114.38 |
| Unallocated Corporate expenses: | | | | | | | | |
| Interest expenses (net) | | | | | | | | 193.27 |
| Other unallocated expenses net of other income | | | | | | | | 1015.33 |
| **Profit before tax from ordinary activities** | | | | | | | | (1,094.22) |

(₹ in crore as at March 31, 2020)

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **Segment Revenue from External Customers** | | | | | | | | |
| Within India | 8304.82 | 719.26 | 29.47 | 1341.83 | 831.23 | 11100.10 | 6.04 | 22332.75 |
| Outside India | | 109.86 | 1685.19 | | | | 7.18 | 1802.23 |
| Inter-Segment Revenue | | | | | | | | |
| Total Segment Revenue | 8304.82 | 829.12 | 1714.66 | 1341.83 | 831.23 | 11100.10 | 13.22 | 24134.98 |
| Segment Results | | | | | | | | |
| Within India | 49.60 | 17.09 | 7.31 | 25.57 | (6.88) | 37.02 | 0.82 | 130.53 |
| Outside India | | 2.51 | 47.95 | | | | 0.22 | 50.68 |
| Total segmental results | 49.60 | 19.60 | 55.26 | 25.57 | (6.88) | 37.02 | 1.04 | 181.21 |
| Unallocated Corporate expenses: | | | | | | | | |
| Interest expenses (net) | | | | | | | | 127.66 |
| Other unallocated expenses net of other income | | | | | | | | 280.78 |
| Profit before tax from ordinary activities | | | | | | | | (227.23) |

**Segment assets and liabilities**

(₹ in crore as at March 31, 2021)

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **A.01 Segment Assets :** | | | | | | | | |
| Assets | 427.26 | 19.21 | 333.84 | 3509.61 | 392.70 | 19.81 | 39.99 | 4742.42 |
| Unallocated assets | | | | | | | | 764.33 |
| **Total Assets** | | | | | | | | 5506.76 |
| **A.02 Segment Liabilities :** | | | | | | | | |
| Liabilities | 442.64 | 38.67 | 343.55 | 1200.13 | 432.70 | 19.80 | 23.71 | 2501.20 |
| Unallocated liabilities | | | | | | | | 2583.10 |
| **Total Liabilities** | | | | | | | | 5084.30 |

(₹ in crore as at March 31, 2020)

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **A.01 Segment Assets :** | | | | | | | | |
| Assets | 267.73 | (222.48) | 173.17 | 3539.98 | 221.71 | 1561.20 | 503.90 | 6045.21 |
| Unallocated assets | | | | | | | | 534.95 |
| **Total Assets** | | | | | | | | 6580.17 |
| **A.02 Segment Liabilities :** | | | | | | | | |
| Liabilities | 188.05 | 82.49 | 218.30 | 497.55 | 287.16 | 1349.65 | 27.77 | 2650.97 |
| Unallocated liabilities | | | | | | | | 2745.05 |
| **Total Liabilities** | | | | | | | | 5396.02 |

**Information about major customers**

The revenues from transactions with a single external customer amounting to 10 per cent or more of the entity's revenues are given below:

| Major Customer (customer having more than 10% revenue) | 2020-21 | 2019-20 |
|---|---:|---:|
| Total Revenue | 9177.84 | 11076.02 |
| No. of customers | 1 | 1 |
| % of Total Revenue | 34.79% | 45.89% |
| Product Segment | Fertilizers | Fertilizers |

**42. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**

**Disclosures for Other than Govt. Related Entities**

a. List of key management personnel

| Name | Designation |
|---|---|
| i. Shri Sudhanshu Pandey | Chairman and Managing Director- (Managing Director) (w.e.f. 01.03.2020 upto 13.05.2020) |
| ii. Shri Sanjay Chadha | Chairman and Managing Director- (Managing Director) (Addl. Charge) (w.e.f 14.05.2020) |
| iii. Shri Umesh Sharma | Director(F) & (Chief Financial Officer) (Upto 31.05.2020) |
| iv. Shri Kapil Kumar Gupta | Director(F) & (Chief Financial Officer) (w.e.f. 01.06.2020) |
| v. Shri Ashwani Sondhi | Director (Upto 31.01.2021) |
| vi. Shri J Ravi Shanker | Director |
| vii. Shri R R Sinha | Director (Personnel) |

**b. Subsidiary**

MMTC Transnational Pte. Ltd., Singapore

**c. Joint Venture:-**

i. Neelachal Ispat Nigam Ltd
ii. Free Trade Warehousing Pvt. Ltd.
iii. MMTC Pamp India Pvt. Ltd.
iv. MMTC Gitanjali Ltd.
v. Sical Iron Ore Terminal Ltd.

**d. Government and its related entities**

i. Government of India - holds 89.93% equity shares of the Company and has control over the company.
ii. Central Public Sector Enterprises in which Government of India has control.

**e. Post-Employment Benefit Plan**

i. MMTC Limited CPF Trust
ii. MMTC Limited Gratuity Trust
iii. MMTC Limited Employees' Defined Contribution Superannuation Trust
iv. MMTC Employees Post-Retirement Medical Benefit Trust

**f. Compensation of key management personnel** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---:|---:|
| Short-term benefits | 1.35 | 1.87 |
| Post-employment benefits | 0.32 | 0.39 |
| Other long-term benefits | - | - |
| Share-based payments | - | - |
| Termination benefits | - | - |
| **Total** | **1.66** | **2.26** |
| Recovery of Loans & Advances during the year | 0.00 | 0.01 |
| Advances released during the year | | |
| Closing Balance of Loans & Advances as on 31.03.2021 | - | 0.00 |

## g. Transactions with Related Parties

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | | Others | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 |
| Sale of goods and services | - | - | 2.51 | 13.56 | - | - | - | - | | 109.03 | 2.08 | 837.75 | - | - | | - |
| Purchase of raw material/goods and services | - | - | 107.12 | 78.98 | - | - | - | - | 1.74 | 92.22 | 25.38 | 935.48 | - | - | - | - |
| Payments on behalf of company | - | - | - | - | - | - | - | - | | | | | - | - | 77.82 | 109.18 |
| Other transactions | - | - | - | - | - | - | - | - | 28.64 | - | - | | - | - | 6.01 | 179.96 |

## h. Outstanding balances arising from sale/purchase of goods/services

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 |
| Trade Payables | 0.02 | 0.02 | - | - | - | - | - | - | 0.76 | 12.37 | 1.46 | 1.59 | - | - |
| Trade receivables | - | - | - | (1.05) | - | - | - | - | - | | - | - | - | - |
| Other Payables | - | - | 0.03 | - | - | - | - | - | - | - | - | - | - | - |
| Other Receivables | - | - | - | - | - | - | - | - | 0.09 | 4.31 | - | - | - | - |

## i. Loans to Joint Ventures

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 |
| Loans at beginning of the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan advanced | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment received/adjusted | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest charged | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest received | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at end of the year including interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

## j. Advances to Joint Ventures

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | | Haldia Free Trade Warehousing Pvt Ltd | | Kandla Free Trade Warehousing Pvt Ltd | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/20 | Mar/19 | Mar/20 | Mar/19 |
| Advances given | - | - | - | - | - | - | - | - | - | - | 3,528.47 | 3,221.00 | - | - | - | - | - | - |

**k. Disclosure as per Ind AS 27 'Separate financial statements :**

**a) Investment in Subsidiary:**

| Name of the Company | Country of Incorporation | % of Company's ownership Interest | |
|---|---|---|---|
| | | March 31, 2021 | March 31, 2020 |
| MMTC Transnational Pte. Ltd. | Singapore | 100% | 100% |

**b) Investment in Joint Venture**

| Name of the Company | Country of Incorporation | % of Company's ownership Interest | |
|---|---|---|---|
| | | March 31, 2021 | March 31, 2020 |
| 1. Free Trade Warehousing Pvt. Ltd. | India | 50 | 50 |
| 2. MMTC Pamp India Pvt. Ltd. | India | 26 | 26 |
| 3. Sical Iron Ore Terminal Ltd. | India | 26 | 26 |
| 4. MMTC Gitanjali Ltd. | India | 26 | 26 |
| 5. Neelanchal Ispat Nigam Limited | India | 49.78 | 49.78 |

**l. Loans to KMP**

| Particulars | Mar/21 | Mar/20 |
|---|---|---|
| Loans at beginning of the year | 0.00 | 0.01 |
| Loan advanced | - | - |
| Repayment received | - | - |
| Interest charged | - | - |
| Interest received | 0.00 | 0.01 |
| Balance at end of the year including interest | - | 0.01 |

**m.** Loans to related parties are for short term & to KMP are in the nature of welfare advances. Interest is charged basis market rates from time to time.

**n.** Disclosure for transactions entered with Govt. and Govt. Entities

| S. NO | NAME OF GOVT/GOVT ENTITIES | NATURE OF RELATIONSHIP WITH THE COMPANY | NATURE OF TRANSACTIONS | VALUE (RS) | OUTSTANDING BALANCE | |
|---|---|---|---|---|---|---|
| | | | | | RECEIVABLE | PAYABLES |
| 1 | Deptt. Of Fertilizer GOI | Majority Owner | Sale of Goods | 9,177.84 | 3.32 | - |
| 2 | Deptt. Of Consumer Affairs GOI | Majority Owner | Import of Pulses | - | - | 33.17 |
| 3 | Other Departments of Govt of India | Majority Owner | Purchase/sale of goods | 2,469.43 | 1.07 | 9.44 |
| 4 | CPSEs | Related through GOI | Purchase/sale of goods | 1,839.39 | 113.18 | 303.10 |

**42.2 Disclosure in respect of Indian Accounting standard (Ind AS) 116 "Leases"**

**42.3 As lessee**

a) **Finance leases: The Company does not have any finance lease arrangement during the period.**

b) **Operating lease** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation charge for right of use assets | 0.42 | 0.43 |
| Interest expense on lease liabilities | 0.49 | 0.55 |
| Expense on short term leases | - | - |
| Expense on low value assets | - | - |
| Expense relating to variable lease payments not included in measurement of lease liability | - | - |
| Income from subleasing right of use assets | - | - |
| Total cash outflow for leases | 0.84 | 0.90 |
| Addition to right of use assets | 0.14 | 2.71 |
| Carrying amount of right of use assets at the end of the reporting period | 3.35 | 4.47 |

**Maturity analysis of lease liabilities** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Not later than 1 year | 0.37 | 0.68 |
| Later than 1 year and not later than 5 years | 0.42 | 2.99 |
| Later than 5 years | 3.23 | 28.47 |

c) The company is using the right of use assets for operating its business activities.

d) As a practical expedient , short term leases (having a term of 12 months or less)and leases for which the underlying assets is of low value upto Rs.1,00,000/- per month and Rs.12,00,000/- per year are not recognized as per the provisions given under Ind AS-116 (Leases).

**42.4 As a lessor**

a) **Finance leases: The Company does not have any finance lease arrangement during the period.**

b) **Operating leases**

- **Future minimum lease receivables under non-cancellable operating lease** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Not later than 1 year | 1.50 | 1.50 |
| Later than 1 year and not later than 5 years | 3.89 | 5.39 |
| Later than 5 years | - | - |

**43. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)"**

**a) Basic & Diluted EPS**

The earnings and weighted average number of ordinary shares used in the calculation of basic& diluted EPS and Basic EPS is as follows:

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit (loss) for the year, attributable to the owners of the company (₹ in crore) | **(769.69)** | (227.11) |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | **1,500,000,000** | 1,500,000,000 |
| **Basic & Diluted EPS (In ₹)** | **(5.13)** | (1.51) |

**44. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"** **(₹ in crore)**

| Particulars of Provision | Opening Balance as on 01.04.20 | Adjustment during year | Addition during year | Closing Balance as on 31.03.21 |
|---|---|---|---|---|
| Destinational Weight & Analysis Risk | 0.04 | 0.04 | 0.08 | 0.08 |
| Bonus/PRP | 21.11 | 3.69 | 0.05 | 17.46 |
| Provision for Litigation Settlements | 11.38 | (0.17) | 877.25 | 888.81 |

**45. The details of micro, small or medium enterprises to whom the Company owes dues as at 31st March, 2021 is as under:** **(` in crore)**

| | | 2020-21 | 2019-20 |
|---|---|---|---|
| a) | (i) The Principal amount remaining unpaid to any supplier at the end of accounting year | 0.18 | 0.17 |
| | (ii) The interest due on above | - | - |
| | TOTAL (i) & (ii) (included under note 18 & 19 ) | 0.18 | 0.17 |
| b) | Amount of interest paid by the buyer in terms of Section 16 of the Act | - | - |
| c) | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act | - | - |
| d) | the amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| e) | the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the act | - | - |

**46. Disclosure in respect of Indian Accounting Standard (Ind AS)-115: "Revenue from Contract with Customers) Disclosure**

**A. (i) Contracts with customers**

**a)** Company has recognized the following revenue during the year from contracts with its customers

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Sale of products | 26361.59 | 24051.99 |
| Sale of services | 2.89 | 4.06 |
| Other operating revenue | | |
| - Claims | 25.90 | 89.25 |
| - Subsidy | - | - |
| - Despatch Earned | - | - |
| - Other Trade Income | (8.77) | (10.32) |
| **Total** | **26381.61** | **24134.98** |

**b)** Company has recognized the following amount as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Impairment Loss | 1.06 | - |

**(ii) Disaggregation of Revenue**

The Company has identified its Operating Segments as Minerals, Precious Metals, Metals, Agro Products, Coal & Hydrocarbon, Fertilizer and General Trade/others. The segment wise revenue generated from the contract with customers and its proportion in total revenue is as follows:-

| Particulars | For the year ended March 31, 2021 | As % to Total Revenue | For the year ended March 31, 2020 | As % to Total Revenue |
|---|---|---|---|---|
| Precious Metals | 14029.93 | 53.18% | 8304.82 | 34.41% |
| Metals | 74.03 | 0.28% | 829.12 | 3.44% |
| Minerals | 1798.10 | 6.82% | 1714.66 | 7.10% |
| Coal & Hydrocarbon | 586.14 | 2.22% | 1341.83 | 5.56% |
| Agro Products | 671.45 | 2.55% | 831.23 | 3.44% |
| Fertilizers | 9185.83 | 34.82% | 11100.10 | 45.99% |
| Others | 36.14 | 0.14% | 13.22 | 0.05% |
| **Total** | **26381.61** | **100%** | **24134.98** | **100%** |

**(iii) Contract Balances**

**(a) Receivables**

| Particulars | As at March 31,2021 | As at March 31,2020 |
|---|---|---|
| Opening Balance | 2314.33 | 669.04 |
| Addition/(deduction) during the year | (1,368.62) | 1645.29 |
| Closing Balance | 945.71 | 2314.33 |

**(b) Contract Assets**

Company recognises contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Being a trading company performance obligation of the company is satisfied upon transferring a promised goods or service to its customers and there is no obligation on the part of the company which remains unexecuted.

**(c) Contract Liabilities**

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading "Other Financial Liabilities" and "Other Liabilities"

| Particulars | As at March 31,2021 | As at March 31,2020 |
|---|---|---|
| Opening Balance | 212.24 | 361.95 |
| Add: Addition during the year | 329.36 | 132.83 |
| Less: Deduction (Refunds/adjustments) | 24.25 | 188.70 |
| Less: Recognised as revenue during the year forming part of opening balance | 55.09 | 93.85 |
| **Closing Balance** | **462.26** | **212.24** |

During the year company has recognized revenue of ₹ Nil crore (P.Y. ₹ Nil crore) from the performance obligations satisfied in earlier periods by raising debit/credit notes to its customers.

The company has made the adjustment of ₹ Nil crore (P.Y. ₹ Nil Crore) in the revenue of ₹ Nil crore ( P.Y. ₹ Nil crore) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc. as against the contracted revenue of ₹ Nil crore ( P.Y. ₹ Nil crore).

**(d) Practical expedients**

During the year company has entered into sales contracts with its customers where some of the part is yet to be executed, same has not been disclosed as per practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

**B. Significant judgements in the application of this standard**

(i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

(ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).

(iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

(iv) Certain adjustments have been made during the year in contract value which is not significant keeping in view the amount involved.

**C. Assets Recognised from costs to obtain or fulfill a contact with a customer**

Being a trading company, costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfill a contract with a customer and same is charged to profit and loss as a practical expedient.

**47.** Balances of some of the Trade Receivable, Other Assets, Trade and Other Payable are subject to confirmation/ reconciliation and consequential adjustment, if any. Reconciliations are carried out on on-going basis. Provisions, wherever considered necessary, have been made. However, management does not expect to have any material financial impact of such pending confirmation/reconciliation.

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

**49.** Material impact of CoVID-19 on the business of the company:-

Due to CoVID-19 pandemic Government of India has announced lock down India from time to time to contain the spread of the pandemic. This pandemic has impacted the business of the company which in turn have consequential effect on the profitability as well as liquidity of the company. This has also caused delay in compliance for financial reporting under the provisions of Companies Act, 2013 and LODR 2015. MMTC limited is operating in seven business segment Precious Metals, Metals, Minerals, Coal and Hydrocarbon, Agro Products, Fertilizers and General Trade/ others. Some of the business segments impacted by CoVID-19 effect as given below:-

(i) In minerals due to situation created by COVID-19 the movement of men and material has been adversely affected. Due to this pandemic some of the entities to whom exports are made are working on very less capacity which impacted Iron ore export to these companies.

(ii) In metals segment due to this situation and frequent fluctuation in price customers are reluctant to book the imported material. Empanelled suppliers are not able to ship the committed consignments which results disruption of supply chain.

(iii) In precious metals sale of gold and silver in DTA and SEZ have been affected adversely.

(iv) In other business segments also there is impact due to price fluctuation, supply chain disruption, unable to get new orders and explore the market etc.

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

**51.** Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as otherwise stated. Certain small amounts may not appear in financial statements due to rounding off in ` in crore. Previous year's figures have been regrouped/rearranged wherever considered necessary.

**52. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 27.10.2021

As per our report of even date attached
**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**For and on behalf of Board of Directors**

**(CA. R C Gupta)**
Partner
M. No. 095584
Date: 27.10.2021
Place: New Delhi

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F) & CFO
DIN: 08751137

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

# MMTC TRANSNATIONAL PTE LTD.

Financial Statements

(Incorporated in Singapore, Registration No. 199407265M)

# FINANCIAL STATEMENTS

for the financial year ended 31st March, 2021

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**DIRECTORS' STATEMENT**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

The directors are pleased to present their statement to the members, which consists of a sole corporate shareholder, together with the audited financial statements of MMTC Transnational Pte. Ltd. (the "Company") for the financial year ended 31 March 2021.

**1. OPINION OF THE DIRECTORS**

In the opinion of the directors,

(i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(ii) 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.

**2. DIRECTORS**

The directors of the Company in office at the date of this statement are:

Devasish Nayak

Rajiv Ranjan Sinha

Ravi Shanker Janardhanan

Thimmasarthy Srinivasa Rao

**3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is 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.

**4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

According to the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), the directors of the Company who held office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations either at the beginning or end of financial year.

**5. SHARE OPTIONS**

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

There were no shares 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.

**6. AUDITORS**

The auditors, TKNP International, Public Accountants and Chartered Accountants of Singapore, have expressed its willingness to accept re-appointment as auditors.

On behalf of the Board of Directors,

| | |
|---|---|
| .................................................................. | .................................................................. |
| **Thimmasarthy Srinivasa Rao** | **Devasish Nayak** |
| Director | Director |

Date: 05.07.2021

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**INDEPENDENT AUDITORS' REPORT**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MMTC TRANSNATIONAL PTE. LTD.

### Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of MMTC Transnational Pte. Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in equity and cash flows of the Company for the year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**INDEPENDENT AUDITORS' REPORT**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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.

The engagement partner on the audit resulting in this independent auditors' report is Ong Lien Wan.

**TKNP International**
Public Accountants and
Chartered Accountants
Singapore

Date: 05.07.2021

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**STATEMENT OF FINANCIAL POSITION**
**AS AT 31 MARCH 2021**

| | Note | 2021 US$ | 2020 US$ |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | **3,309** | 5,130 |
| Right-of-use assets | 5 | **-** | 87,859 |
| Other assets | 6 | **27,279** | 26,969 |
| | | **30,588** | 119,958 |
| **Current assets** | | | |
| Cash and cash equivalents | 7 | **11,938,319** | 14,139,152 |
| Trade and other receivables | 8 | **38,035,326** | 18,530,582 |
| | | **49,973,645** | 32,669,734 |
| **Total assets** | | **50,004,233** | 32,789,692 |
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 9 | **32,001,236** | 3,710,149 |
| Borrowings | 10 | **7,326,484** | 15,589,023 |
| Lease liabilities | 11 | **-** | 88,966 |
| Income tax expense | | **201,745** | 144,964 |
| | | **39,529,465** | 19,533,102 |
| **Equity** | | | |
| Share capital | 12 | **1,000,000** | 1,000,000 |
| Retained earnings | | **9,474,768** | 12,256,590 |
| | | **10,474,768** | 13,256,590 |
| **Total liabilities and equity** | | **50,004,233** | 32,789,692 |

See accompanying notes to the financial statements

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

| | Note | 2021 | 2020 |
|---|---|---|---|
| | | US$ | US$ |
| **Revenue income** | 13 | **486,198,121** | 333,596,463 |
| Other income | 14 | **2,070,174** | 1,275,755 |
| Foreign exchange difference | | **(7,184)** | (815) |
| **Expenses and costs** | | | |
| - Purchase of commodities | | **473,423,224** | 323,673,503 |
| - Freight cost | | **11,756,979** | 8,291,442 |
| - Employee compensation | 15 | **692,964** | 697,122 |
| - Depreciation of property, plant and equipment | 4 | **3,896** | 2,422 |
| - Depreciation of right-of-use assets | 5 | **87,859** | 87,860 |
| - Bank charges | | **429,388** | 478,769 |
| - Finance costs | 16 | **485,548** | 448,113 |
| - Other expense | 17 | **66,491** | 80,107 |
| | | **(486,946,349)** | (333,759,338) |
| **Profit before tax** | | **1,314,762** | 1,112,065 |
| Income tax expense | 18 | **(196,584)** | (144,964) |
| **Profit for the year, representing total comprehensive income for the year** | | **1,118,178** | 967,101 |

See accompanying notes to the financial statements

| | Note | Share capital | Retained earnings | Total |
|---|---|---|---|---|
| | | US$ | US$ | US$ |
| **At 1 April 2019** | | 1,000,000 | 11,289,489 | 12,289,489 |
| Profit for the year, representing total comprehensive income for the year | | - | 967,101 | 967,101 |
| **At 31 March 2020** | | 1,000,000 | 12,256,590 | 13,256,590 |
| **1 April 2020** | | 1,000,000 | 12,256,590 | 13,256,590 |
| Dividends paid | 20 | - | (3,900,000) | (3,900,000) |
| Profit for the year, representing total comprehensive income for the year | | - | 1,118,178 | 1,118,178 |
| **At 31 March 2021** | | 1,000,000 | 9,474,768 | 10,474,768 |

See accompanying notes to the financial statements

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**STATEMENT OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

| | Note | 2021<br>US$ | 2020<br>US$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Profit before tax | | 1,314,762 | 1,112,065 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 4 | 3,896 | 2,422 |
| Depreciation of right-of-use assets | 5 | 87,859 | 87,860 |
| Interest expense | 16 | 485,548 | 448,113 |
| Interest income | 14 | (488,713) | (567,650) |
| **Operating profit before working capital changes** | | 1,403,352 | 1,082,810 |
| Changes in working capital: | | | |
| Decrease in inventories | | - | 19,552 |
| (Increase)/decrease in trade and other receivables | | (19,504,744) | 4,446,271 |
| (Increase) in other assets | | (310) | (7,814) |
| Increase/(decrease) in trade and other payables | | 28,291,087 | (12,740,726) |
| (Repayment)/proceeds from borrowings | A | (8,262,539) | 9,872,150 |
| Cash generated from operations | | 1,926,846 | 2,672,243 |
| Income tax paid | | (139,803) | - |
| Interest paid | | (484,148) | (444,235) |
| **Net cash generated from operating activities** | | 1,302,895 | 2,228,008 |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment | 4 | (2,075) | (311) |
| Interest received | | 488,713 | 567,650 |
| **Net cash generated from investing activities** | | 486,638 | 567,339 |
| **Cash flows from financing activities** | | | |
| Dividends paid | 20 | (3,900,000) | - |
| Fixed deposits pledged | A | 3,726,417 | (1,895,140) |
| Repayment of lease liability | A | (88,966) | (86,753) |
| Interest paid | 16 | (1,400) | (3,878) |
| **Net cash (used in) financing activities** | | (263,949) | (1,985,771) |
| **Net increase in cash and cash equivalents** | | 1,525,584 | 809,576 |
| **Cash and cash equivalents at beginning of year** | | 1,507,805 | 698,229 |
| **Cash and cash equivalents at end of year** | 7 | 3,033,389 | 1,507,805 |

**Note A:**

A reconciliation of liabilities arising from financing activities is as follows:

| | | | | Non-cash changes | | |
|---|---|---|---|---|---|---|
| | 1 April 2020<br>US$ | Cash flows<br>US$ | Interest expenses<br>US$ | Acquisition<br>US$ | Accretion of interests<br>US$ | 31 March 2021<br>US$ |
| Borrowings | 15,589,023 | (8,262,539) | (484,148) | - | 484,148 | 7,326,484 |
| Lease liabilities | 88,966 | (88,966) | (1,400) | - | 1,400 | - |
| Pledged fixed deposits | (12,631,347) | 3,726,417 | - | - | - | (8,904,930) |

| | | | | Non-cash changes | | |
|---|---|---|---|---|---|---|
| | 1 April 2020<br>US$ | Cash flows<br>US$ | Interest expenses<br>US$ | Acquisition<br>US$ | Accretion of interests<br>US$ | 31 March 2021<br>US$ |
| Borrowings | 5,716,873 | 9,872,150 | (444,235) | - | 444,235 | 15,589,023 |
| Lease liabilities | - | (86,753) | (3,878) | 175,719 | 3,878 | 88,966 |
| Pledged fixed deposits | (10,736,207) | (1,895,140) | - | - | - | (12,631,347) |

See accompanying notes to the financial statements

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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

## 1. CORPORATE INFORMATION

MMTC Transnational Pte. Ltd. (the "Company") is a private company limited by shares which is incorporated and domiciled in Singapore.

The registered office and the principal place of business of the Company are located at 3 Raffles Place, #08-01, Bharat Building, Singapore 048617.

The principal activities of the Company are trading in minerals, metals, fertilizers, agricultural products, coal, gold and hydrocarbon products, jewellery and other commodities. There have been no significant changes in the nature of these activities during the financial year.

The immediate and ultimate holding company is MMTC Limited, which is incorporated in the Republic of India.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1) BASIS OF PREPARATION

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollar ("US$"), which is also the functional currency of the Company.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas where estimates and assumptions are significant or critical to the financial statements are disclosed in Note 3 to the financial statements.

### 2.2) ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020.

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

## 2.3) STANDARD ISSUED BUT NOT YET EFFECTIVE

The Company has not adopted the following standards that have been issued but not yet effective:

| | Effective for annual periods beginning on or after |
|---|---|
| • Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions | 1 June 2020 |
| • Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2 | 1 January 2021 |
| • Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use | 1 January 2022 |
| • Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract | 1 January 2022 |
| • Annual Improvements to FRSs 2018-2020 | 1 January 2022 |
| • Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current | 1 January 2023 |
| • Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture | Date to be determined |

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

## 2.4) PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

| | Useful lives |
|---|---|
| Leasehold improvement | 3 years |
| Furniture and fittings | 3 years |
| Computer equipment | 3 years |
| Office equipment | 3 years |

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

### 2.5) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed 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. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

### 2.6) FINANCIAL INSTRUMENTS

**Financial assets**

**Initial recognition and measurement**

Financial assets are recognised when, and only when the Company becomes a party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

**Subsequent measurement**

**Investments in debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

**Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

**Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

*Subsequent measurement*

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

**2.7) IMPAIRMENT OF FINANCIAL ASSETS**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2.8) CONTRACT BALANCE**

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the Company transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**2.9) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash at banks and on hand and are subject to an insignificant risk of changes in value.

**2.10) GOVERNMENT GRANTS**

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

**2.11) SHARE CAPITAL**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

**2.12) LEASES**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

*Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straightline basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.5.

The Company's right-of-use assets are disclosed in Note 5 to financial statements.

*Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are disclosed in Note 11 to financial statements.

### 2.13) REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

*Sale of commodities*

Sales are recognised when control of the commodities have transferred to its customers (i.e. Point in time). The risk of obsolescence and loss have been transferred to the customers, and either the customers have accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 30 to 180 days, which is consistent with market practice.

*Interest income*

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

*Demurrage and dispatch income*

Demurrage and despatch income are recognised if it is estimated reliably, and it is probable that it will be received.

**2.14) RELATED PARTY**

A related party is a person or entity that is related to the Company and includes:

(a) A person or a close member of that person's family is related to reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following condition applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

The following are not necessarily related parties:

(a) Two entities simply because they have a director or other member of key management personnel in common;

(b) Two venturers simply because they share joint control over a joint venture.

Key management personnel are those persons having the authority and responsibility of planning, directing and controlling the activities of the Company.

**2.15) INCOME TAX**

*Current income tax*

Current income tax assets and liabilities for the current year and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax jurisdiction.

*Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**2.16) BORROWING COSTS**

Borrowing costs are recognised in profit or loss in the period in which they are incurred using the effective interest method.

**2.17) FOREIGN CURRENCY TRANSACTIONS AND BALANCES**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

**2.18) EMPLOYEE BENEFITS**

Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. The Company has no further obligations once the contributions have been paid.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1) Judgements made in applying accounting policies**

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**3.2) Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Provision for expected credit losses of trade receivables*

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 21 to the financial statements. The carrying amount of the Company's trade receivables as at 31 March 2021 was US$37,978,818 (2020: US$17,755,589).

*Useful lives of property, plant and equipment*

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's property, plant and equipment as at 31 March 2021 was US$3,309 (2020: US$5,130).

*Impairment of property, plant and equipment*

The Company assess annually whether property, plant and equipment exhibit any indication of impairment. In instances where there are indications of impairment, the recoverable amounts of plant and equipment will be determined based on value-in-use calculations. These calculations require the use of judgement and estimates. The carrying amount of the Company's property, plant and equipment as at 31 March 2021 was US$3,309 (2020: US$5,130).

*COVID-19*

The outbreak of COVID-19 pandemic globally and in Singapore is causing significant disturbance and slowdown of economic activity. The Company has considered internal and external information while finalising various estimates in relation to its financial statement up-to the date of approval of the financial statements by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company is monitoring the situation closely and shall take actions as appropriate based on any material changes to future economic conditions.

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## 4. PROPERTY, PLANT AND EQUIPMENT

| | Leasehold improvement | Furniture and fittings | Computer equipment | Office equipment | Total |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| **Cost** | | | | | |
| At 1 April 2019 | 121,394 | 41,200 | 49,179 | 26,239 | 238,012 |
| Additions | - | - | 311 | - | 311 |
| At 31 March 2020 | 121,394 | 41,200 | 49,490 | 26,239 | 238,323 |
| Additions | - | - | 2,075 | - | 2,075 |
| At 31 March 2021 | 121,394 | 41,200 | 51,565 | 26,239 | 240,398 |
| **Accumulated depreciation** | | | | | |
| At 1 April 2019 | 121,394 | 40,730 | 44,083 | 24,564 | 230,771 |
| Depreciation charge | - | 157 | 1,707 | 558 | 2,422 |
| At 31 March 2020 | 121,394 | 40,887 | 45,790 | 25,122 | 233,193 |
| Depreciation charge | - | 221 | 2,837 | 838 | 3,896 |
| At 31 March 2021 | 121,394 | 41,108 | 48,627 | 25,960 | 237,089 |
| **Carrying amount** | | | | | |
| At 31 March 2021 | - | 92 | 2,938 | 279 | 3,309 |
| At 31 March 2020 | - | 313 | 3,700 | 1,117 | 5,130 |

## 5. RIGHT-OF-USE ASSETS

| | Leasehold office US$ |
|---|---|
| **Cost** | |
| At 1 April 2019 | - |
| Additions | 175,719 |
| At 31 March 2020 | 175,719 |
| Additions | - |
| At 31 March 2021 | 175,719 |
| **Accumulated depreciation** | |
| At 1 April 2019 | - |
| Depreciation charge | 87,860 |
| At 31 March 2020 | 87,860 |
| Depreciation charge | 87,859 |
| At 31 March 2021 | 175,719 |
| **Carrying amount** | |
| At 31 March 2021 | - |
| At 31 March 2020 | 87,859 |

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## 6. OTHER ASSETS

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Non-current | | |
| Refundable deposits | **27,279** | 26,969 |

Other assets are denominated in Singapore Dollar.

## 7. CASH AND CASH EQUIVALENTS

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Cash at banks | **3,033,330** | 1,507,534 |
| Cash on hand | **59** | 271 |
| Fixed deposits | **8,904,930** | 12,631,347 |
| | **11,938,319** | 14,139,152 |

Cash and cash equivalents are denominated in the following currencies:

| | 2021 US$ | 2020 US$ |
|---|---|---|
| United States Dollar | **11,916,383** | 14,117,472 |
| Singapore Dollar | **21,936** | 21,680 |
| | **11,938,319** | 14,139,152 |

At the reporting date, fixed deposits bear interest rates ranging from 0.50% to 1.10% (2020: 2.10% to 3.00%) per annum with the maturity dates of 12 months (2020: 12 months). Weighted average effective interest rate of 0.80% (2020: 2.72%) per annum.

At reporting date, fixed deposits of US$8,904,930 (2020:US$12,631,347) are pledged as security granted for the borrowings (Note 10).

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Cash and cash equivalents (as above) | **11,938,319** | 14,139,152 |
| Fixed deposits | **(8,904,930)** | (12,631,347) |
| Cash and cash equivalents per statement of cash flows | **3,033,389** | 1,507,805 |

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## 8. TRADE AND OTHER RECEIVABLES

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Trade receivables | | |
| Third parties | **37,886,988** | 16,124,450 |
| Holding company | **91,830** | 1,631,139 |
| | **37,978,818** | 17,755,589 |
| Other receivables | | |
| Interest receivable from fixed deposit | **53,688** | 213,817 |
| Other receivables | **-** | 558,438 |
| GST receivables | **2,820** | 2,738 |
| | **56,508** | 774,993 |
| Total trade and other receivables | **38,035,326** | 18,530,582 |

Trade receivables are non-interest bearing and repayable within the normal trade credit terms granted to the customers ranging from 30 to 180 days (2020: 30 to 180 days).
The other receivables represents amount due from a related company which is unsecured, interest-free and repayable on demand.
Trade and other receivables are denominated in the following currencies:

| | 2021 US$ | 2021 US$ |
|---|---|---|
| United States Dollar | **38,032,506** | 18,527,844 |
| Singapore Dollar | **2,820** | 2,738 |
| | **38,035,326** | 18,530,582 |

## 9. TRADE AND OTHER PAYABLES

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Trade payables | | |
| Third parties | **31,876,249** | 1,998,927 |
| Other payables | | |
| Accruals | **124,987** | 126,724 |
| Contract liabilities | **-** | 1,025,115 |
| Holding company (*) | **-** | 559,383 |
| | **124,987** | 1,711,222 |
| Total trade and other payables | **32,001,236** | 3,710,149 |

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Trade payables are non-interest bearing and repayable within the trade credit terms granted by the suppliers of 30 days (2020: 30 days).
Amount due to holding company is unsecured, interest-free and repayable on demand.
(*) Any interest chargeable by the Department of Fertiliser, Government of India on the holding company for delay in payment are to be borne by the Company.

Trade and other payables are denominated in the following currencies:

| | 2021 US$ | 2020 US$ |
|---|---|---|
| United States Dollar | **31,876,249** | 3,610,071 |
| Singapore Dollar | **124,987** | 100,078 |
| | **32,001,236** | 3,710,149 |

## 10. BORROWINGS

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Trust receipts | **6,726,484** | 8,989,909 |
| Short-term loan | **600,000** | 6,599,114 |
| | **7,326,484** | 15,589,023 |

Trust receipts amounting to US$3,215,834 (2020: US$2,039,859) at the reporting date bear interest rate at interest rate of 2.38% (2020: 3.34%) per annum with maturity of 57 days (2020: 15 days) from the reporting date. The remaining trust receipts amount to US$3,510,650 (2020: US$6,950,050) at the reporting date bear interest rate at 2.61% (2020: 2.50%) per annum with maturity of 14 to 30 days (2020: 14 to 30 days) from the reporting date.

The short-term loan at the reporting date bears effective interest rate at 2.70% (2020: 3.95%) per annum. The short-term loan has a maturity of 90 days (2020: 9 to 71 days) from the reporting date.

Borrowings of US$7,326,484 (2020: US$15,589,023) are secured over goods and receivables financed by the bank and Deed of Charge over Account on cash and bank balances (Note 7) of the Company of US$8,904,930 (2020: US$12,631,347).

Borrowings are denominated in United States Dollar

## 11. LEASE LIABILITIES

Company as a lessee

The Company has a lease contract for office. The Company is restricted from assigning and subleasing the leased assets.

(a) The carrying amounts of lease liabilities and the movements during the year

| | 1 April 2020 | Cash flows | Non-cash changes | | | 31 March 2021 |
|---|---|---|---|---|---|---|
| | | | Acquisition | Accretion of interests | Others | |
| | US$ | US$ | US$ | US$ | US$ | US$ |
| Liabilities | | | | | | |
| Current | 88,966 | (90,366) | - | 1,400 | - | - |

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| | 1 April 2019 | Cash flows | Non-cash changes | | | 31 March 2020 |
|---|---|---|---|---|---|---|
| | | | Acquisition | Accretion of interests | Others | |
| | US$ | US$ | | US$ | US$ | US$ |
| Liabilities | | | | | | |
| Current | - | (90,631) | 175,719 | 3,878 | - | 88,966 |

The maturity analysis of the lease liabilities is disclosed in Note 21 of the financial statements

(b) The following are amount recognised in profit and loss

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Depreciation of right-of-use assets | **87,859** | 87,860 |
| Interest expense on lease liabilities | **1,400** | 3,878 |
| Total amount recognised in profit and loss | **89,259** | 91,738 |

The company had a total cash outflow for lease liabilities of US$90,366 (2020: US$90,631)

Lease liability is denominated in Singapore Dollar.

## 12. SHARE CAPITAL

| | 2021 | 2020 | 2021 | 2020 |
|---|---|---|---|---|
| | Number of ordinary shares | | US$ | US$ |
| Issued and fully paid ordinary shares | | | | |
| At 1 April and 31 March | 1,461,502 | 1,461,502 | 1,000,000 | 1,000,000 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

## 13. REVENUE INCOME

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Sale of commodities | | |
| - third parties | **485,964,133** | 320,731,202 |
| - holding company | **233,988** | 12,865,261 |
| | **486,198,121** | 333,596,463 |

All the sales are recognised at a point in time.

## 14. OTHER INCOME

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Demurrage and despatch | **1,515,137** | 702,320 |
| Interest income on bank deposits | **183,035** | 351,369 |
| Interest income from third parties | **305,678** | 216,281 |
| | **488,713** | 567,650 |
| Sundry income | **66,324** | 5,785 |
| | **2,070,174** | 1,275,755 |

## 15. EMPLOYEE COMPENSATION

| | 2021 US$ | 2020 US$ |
|---|---|---|
| Directors' remuneration (Note 19) | **259,430** | 258,037 |
| Directors' benefits (Note 19) | **145,019** | 146,573 |

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| | | |
|---|---|---|
| Directors' contribution to defined contribution plan including Central Provident Fund and SDL (Note 19) | **17,614** | 17,192 |
| Staff salaries and wages | **211,146** | 208,809 |
| Staff bonus | **24,465** | 22,657 |
| Staff welfare | **6,374** | 14,644 |
| Employer's contribution to defined contribution plan including Central Provident Fund and SDL | **28,916** | 29,210 |
| | **692,964** | 697,122 |

**16. FINANCE COSTS**

| | **2021 US$** | **2020 US$** |
|---|---|---|
| Interest expense on:- right-of-use assets | **1,400** | 3,878 |
| - bill discounting | **23,412** | - |
| - short term loan | **116,487** | 130,590 |
| - trust receipts interest | **344,249** | 313,645 |
| | **485,548** | 448,113 |

**17. OTHER EXPENSES**

| | **2021 US$** | **2020 US$** |
|---|---|---|
| Local conveyance - others | **7,848** | 8,010 |
| Office expenses | **17,138** | 11,585 |
| Professional fees | **12,579** | 12,809 |
| Travelling expenses | **-** | 8,413 |
| Other expenses | **28,926** | 39,290 |
| | **66,491** | 80,107 |

**18. INCOME TAX EXPENSE**

Major components of income tax expense for the financial year ended 31 March 2021 and 2020 were as follows:

| | **2021 US$** | **2020 US$** |
|---|---|---|
| Current income tax | | |
| - Current year | **201,745** | 144,964 |
| - Overprovision in respect of prior years | **(5,161)** | - |
| | **196,584** | 144,964 |

**Relationship between tax expense and accounting profit**

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 March 2021 and 2020 were as follows:

| | **2021 US$** | **2020 US$** |
|---|---|---|
| Profit before tax | **1,314,762** | 1,112,065 |
| Income tax using tax statutory rate of 17% (2020: 17%) | **223,510** | 189,051 |

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| | | |
|---|---|---|
| Adjustments: | | |
| - Non-deductible expenses | **474** | 412 |
| - Income not subject to tax | **(8,869)** | - |
| - Income tax rebates | **(12,789)** | (12,682) |
| - Utilised unrecognised deferred tax asset | **(581)** | (31,817) |
| - Overprovision in respect of prior years | **(5,161)** | - |
| | **196,584** | 144,964 |

## 19. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions between the Company and its related parties took place at terms agreed between the parties during the financial year:

| | **2021 US$** | **2020 US$** |
|---|---|---|
| Sales to holding company | **233,988** | 12,865,261 |
| Purchases from holding company | - | 15,982,246 |

(b) Compensation paid to key management personnel

| | **2021 US$** | **2020 US$** |
|---|---|---|
| Wages, salaries and bonus | **259,430** | 258,037 |
| Post-employment benefits – contribution to defined contribution plans | **17,614** | 17,192 |
| Benefits-in-kind | **145,019** | 146,573 |
| | **422,063** | 421,802 |

## 20. DIVIDENDS

| | **2021 US$** | **2020 US$** |
|---|---|---|
| Dividends paid | | |
| First interim dividend paid in respect of current financial year of 250 cents per share | **2,500,000** | - |
| Second interim dividend paid in respect of current financial year of 50 cents per share | **500,000** | - |
| Third interim dividend paid in respect of current financial year of 90 cents per share | **900,000** | - |
| | **3,900,000** | - |

## 21. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, market risk (including foreign currency risk) and liquidity risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

*Credit risk*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high redit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 180 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meets its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 360 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the following categories:

| Category | Definition of category | Basis for recognising expected credit loss (ECL) |
|---|---|---|
| I | Counterparty has a low risk of default and does not have any past due amounts. | 12-month ECL |
| II | Amount is > 90 days past due or there has been a significant increase in credit risk since initial recognition | Lifetime ECL – not credit-impaired |
| III | Amount is > 180 days past due or there is evidence indicating the asset is credit-impaired (in default) | Lifetime ECL – credit-impaired |
| IV | There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery | Amount is written off |

| | Note | Category | 12-month or lifetime ECL | Gross carrying amount US$ | Loss allowance US$ | Net carrying amount US$ |
|---|---|---|---|---|---|---|
| **31 March 2021** | | | | | | |
| Trade receivables | 8 | Note 1 | Lifetime ECL (simplified) | 37,978,818 | - | 37,978,818 |
| Other receivables | 8 | I | 12-month ECL | 53,688 | - | 53,688 |
| | | | | | - | |
| **31 March 2020** | | | | | | |
| Trade receivables | 8 | Note 1 | Lifetime ECL (simplified) | 17,755,589 | - | 17,755,589 |
| Other receivables | 8 | I | 12-month ECL | 772,255 | - | 772,255 |
| | | | | | - | |

**Trade receivables (Note 1)**

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is prescribed based on their past due status in terms of the provision matrix.

The Company believes that all receivables are collectible based on historical payment behaviours and creditworthiness of customers.

*Excessive risk concentration*

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

*Exposure to credit risk*

The Company has no significant concentration of credit risk other than those balances with third party customers. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

**Other receivables**

The Company assessed the latest performance and financial position of the counterparties, adjusted for future outlook of the industry in which the counterparties operate in and concluded that there have been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss using 12-month ECL and determined that ECL is insignificant.

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*Market risk*

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from fixed deposits and borrowings.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

| | **2021** **US$** | **2020** **US$** |
|---|---|---|
| Variable rate instruments | | |
| Financial assets | 8,904,930 | 12,631,347 |
| Financial liabilities | (7,326,484) | (15,589,023) |
| | 1,578,446 | (2,957,676) |

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

At the reporting date, if the interest rates had been 0.5% (2020: 0.5%) higher or lower with all other variables held constant, the Company's profit or loss before tax would have been US$7,892 higher (2020: US$14,788 lower), arising mainly as a result of higher or lower interest income or expenses on floating rate cash at bank and floating rate bank borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Company has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the functional currency of the Company, primarily Singapore dollar (SGD).

The Company's currency exposures to the SGD, at the reporting date was as follows:

| | **SGD** **US$** |
|---|---|
| **2021** | |
| **Financial assets** | |
| Cash and cash equivalents | 21,936 |
| Trade and other receivables | 2,820 |
| Other assets | 27,279 |
| | 52,035 |
| Financial liabilities | |
| Trade and other payables | 124,987 |
| | (124,987) |
| Currency exposures | (72,952) |

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| | |
|---|---|
| **2020** | |
| **Financial assets** | |
| Cash and cash equivalents | 21,680 |
| Trade and other receivables | 2,738 |
| Other assets | 26,969 |
| | 51,387 |
| **Financial liabilities** | |
| Trade and other payables | 100,078 |
| Lease liabilities | 88,966 |
| | (189,044) |
| Currency exposures | (137,657) |

A 5% strengthening of United States dollar against the foreign currencies denominated balances as at the reporting date would increase profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

| | Profit or loss (after tax) | |
|---|---|---|
| | **2021 US$** | **2020 US$** |
| Singapore dollar | 3,028 | 5,713 |

A 5% weakening of United States dollar against the above currencies would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain continuity of funding. The Company finances its working capital requirements through funds generated from operations. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

| | **Carrying amount US$** | **Contractual cash flows US$** | **One year or less US$** | **One to five years US$** |
|---|---|---|---|---|
| **2021** | | | | |
| **Financial assets** | | | | |
| Other assets | 27,279 | 27,279 | - | 27,279 |
| Cash and cash equivalents | 11,938,319 | 11,938,319 | 11,938,319 | - |
| Trade and other receivables (i) | 38,032,506 | 38,032,506 | 38,032,506 | - |
| Total undiscounted financial assets | 49,998,104 | 49,998,104 | 49,970,825 | 27,279 |

**MMTC TRANSNATIONAL PTE. LTD.**
**(Company Registration No.: 199407265M)**

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

| | | | | |
|---|---|---|---|---|
| **Financial liabilities** | | | | |
| Trade and other payables (ii) | 32,001,236 | 32,001,236 | 32,001,236 | - |
| Borrowings | 7,326,484 | 7,329,110 | 7,329,110 | - |
| Total undiscounted financial liabilities | (39,327,720) | (39,330,346) | (39,330,346) | * |
| Total net undiscounted financial assets | 10,670,384 | 10,667,758 | 10,640,479 | 27,279 |
| **2020** | | | | |
| **Financial assets** | | | | |
| Other assets | 26,969 | 26,969 | - | 26,969 |
| Cash and cash equivalents | 14,139,152 | 14,352,969 | 14,352,969 | - |
| Trade and other receivables (i) | 18,527,844 | 18,527,844 | 18,527,844 | - |
| Total undiscounted financial assets | 32,693,965 | 32,907,782 | 32,880,813 | 26,969 |
| **Financial liabilities** | | | | |
| Trade and other payables (ii) | 2,685,034 | 2,685,034 | 2,685,034 | - |
| Borrowings | 15,589,023 | 15,602,757 | 15,602,757 | - |
| Lease liabilities | 88,966 | 88,966 | 88,966 | - |
| Total undiscounted financial liabilities | (18,363,023) | (18,376,757) | (18,376,757) | - |
| Total net undiscounted financial assets | 14,330,942 | 14,531,025 | 14,504,056 | 26,969 |

(i) These amounts excluded GST receivables
(ii) These amounts excluded contract liabilities

## 22. FAIR VALUE OF FINANCIAL INSTRUMENTS

**Assets and liabilities measured at fair value**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables, other payables

The carrying amounts of these balances approximate their fair values due to short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

**Borrowings and lease liabilities**

The carrying amounts of borrowings and lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions

## 23. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2021 and 31 March 2020.

## 24. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

| | 2021 | 2020 |
|---|---|---|
| | **US$** | **US$** |
| **Financial assets measured at amortised cost** | | |
| Other assets | 27,279 | 26,969 |
| Cash and cash equivalents | 11,938,319 | 14,139,152 |
| Trade and other receivables (i) | 38,032,506 | 18,527,844 |
| | 49,998,104 | 32,693,965 |
| **Financial liabilities measured at amortised cost** | | |
| Trade and other payables (ii) | 32,001,236 | 2,685,034 |
| Borrowings | 7,326,484 | 15,589,023 |
| Lease liabilities | - | 88,966 |
| | 39,327,720 | 18,363,023 |

(i) These amounts excluded GST receivables

(ii) These amounts excluded contract liabilities

## 25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

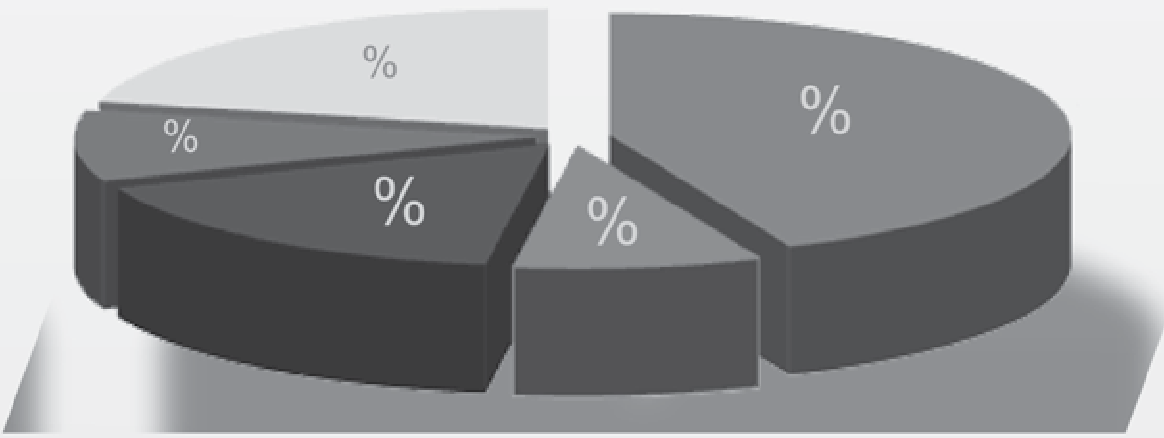
On 1 April 2021, the Company declared a final exempt (one-tier) dividend of US$2 per share amounting to a total of US$2,000,000 for the financial year ended 31 March 2022. These financial statements do not reflect this dividend, which will be accounted for in the financial year ending 31 March 2022.

## 26. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of directors of the Company as at the date of the Directors' Statement.

# MMTC LIMITED
## CONSOLIDATED FINANCIAL STATEMENTS

for the financial year ended 31st March, 2021




कार्यालय प्रधान निदेशक लेखापरीक्षा,
उद्योग एवं कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002

OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT,
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING, I.P. ESTATE,
NEW DELHI-110 002

संख्या: एएमजी-I/8(19)/वार्षिक खाता/ सीएफ़एस
एमएमटीसी(2020-21)/2021-22/378-79
दिनांक: 29 DEC 2021

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
एमएमटीसी लिमिटेड,
कोर 1, स्कोप कॉम्प्लेक्स, 7 इंस्टीट्यूशनल एरिया
लोधी रोड, नई दिल्ली-110003.

विषय : **कंपनी अधिनियम 2013 की धारा 143 (6) (b) के साथ धारा 129 (4) के अधीन 31 मार्च 2021 को समाप्त वर्ष के लिए एमएमटीसी लिमिटेड के समेकित वार्षिक वित्तीय लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।**

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के साथ धारा 129 (4) के अधीन 31 मार्च 2021 को समाप्त हुए वर्ष के लिए एमएमटीसी लिमिटेड के समेकित वार्षिक वित्तीय लेखों (Consolidated Financial Statements) पर उपरोक्त विषय संबंधित संलगन पत्र अग्रेषित है।

At Sl. No. 3 of Emphasis of Matter paragraph in Independent Auditor's Report on Consolidated Financial Statements, the amount of Deferred Tax Assets has been mentioned as ₹ 330.69 instead of ₹ 30.69 crore. The same needs to be corrected at the time of printing of Annual Report of MMTC.

भवदीया,

Vidhu Sood

(विधु सूद)
प्रधान निदेशक लेखापरीक्षा
(उद्योग एवं कॉर्पोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MMTC LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of consolidated Financial Statements of MMTC Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 October 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of MMTC Limited for the year ended 31 March 2021 under section 143(6)(a) read with section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of MMTC Limited (the Company), and Neelachal Ispat Nigam Limited (Joint Venture)[1] for the year ended on that date. Further, section 139 (5) and 143 (6)(a) of the Act are not applicable to six Joint Ventures/Subsidiary (Annexure A), being private entities/entity incorporated in foreign country under the respective laws, for appointment of their statutory auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the statutory auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) read with section 129 (4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report:

**A Comments on Consolidated Profitability**

**A.1 Assets**

**A.1.1 Non-Current Investment held for Sale (Note No. 6 D): ₹ 7.84 crore**

Above includes an investment of ₹ 16 crore in Indian Commodity Exchange (ICEX) against which a provision of ₹ 8.16 crore (considering the ratio of accumulated losses to share capital of ICEX which was about 51 *per cent*) was made by the Company in FY 2019-20. It was observed that ratio of accumulated losses to Share capital of ICEX has increased to 61 *per cent* as on 31 March 2021, however, Company has not made an additional provision amounting to ₹ 1.60 crore which is against the Company's own accounting treatment followed in previous year.

This has resulted in overstatement of Non-Current Investment held for Sale and understatement of Loss by ₹1.60 crore.

[1] Audit in progress

Page 1 of 6

**A.1.2 Deferred Tax Assets (Note No.10): ₹ 555.44 crore**

Above includes Deferred Tax Assets (DTA) of ₹ 330.69 crore created on the probable income of ₹ 946.33 crore[2] assessed by the Company as receivable from Neelachal Ispat Nigam Limited (NINL) assessed by the Company as on 31.03.2021. Though the Company did not recognize interest receivable for the FY 2019-20 and 2020-21 due to uncertainty of its realization, however, considered the same as certain for creation of DTA. Moreover, interest for FY 2021-22 was also considered for creation of DTA which was not only against the stand taken by the Company that income receivable from NINL is uncertain but also against the Generally Accepted Accounting Principles.

This has resulted in overstatement of Deferred Tax Assets and understatement of Loss by ₹ 330.69 crore.

**A.1.3 Other Financial Assets (Note No.9)**
**Other Advances (Non-Current): ₹ 8.78 crore**

Above includes an amount of ₹ 0.21 crore shown as recoverable from various parties since more than 25 years on which the provision was made by the Company. The cases are very old and no documents are available with the Company and the chances of recovery are also remote. Thus, the above amount should have been written back in the books as on 31.03.2021. Despite being assured by the Company in the previous year to take necessary action on the above observation, the Company has failed to do so during the FY 2020-21.

This has resulted in overstatement of Other Advances by ₹ 0.21 crore and consequent understatement of Allowance for bad and doubtful receivables by the same amount.

**A.2 Equity and Liabilities**
**A.2.1 Provisions – Current (Note No - 20 B)**
**A.2.1.1 Others – Provisions for litigation settlements - ₹ 888.81 crore**

Above does not include provision towards interest of ₹ 103.11 crore payable for pre-arbitration period of the disputed case with M/s. Anglo American Metallurgical Coal Pte. Ltd.

The Company entered (March 2007) into a contract with M/s. Anglo American Metallurgical Coal Pte. Ltd (the supplier) for lifting 466000 MTs of coking coal. However, the Company did not lift the contracted quantity and the supplier invoked arbitration in September 2012. The matter went into International Court of Arbitration (IA) and was decided in favour of the supplier directing the Company to pay USD 78,720,414.92 along with pre-award interest @ 7.5 *per cent* and future interest @ 15 *per cent* from the date of award till the date of payment.

The matter went into Hon'ble Supreme Court (SC) and the award of IA was upheld by the SC vide order dated 17 December 2020. Company filed (16 January 2021) a review petition and SC ordered (29 July 2021) that given the large interest component of the award, *pendent lite* and future interest may be reduced to 6% simple interest.

However, SC order did not say anything about interest for pre-arbitration period which implies that interest rate for pre-arbitration period as decided by IA, holds good. However, the Company did not make

[2] ₹ 547.87 for FY 2019-20 and 2020-21 and ₹ 398.46 crore for FY 2021-22

any provision towards interest payable for pre-arbitration period and has sought clarification (October 2021) from SC. The Company has shown the entire pre-arbitration interest under contingent liabilities. Audit is of the view that, considering the conservative principle of accounting, a provision equivalent to 6 per cent should have, at least, been made in the Financial statements.

Thus non-providing of interest for pre arbitration period has resulted in understatement of Provisions and Loss by ₹ 103.11 crore. This has also resulted in overstatement of contingent liabilities by ₹ 103.11 crore.

**A.2.1.2 Bonus/Performance Related Pay: ₹ 17.84 crore**

Above includes provision of ₹ 17.08 crore towards Performance Related Pay (PRP) of which ₹ 13.99 crore pertains to the FY 2017-18 & 2018-19 and ₹ 3.09 crore excess provision booked in earlier years. The Company booked interest receivable from its joint venture company, Neelachal Ispat Nigam Limited (NINL) during 2017-18 and 2018-19 to arrive at PRP, whereas the Company was actually not making profits on cash basis, a fact which was admitted by the Company in its reply (March 2021) to Deputy Chief Labour Commissioner and while seeking clarification (December 2020) from Department of Commerce.

Moreover, considering of interest receivable from JV company for the purpose of PRP is also in violation of DPE guidelines (18 September 2013) which *inter-alia* stipulates that, "PRP may be distributed based on profit accruing only from core business activities of the CPSEs". Further, the PRP for FYs 2017-18 and 2018-19 were not approved by the Remuneration Committee of the Directors and considering the extreme cash crunch, the Company is not in a position to recommend PRP.

In view of above and considering the fact that Company has also initiated the recovery of PRP in line with its BoD approval (November 2020), the provision created towards the PRP should also have been reversed.

This has resulted in overstatement of Provisions and Loss by ₹ 17.08 crore.

**A.2.1.3 Provisions - Current (Note No.20 B): ₹ 926.97 crore**

Above does not include ₹ 0.14 crore[3] payable to Post-Retirement Medical Benefit Trust (Trust) as for the FY 2020-21. The BoD of the Company (411th meeting) approved additional contribution in lieu of interest at the rate admissible for a term deposit of three years to be credited to the fund annually on the amount of fund vested with the company. Accordingly, the Company provided for additional contribution to the Trust @ 6.75 *per cent* and @ 3.70 *per cent* for FY 2018-19 and 2019-20. However, the Company did not provide additional contribution for FY 2020-21 on the net amount payable to the Trust.

This has resulted in understatement of Provision and Loss by ₹ 0.14 crore.

**A.2.2 Trade Payable (Note No.18): ₹ 998.17 crore**

Above includes an amount of ₹ 6.32 crore as payable to two foreign parties pending for payment since more than 10 years. Since, the law of limitation prescribes that the parties cannot claim the amount after a

[3] ₹ 2.68 crore payable to Trust*5.3% (rate applicable for three years FD as approved by BoD)

period of three years, the same should be written back. Despite being assured by the Company during the previous year to take necessary action, the Company has failed to do so during the FY 2020-21.

This has resulted in overstatement of Trade Payable and Loss by ₹ 6.32 crore.

**A.2.3 Other Current Liabilities (Note No.21)**
**Others - ₹ 1.11 crore**

**(i)** Above does not include provision of ₹ 0.49 crore towards claims of Food Corporation of India (FCI). The Company accepted three claims of FCI valuing ₹ 0.49 crore which comprises of claims on account of dispatch earned (2006-08), Liquidated damages (2006-08) and net sling charges (1994-95). FCI claimed ₹ 92.18 crore in connection with wheat export from Central Pool Stock, interest towards delayed payment, cost of gunny bags, storage charges etc., from the Company and raised the issue at Administrative Machinery for Redressal of CPSEs' Disputes (AMRCD). The AMRCD directed (May 2020) the Company and FCI to reconcile the disputed matter and during reconciliation, Company accepted three claims of ₹ 0.49 crore. However, no provision towards the same has been created by the Company.

This has resulted in understatement of Other Current Liabilities and Loss by ₹ 0.49 crore.

**(ii)** Above does not include provision of ₹ 0.13 crore towards electricity charges of the Scope Complex payable for the month of March 2021. As the invoice for the same had been received in June 2021 well before the finalization (October 2021) of the accounts, the amount should have been provided for in the accounts of FY 2020-21.

This has resulted in understatement of Other Current Liabilities and Loss by ₹ 0.13 crore.

**A.3 Exceptional Items – Expense (Note No.32): ₹ 877.18 crore**

Above does not include provision of ₹ 0.16 crore towards terminal dues of two employees of MMTC Employees Cooperative Canteen Society who were terminated by the Company in March 2016. The terminal dues were accepted to be paid by the Company.

This has resulted in understatement of exceptional items and Loss by ₹ 0.16 crore.

**B. Comments on Disclosure**
**Contingent Liabilities and Disclosures (Note No.34): ₹ 942.61 crore**

(i) Above does not include contingent liability of ₹ 7.29 crore on account of outstanding rent and interest of the NIC building as per the order passed by Estate Officer, Kolkata directing the Company to pay the amount to National Insurance Company Limited (NICL) for unauthorized occupation of its building for the period April 2014 to April 2019. The Company, against the above orders, filed an appeal before the City Civil Court, Kolkata and where the order of Estate Officer was stayed against which NICL filed a review petition before the Hon'ble High Court, Kolkata against the order passed by the Ld. Chief Judge, City Civil Court, Kolkata. The case is still pending and not listed for hearing and is sub judice, hence the same should be shown under Contingent Liabilities.

(ii) A Reference is invited to Note No.3 (c) which stated that, "*The valuation of MMTC's immovable properties have been carried out and as per latest valuation report fair value on 31.03.2021 is ₹1642 crore, as against the previous valuation of ₹1389 crore in May 2019 (Refer Note 32 (ii))*". However, it was observed that the Note 32 (ii) does not contain any such details regarding the valuation. Thus, the Notes to Accounts are deficient to that extent.

(iii) The Hon'ble Delhi High Court after hearing the execution petition plea of Anglo American Metallurgical Coal Pte. Ltd. directed (March 2021) the Company to deposit ₹ 585.94 crore within two months from the date of the said order. Due to financial crisis, the Company could not comply with the order. The Hon'ble Delhi High Court passed an order on 27.08.2021 for attachment of two bank accounts amounting to ₹ 1.02 crore.

As per Ind AS-10 on "Events after the Reporting Period", "an entity needs to update the disclosures in its financial statements to reflect information received after the reporting period, even when the information does not affect the amounts that it recognizes in its financial statements".

The Company has not disclosed the above fact in the Notes to Accounts and thus, the same was deficient to that extent.

**C. Comments on Independent Auditor's Report on Consolidated Financial Statements Independent Auditor's Report for the year ended 31 March 2021**

(i) Statutory Auditor at Sl. No. 1 (under the paragraph Key Audit Matters) has stated that "*the company has 5 regional offices*" whereas the Company has six regional offices as on 31.03.2021 which has also been disclosed under General Information in Financial Statement. Hence, reporting by Independent Auditor is deficient to that extent.

(ii) Considering the impact of above comments, the loss for the year (₹ 789.28 crore) as depicted in the statement of Profit & Loss of the Company would increase by 52.34 *per cent* to reach ₹ 1202.41 crore. Hence, the Financial Statements of the Company do not present a "true & fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that the Financial Statements presented a true & fair view.

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

Vidhu Sood

**(Vidhu Sood)**
**Principal Director of Audit**
**(Industry & Corporate Affairs)**
**New Delhi**

**Place: New Delhi**
**Date: 29.12.2021**

Annexure A

**Details of Joint Ventures/Associates of MMTC Limited**

| Sl. No. | Name of the Company | JV/Subsidiary | Status |
|---|---|---|---|
| 1. | MMTC Gitanjali Limited | Joint Venture | Private entities |
| 2. | MMTC PAMP India Pvt. Ltd. | Joint Venture | Private entities |
| 3. | SICAL Iron Ore Terminal Limited | Joint Venture | Private entities |
| 4. | TM Mining Company Limited | Joint Venture | Private entities |
| 5. | Free Trade Ware-housing Pvt. Limited | Joint Venture | Private entities |
| 6. | MMTC Transnational Pte. Ltd. | Subsidiary | Incorporated in foreign country |

# INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF MMTC LTD.**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanyingConsolidated financial statements of **MMTC Limited** (hereinafter referred as "the HoldingCompany"), and its subsidiary Company (Holding Company & its subsidiary together referred to as "the Group"), and its joint venture entities which comprises the consolidated Balance Sheet as at 31st March, 2021, and the consolidated statement of Profit and Loss (including other comprehensive income), and the consolidated Statement of Cash Flows and consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidatedfinancial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture entities as at March 31, 2021, of consolidated loss and its total comprehensive income (Comprising of net loss and total comprehensive loss) consolidated change in equity and its consolidated cash flows for the year then ended.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group and its joint venture entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matters**

1. We draw attention to Note No. 34(vi) to the Consolidated Ind-AS financial statements in respect of pre-award interest payable to Anglo Coal amounting to Rs 128.89 crores for the period 1.10.2009 to 24.09.2012. The Company is of the opinion that pre-arbitration interest is not payable to Anglo Coal for the mentioned duration and only pendente lite and future interest will be payable at 6% simple interest as per Supreme Court order dated 29.07.2021.
2. The financial statements of three joint ventures Neelachal Ispat Nigam Ltd., TM Mining Company Ltd and MMTC Geetanjali Limited have not been received by company for 2020-21 except Free Trade Warehousing Pvt. Ltd. and Sical Iron Ore Terminal Ltd which has been received by the company. Investments in these joint ventures (including Free Trade Warehousing Pvt. Ltd. and Sical Iron Ore Terminal Ltd) have been fully impaired in the consolidated financial statements.
3. We draw attention to Note No. 10 of the consolidated Ind-AS financial Statements, the Company has made deferred tax assets amounting to Rs 330.69 on losses limited to the interest proceeds (from financial year 2019-20, 2020-21 & 2021-22) to be realized through divestment proceeds of NINL.
4. MMTC is holding total exposure of Rs 3987.58 crores (including equity investment) with Neelachal Ispat Nigam Limited (NINL). Cabinet Committee on Economic Affairs (CCEA) has accorded 'in principle' approval for strategic divestment of equity investment held by MMTC and other Central/ State Public Sector Undertakings (PSUs) on 8th January 2020 and subsequent various meetings on divestment by DIPAM. Management has considered that no impairment of investment and advance to NINL is required as full outstanding amount due from NINL will be realized from the divestment proceeds.
5. We draw attention to Note No. 17 to the consolidated Ind-AS financial statements in respect of

restructuring of loans where it has been agreed with the lender banks that outstanding amount of loan and interest will be repaid till 31.03.2022 to be realized through divestment proceeds of NINL.

6. We draw attention to the Note no. 51 of the statements which describes the impact of covid-19, a global pandemic, on the operations and financial matters of the company.

Our opinion is not modified in respect of these matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of theconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Sl. No | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1. | Refer note no. 34 on the claims not acknowledged as debt incorporating therein claims on account of pending legal cases. There is large number of cases pending before various adjudicating authorities. These legal cases involve significant judgement to determine the possible outcome of those disputes and independent legal assessment to pursue the case. The holding company has 5 regional offices and different divisions to handle the trade activities including accounting of that particular activity. However, in lot of cases the legal cases are pursued at corporate office level while related financial information / transactions are dealt at RO level, thereby difficulties are faced in giving a comprehensive and holistic treatment to the transaction. | We obtained list of all the pending legal cases handled at Corporate office legal division on 31st March 2021 with a note from management on the changes in the status of the cases from that of last year. We considered the effect of information provided by the management and analysed the impact of financial obligation of the Company.<br>It was suggested to management to have legal cases and financial obligation if any at the same location in order to have clarity in reporting in financial statement. |
| 2. | Refer note no.11B include advance to related parties wherein interest income on loan/advance given to Neelachal Ispat Nigam Ltd. has not been recognized as an income during the year. | In view of the significance of the matter, we applied following audit procedures in this area, among others to obtain sufficient appropriate evidence.<br>We discussed the matter with the management to understand the possibility of recovery of interest.<br>Considered the appropriateness of Company's revenue recognition policy and its compliance in terms of IND AS 115 Revenue recognition.<br>Assessed the relevant disclosures made in the financial statements. |
| 3. | Assessment of impairment of investment in subsidiary and joint ventures(Refer note no. 6)<br>The company as at 31st march,2021 has non-current and current investments. | Our audit procedures include but we are not limited to the following:<br>Obtained and understanding of the management process.<br>Discussed extensively with management regarding impairment indicators and evaluated the design and testing operating effectiveness of controls.<br>Assessed the methodology used by the management to estimate the recoverability of investment and ensured that it is consistent with applicable accounting standards. |

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| 4. | Refer Note No 32 (ii) on provision on Anglo Coal | In view of the significance of the matter, we applied following audit procedures:<br>Obtained and understanding of relevant documents in relation to the matters of anglo coal.<br>Discussed with management regarding the possible impact and shown in the financial statement. |

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statement in term of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its joint venture entities in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directorsof the Company included in the Group and of its joint venture entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing ability of the Group and of its joint venture entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group and of its joint venture entities are also responsible for overseeing the financial reporting process of the Group and of its associates and joint venture entities

**Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of theconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in theconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidatedfinancial statements, including the disclosures, and whether the consolidatedfinancial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the Consolidated Financial Statements of which we are not the statutory auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

1. We did not audit the financial statements / financial information of one wholly owned subsidiary incorporated in Singapore – MMTC Transnational Pte Ltd whose financial statement reflect total assets

of Rs. 367.60 Cr., net assets of Rs. 77.12 Cr. as at 31st March, 2021, total revenues of Rs. 3625.72 Cr and net cash inflows of Rs.11.33 Cr and total net profit of Rs. 8.24 Cr for the year ended on that date, as considered in the consolidated financial statements.

2. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of Rs 1.13 Cr. for the year ended 31 March, 2021 as considered in the consolidated financial statements in respect of joint venture M/s MMTC Pamp India Pvt. Ltd. whose financial statements/financial information have not been audited by us.

3. The consolidated financial statements do not include Group's share of loss in five joint ventures company, M/s Free Trade Warehousing Pvt. Limited, Sical Iron Ore Terminal Limited,TM Mining Company Limited, MMTC Geetanjali Limited and Neelachal Ispat Nigam Limited (NINL) as the Group's share of its accumulated losses has exceeded the carrying value of the investment in respective aforesaid joint ventures of the Holding Company. The financial statements / financial information of three joint venture companies (TM Mining Company Limited, MMTC Geetanjali Limited and Neelachal Ispat Nigam Limited) have neither been audited by us nor any financial statements (audited/unaudited) have been furnished to us by the Holding Company's Management and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and six joint ventures, and our report in terms of the sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint ventures is based solely on the report of the other auditors. The financial statements of subsidiary in Singapore have been adjusted by the Holding Company's Management in accordance with the accounting principles generally accepted in India including Indian Accounting Standards.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) Except for the effects of the matter described in Basis for qualified opinion paragraph, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as appears from our examination of those books and report of other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) Except for the effects of the matter described in Basis for qualified opinion paragraph, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014relevant rules issued thereunder.

e) The matters described in the 'Basis of Qualified Opinion' and 'Emphasis of Matter' paragraphs above, in our opinion may have an adverse effect on the functioning of the Company;

f) Being a Government Company pursuant to the Notification No. GSR 463( E) dated 5 June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the Holding Company.

g) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure-A"**

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

   i. There are pending litigations including matters relating to sales tax, custom duty and excise duty which are disclosed as contingent liability - refer to Note No. 34to the consolidated financial statements, the impact of the same is unascertainable as the matters are *sub-judice.*

   ii. Provision, has been made in the consolidated financial statement as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

   iii. The Company has not transferred Rs 0.66 lakhs to the Investor education and protection fund.

**For M.L. Puri & Co.**
**Chartered Accountants**
**FRN: 002312N**

**Place: New Delhi**
**Date: 27.10.2021**
**UDIN:21095584AAAALI3804**

**CA R.C. Gupta**
**Partner**
**M.No.095584**

# Annexure-A To the Independent Auditor's Report of even date on the Consolidated Financial Statements of MMTC Ltd.

**Report on the Internal Financial Controls under Section 143(3) (i) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MMTC Ltd. ("the Company") as of March 31, 2021, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date

**Management's Responsibility for Internal Financial Controls:**

The respective Board of Directors of the of the Holding company, its subsidiary company, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)".These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk . The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Other Matters**

1. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

2. We are not able to comment upon on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three joint ventures, which are companies incorporated in India and corresponding reports of the auditors of such companies incorporated in India has not been received.

Our report is not modified on the above matters.

**Opinion:**

In our opinion, the Holding Company and its joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For M.L. Puri & Co.**
**Chartered Accountants**
**FRN: 002312N**

**Place: New Delhi**
**Date: 27.10.2021**
**UDIN:21095584AAAALI3804**

**CA R.C. Gupta**
**Partner**
**M.No.095584**

# Replies to Final Comments issued by C&AG on Annual Accounts (Consolidated) for the year ended 31st March 2021

**Report on the Directions issued by C&AG under section 143(5) of the Companies Act, 2013 for the Financial Year 2020-2021**

| C&AG Final comments(Consolidated) | Management's reply to C&AG comments |
|---|---|
| **A Comments on Consolidated Profitability**<br>**A.1 Assets**<br>**A.1.1 Non-Current Investment held for Sale (Note No. 6 D): Rs 7.84 crore** | |
| Above includes an investment of Rs 16 crore in Indian Commodity Exchange (ICEX) against which a provision ofRs 8.16 crore (considering the ratio of accumulated losses to share capital of ICEX which was about 51 per cent) was made by the Company in FY 2019-20. It was observed that ratio of accumulated losses to Share capital of ICEX has increased to 61 per cent as on 31 March 2021, however, Company has not made an additional provision amounting to Rs. 1.60 crore which is against the Company's own accounting treatment followed in previous year.<br>This has resulted in overstatement of Non-Current Investment held for Sale and understatement of Loss by Rs 1.60 crore. | It was decided that it would be appropriate to make partial provision of Rs.8.16 crores for impairment of investment in ICEX out of Rs.16 crores invested during the year 2019-20 and accordingly the provision for impairment was made.<br>Further ICEX have informed that total turnover of exchange during 2020-21 was Rs.1666.17 crore with a total of 1960 clients. Due to impact of Covid-19 trading operations during 2020-21 were severely affected in all commodity exchanges including ICEX. ICEX have planned to strengthen their operations on account of global pandemic and global recession. Their focus is on utilizing mutual fund transactions and raising capital with renewed emphasis on commodities. In view of above creating further provision of Rs.1.60 crores may not be required.<br>However, the observation of C&AG with respect to provision of accumulated losses if any on ICEX will be reviewed and suitable action including provision will be taken in FY 2021-22. |
| **A 1.2 Deferred Tax Assets (Note No.10): Rs 555.44 crore** | |
| Above includes Deferred Tax Assets (DTA) of Rs 330.69 crore created on the probable income of Rs 946.33 crore assessed by the Company as receivable from Neelachal Ispat Nigam Limited (NINL) assessed by the Company as on 31.03.2021. Though the Company did not recognize interest receivable for the FY 2019-20 and 2020-21 due to uncertainty of its realization, however, considered the same as certain for creation of DTA, Moreover, interest for FY 2021-22 was also considered for creation of DTA which was not only against the stand taken by the Company that income receivable from NINL is uncertain but also against the Generally Accepted Accounting Principles.<br>This has resulted in overstatement of Deferred Tax Assets and understatement of Loss by Rs 330.69 crore. | MMTC is having a business loss of Rs. 1,094.22 crores (Standalone) for the F.Y. 2020-21.<br>As per the provisions of Income Tax Act, this loss can be carried forward up to 8 years as unused Tax losses and may be adjusted with the future taxable business profits. Further, as per Ind As 12 – Income Taxes, "a deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized."<br>MMTC signed a Master Debt Resolution Agreement during the year. According to which, interest income is expected from NINL in March, 2022 through divestment proceeds of NINL to the tune of Rs. 946.33 crores.<br>As approved by the Competent Authority, Deferred Tax Assets amounting to Rs. 324.60 crores have been created on tax losses limited to the probable interest proceeds from NINL i.e Rs. 946.33 crores for compliance with provisions of Income Tax and Ind As 12 and to make clear picture of current tax and future tax.<br>Further, as per Ind AS 12 – the carrying amount of a Deferred Tax Asset shall be reviewed at the each reporting period. The carrying amount of DTA shall be reduced to the extent that it is no longer probable that sufficient taxable profit will be available and such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available."<br>As the bidding process of divestment of NINL has reached its finality and M/s Tata Steel Long Products Limited (TSLP) became the H1 bidder for Rs 12100 crs, Post Divestment of NINL issue will be reviewed and suitable action will be taken in FY 2021-22. Hence MMTC will get all the dues including interest which has not been recognized in accounts due to uncertainty of realisability of receipt.<br>In view of the above, MMTC Management is confident of recovering all its dues from the divestment proceeds of NINL and hence deferred tax created is in line with Ind AS 12. |

| C&AG Final comments(Consolidated) | Management's reply to C&AG comments |
|---|---|
| **A.1.3 Other Financial Assets (Note No.9) Other Advances (Non-Current): Rs 8.78 crore**<br><br>Above includes an amount of Rs 0.21 crore shown as recoverable from various parties since more than 25 years on which the provision was made by the Company. The cases are very old and no documents are available with the Company and the chances of recovery are also remote. Thus, the above amount should have been written back in the books as on 31.03.2021. Despite being assured by the Company in the previous year to take necessary action on the above observation, the Company has failed to do so during the FY 2020-21.<br>This has resulted in overstatement of Other Advances by Rs 0.21 crore and consequent understatement of Allowance for bad and doubtful receivables by the same amount. | As the cases pertains to the year 1995-96 and the files/records are difficult to be traced. However, efforts are being made to trace out the relevant files/documents.<br><br>The observation of C&AG will be reviewed and it will be written off in 2021-22. |
| **A.2 Equity and Liabilities**<br>**A.2.1 Provisions - Current (Note No - 20 B)**<br>**A.2.1.1 Others - Provisions for litigation settlements - Rs 888.81 crore**<br><br>Above does not include provision towards interest of Rs 103.11 crore payable for pre-arbitration period of the disputed case with M/s. Anglo American Metallurgical Coal Pte. Ltd.<br><br>The Company entered (March 2007) into a contract with M/s. Anglo American Metallurgical Coal Pte. Ltd (the supplier) for lifting 466000 MTs of coking coal. However, the Company did not lift the contracted quantity and the supplier invoked arbitration in September 2012. The matter went into International Court of Arbitration (IA) and was decided in favour of the supplier directing the Company to pay USD 78.720,414.92 along with pre-award interest® 1.5 per cent and future interest @ \5percent from the date of award till the date of payment.<br><br>The matter went into Hon'ble Supreme Court (SC) and the award of IA was upheld by the SC vide order dated 17 December 2020. Company filed (16 January 2021) a review petition and SC ordered (29 July 2021) that given the large interest component of the award, pendent lite and future interest may be reduced to 6% simple interest. | As per the Hon'ble Supreme Court decision dated 29.07.2021, interest rate for the Pendent elite period and future period is reduced to 6% from 7.5% & 15% respectively but order is silent on the interest rate for pre Arbitration period. As per the decision of Hon'ble Supreme Court, MMTC had already made provision of Rs. 887.43 crores in the books of accounts for the F.Y. 2020-21. Considering the order of Hon'ble Supreme Court interest rate for pre Arbitration period from 1.10.2009 to 26.09.2012 has been kept as NIL. Keeping in view Learned Attorney General of India (AG) opinion, Quote *"it may not be prudent at this stage as the learned AG has opined that any ambiguity arising from the Hon'ble Supreme Court order dated 29.7.2021 could be resolved by the court itself"* Unquote Further as per the advice of Learned AG, MMTC had filed an application before Supreme Court for clarification of order dated 29.07.2021, passed by Apex Court.<br><br>It is reiterated that Learned AG opined that any ambiguity arising from the Hon'ble Supreme Court order dated 29.7.2021 could be resolved by the court itself. The Company have filled clarification application which was listed on 28.01.2022 by Hon'ble Supreme Court. Upon hearing, Hon'ble Court listed the matter after two weeks. The specific date of hearing is awaited.<br><br>On clarification from Hon'ble Supreme Court, the observation of C&AG will be reviewed and suitable action will be taken in FY 2021-22. |

| C&AG Final comments(Consolidated) | Management's reply to C&AG comments |
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| However, SC order did not say anything about interest for pre-arbitration period which implies that interest rate for pre-arbitration period as decided by IA, holds good. However, the Company did not make: Rs 547.87 for FY 2019-20 and 2020-21 and Rs 398.46 crore for FY 2021-22 any provision towards interest payable for pre-arbilration period and has sought clarification (October 2021) from SC. The Company has shown the entire pre-arbitration interest under contingent liabilities. Audit is of the view that, considering the conservative principle of accounting, a provision equivalent to 6 per cent should have, at least, been made in the Financial statements.<br>Thus non-providing of interest for pre arbitration period has resulted in understatement of Provisions and Loss by Rs 103.11 crore. This has also resulted in overstatement of contingent liabilities by Rs 103.11 crore. | |
| **A.2.1.2 Bonus/Performance Related Pay: Rs 17.84 crore**<br>Above includes provision of Rs 17.08 crore towards Performance Related Pay (PRP) of which Rs 13.99 crore pertains to the FY 2017-18 & 2018-19 and Rs 3.09 crore excess provision booked in earlier years. The Company booked interest receivable from its joint venture company, Neeiachal Ispat Nigam Limited (NINL) during 2017-18 and 2018-19 to arrive at PRP, whereas the Company was actually not making profits on cash basis, a fact which was admitted by the Company in its reply (March 2021) to Deputy Chief Labour Commissioner and while seeking clarification (December 2020) from Department of Commerce.<br>Moreover, considering of interest receivable from JV company for the purpose of PRP is also in violation of DPE guidelines (18 September 2013) which inter-alia stipulates that, "PRP may be distributed based on profit accruing only from core business activities of the CPSEs". Further, the PRP for FYs 2017-18 and 2018-19 were not approved by the Remuneration Committee of the Directors and considering the extreme cash crunch, the Company is not in a position to recommend PRP. | The concept of PRP as part of pay package was introduced by DPE as per the guidelines in its OM dated 26/11/2008 & 09/02/2009. As per the DPE guidelines, the PRP is to be paid to the serving employees after the accounts are finalized and approved by the Board, CAG and adopted by the AGM, Company rating, the employees grade and rating of the employee concerned.<br>The final PRP is paid after the approval of nomination and Remuneration Committee of Directors (RCoD) as mandated in DPE guidelines.<br>The proposal for final payment of PRP for FY 2017-18 & 2018-19 have not been put up to the RCoD for approval pending MOU rating of company & employee rating thus, final PRP for both FYs not paid. However, as per the past practice, pending finalization of PRP an ad hoc advance was released to the employees against undertaking, with due approval of CMD. This was in line with the past precedence of releasing ad hoc advance for several years.<br>MMTC Board of Directors in its 459th meeting held on 13/11/2020 observed that such ad hoc payments was unfair and needs to be recovered by following due procedure. The matter relating to the ad hoc advance was observed adversely by the MMTC Board of Directors, the entire matter was placed before the RCoD vide division's note dated 30/03/2021. The said note was taken up for discussion by the RCoD in its 10th meeting held on 31/03/2021. RCoD after taking note of the position as explained in the note for discussion was of the view that the recovery of ad hoc/advance be put on hold till the Labour Commissioner decides on the petition of the Staff Federation and receipt of opinion from DPE on the same and directed to place the matter before the Board of Directors for appraisal. |

| C&AG Final comments(Consolidated) | Management's reply to C&AG comments |
|---|---|
| In view of above and considering the fact that Company has also initiated the recovery of PRP in line with its BoD approval (November 2020), the provision created towards the PR]1 should also have been reversed.<br><br>This has resulted in overstatement of Provisions and Loss by Rs 17.08 crore. | Since the Company had registered profit during FY 2017-18 and 2018-19 provisions were made in books of accounts for payment of PRP in line with the accounting principles & DPE guidelines.<br><br>With regard to deduction of interest on idle cash/bank balances for the purpose of calculating PBT and distribution of PRP in CPSE's, it is submitted that at the time of calculation of PBT, the interest earned on idle cash/bank balances has been deducted.<br><br>Further, due to precarious liquidity position of the company, 50% of eligible PRP was only released to the serving employees for FY 16-17. No PRP to superannuated employees was released.<br><br>It is assured that the provision created will be reversed in 2021-22 and recoveries will be made as soon as possible following due process.<br><br>As the bidding process of divestment of NINL has reached its finality and M/s Tata Steel Long Products Limited (TSLP) became the H1 bidder for Rs 12100 crs, MMTC will get all the dues including interest which has not been recognized in accounts due to uncertainty of realisability of receipt. Hence Board may like to review the issue of PRP once again. |
| **A.2.1.3 Provisions - Current (Note No.20 B): Rs 926.97 crore**<br><br>Above does not include Rs 0.14 crore payable to Post-Retirement Medical Benefit Trust (Trust) as for the FY 2020-21. The BoD of the Company (411th meeting) approved additional contribution in lieu of interest at the rate admissible for a term deposit of three years to be credited to the fund annually on the amount of fund vested with the company. Accordingly, the Company provided for additional contribution to the Trust @ 6.75 per cent and @ 3.70per cent for FY 2018-19 and 2019-20. However, the Company did not provide additional contribution for FY 2020-21 on the net amount payable to the Trust.<br><br>This has resulted in understatement of Provision and Loss by Rs 0.14 crore. | Board in its 447th meeting dated 15.05.2019 had approved "the formation of Trust for medical need of Retired employees of MMTC and also transfer of Rs 150.05 crores in one or more instalments after receipt of Income tax exemptions for the TRUST and to make regular transfer of contributions thereafter".<br><br>Total Funds of Rs 150 crores in 7 instalments from the period 19.12.2019 to 3.3.2020 was transferred to Trust.<br><br>As approved by BOD in its 411th meeting additional contribution in lieu of interest at the rate admissible for a term deposit of three years to be credited to the fund annually on the amount of fund vested with the company.<br><br>As on 31.03.2021, Rs 9.31 crs is payable to Trust & Rs 6.63 crs is receivable from Trust and interest payable to Trust is meagre, hence interest provision has not been created.<br><br>The observation of C&AG will be complied with and suitable action will be taken in FY 2021-22 |
| **A.2.2 Trade Payable (Note No.18): Rs 998.17 crore**<br><br>Above includes an amount of Rs 6.32 crore as payable to two foreign parties pending for payment since more than 10 years. Since, the law of limitation prescribes that the parties cannot claim the amount period of three years, the same should be written back. Despite being assured by the Company during the previous year to take necessary action, the Company has failed to do so during the FY 2020-21.<br><br>This has resulted in overstatement of Trade Payable and Loss by Rs 6.32 crore, | As per approval of competent authority, RO Chennai has already passed necessary entries in the books of accounts for FY 2021-22 to write back the Liability in respect of M/s V. S. LAD amounting to Rs. 4.06 crore.<br><br>As regards the liability in respect of M/s Obalapuram Mining Co. Pvt Ltd, Bellary (OMC) amounting to Rs 2.26 crore is concerned, R/O Chennai has been advised to review the matter.<br><br>The observation of C&AG will be complied with and suitable action will be taken in FY 2021-22 |

<table>
<tr><th>C&AG Final comments(Consolidated)</th><th>Management's reply to C&AG comments</th></tr>
<tr><td>A.2.3 Other Current Liabilities (Note No.21) Others - Rs 1.11 crore</td><td></td></tr>
<tr><td>(i) Above does not include provision ofRs 0.49 crore towards claims of Food Corporation oflndia {FCI). The Company accepted three claims of FCI valuing Rs 0.49 crore which comprises of claims on account of dispatch earned (2006-08), Liquidated damages (2006-OS) and net sling charges (1994-95). FCI claimed Rs 92.18 crore in connection with wheat export from Central Pool Stock, interest towards delayed payment, cost of gunny bags, storage charges etc., from the Company and raised the issue at Administrative Machinery for Redressal of CPSEs' Disputes (AMRCD), The AMRCD directed (May 2020) the Company and FCI to reconcile the disputed matter and during reconciliation. Company accepted three claims of Rs 0.49 crore. However, no provision towards the same has been created by the Company.<br>This has resulted in understatement of Other Current Liabilities and Loss by Rs 0,49 crore.</td><td>FCI has moved AMRCD proceedings against MMTC. The committee comprising Secretary (F&PD), Commerce Secretary and Law Secretary has directed both MMTC and FCI to reconcile their claims and counter claims on each other. Accordingly, both MMTC and FCI are working towards reconciliation of the claims.<br>As mentioned in GAP note MMTC has accepted three claims of FCI and GAP has further enumerated the claims; claims totaling to Rs. 1.11 crore, this is a matter of record. The three claims accepted by MMTC were also confirmed by Chartered Accountants (ASC & Associates) appointed for verification of claims between MMTC and FCI in their report dated 29.06.2021. The reconciliation of claims and counter claims between MMTC and FCI is continuing.<br>Further to above, the following points may also be perused<br>1.The three claims accepted by MMTC (after due approval of Competent Authority) referred in the POM 4 dated 26.11.2021 pertain to wheat imports of 2007-08 (Despatch and LD) and sugar imports of 1995-96(Sling charges). Interest to be charged on admitted amounts will be decided by AMRCD while deciding the case.<br>2. The matter is pending for final decision by AMRCD and the requirement for provisioning on the admitted amount by MMTC shall be considered after the final decision of AMRCD is known.<br>Hence the observation of C&AG be complied with and suitable action will be taken in FY 2021-22.</td></tr>
<tr><td>(ii) Above does not include provision of Rs 0.13 crore towards electricity charges of the Scope Complex payable for the month of March 2021, As the invoice for the same had been received in June 2021 well before the finalization (October 2021) of the accounts, the amount should have been provided for in the accounts of FY 2020-21.<br>This has resulted in understatement of Other Current Liabilities and Loss by Rs 0.13 crore.</td><td>The provision for administrative expenses like electricity charges and other miscellaneous expenses payable been created on estimated basis in the books of accounts as on 31.03.2021, if the bill is not received on actual basis. Any difference between provision created on particular head and actual expenses on settlement shall be accounted for in the next financial year. Accordingly the shortfall amount of Rs. 13 lakhs has been accounted for in the 1st quarter of financial year 2021-22.<br>The electricity bill of SCOPE Complex was paid in the month of June 2021 and the same has been accounted for in 2021-22.</td></tr>
<tr><td>A.3 Exceptional Items - Expense (Note No.32): Rs 877.18 crore<br>Above does not include provision of Rs 0.16 crore towards terminal dues of two employees of M.MTC Employees Cooperative Canteen Society who were terminated by the Company in March 2016. The terminal dues were accepted to be paid by the Company.<br>This has resulted in understatement of exceptional items and Loss by Rs 0.16 crore.</td><td>VSS compensation was not accepted by two employees of the MMTC Employees Cooperative Society and filed the case in the Labour Court Delhi challenging termination of their service. The case is sub-judice as on date.<br>In the case of Kundan Lal vs MMTC pleadings were completed. Matter is now fixed for arguments. Previous date was 10.11.2021. Next Date of hearing is awaited. The matter is sub judice and not reached its finality. Liability, if any, will be provided once the legal case concludes.<br>However gratuity being the statutory obligation has been paid by the MMTC Canteen Society. Acceptance of Gratuity leads to cessation of service, thus, it is felt that the dispute on termination has no locus standi.<br>The VSS compensation not accepted by the two employees of erstwhile MMTC employees Cooperative Canteen Society while rest of the employees have taken the compensation and accepted the same. These two employees are contesting for regularization in MMTC in the Industrial Tribunal alleging that their termination is illegal.<br>Since the matter is sub judice, it would not be prudent to make any provision on this account till the time the matter gets resolved by the Industrial Tribunal.</td></tr>
</table>

| C&AG Final comments(Consolidated) | Management's reply to C&AG comments |
|---|---|
| **B. Comments on Disclosure**<br><br>**Contingent Liabilities and Disclosures (Note No.34): Rs-942.61 crore** | |
| (i) Above does not include contingent liability of Rs 7.29 crore on account of outstanding rent and interest of the NIC building as per the order passed by Estate Officer, Kolkata directing the Company to pay the amount to National Insurance Company Limited (NICL) for unauthorized occupation of its building for the period April 2014 to April 2019. The Company, against Ihe above orders, filed an appeal before the City Civil Court, Kolkata and where the order of Estate Officer was stayed against which NICL filed a review petition before the Hon'ble High Court, Kolkata against the order passed by the Ld. Chief Judge, City Civil Court. Kolkata. The case is still pending and not listed for hearing and is sub judice, hence the same should be shown under Contingent Liabilities. | MMTC has already booked firm liability from time to time in the books of accounts of RO Kolkata towards rent and electricity charges payable as per the lease agreement dated 23.06.2004 issued by NIC for the period from February,2014 to 15.4.2019 and part of the liabilities have also been adjusted against payment of bills raised by NIC to MMTC towards electricity and other charges. As per books of accounts as on 31.3.2020, the amount of firm liability on account of rent payable till 31.03.2019 to NIC stands Rs.91,77,890.00.<br><br>In the light of the direction of City Civil Court vide their order dated 9.7.2019 and also in terms of the lease agreement dated 23.06.2004 issued by NIC for having lease for a period of 15 years with 25% enhancement of rent in every five years w.e.f.01.04.2004 till 31.03.2019, the provision for contingent liability of Rs.8.21 crore towards damages claimed by NIC, at this stage, may not arise. In the meanwhile MMTC, Kolkata vacated the premises of NIC.<br><br>Since the matter is sub judice, it would not be prudent to disclose Rs.8.21. crore towards damages claimed by NIC in contingent liabilities account till the time the matter gets resolved by the Court. |
| (ii) A Reference is invited to Note No.3 (c) which stated that, "The valuation of MMTC's Immovable properties have been carried out and as per latest valuation report fair value on 31.03.2021 is Rs 1642 crore, as against the previous valuation of Rs 1389 crore in May 2019 (Refer Note 32 (ii))". However,<br><br>it was observed that the Note 32 (ii) does not contain any such details regarding the valuation. Thus, the Notes to Accounts are deficient to that extent. | The observation of C&AG is noted and same shall be suitably incorporated/modified in the printed accounts of the financial year 2020-21. |
| (iii) The Hon'bie Delhi High Court after hearing the execution petition plea of Anglo American<br><br>Metallurgical Coa! Pte. Ltd. directed (March 2021) the Company to deposit Rs 585.94 crore within two months from the date of the said order. Due to financial crisis, the Company could not comply with the order. The Hon'bie Delhi High Court passed an order on 27.08.2021 for attachment of two bank accounts amounting to Rs 1.02 crore.<br><br>As per Ind AS-10 on "Events after the Reporting Period", "an entity needs to update the disclosures hi its financial statements to reflect information received after the reporting period, even when the information does not affect the amounts that it recognizes in its financial statements".<br><br>The Company has not disclosed the above fact in the Notes to Accounts and thus, the same was deficient to that extent. | As the order for attachment of the bank accounts of BBSR and Paradip has been passed in the year 2021-22 and necessary accounting entries will also be passed during the year 2021-22. Hence the necessary disclosure will also be looked into in accounts of the Financial year 2021-22.<br><br>However, attachment of two bank accounts has been effected on 27.08.2021, accordingly necessary accounting entry of the said amount will be passed and disclosure in the notes to accounts, as required in the books of accounts will be made during the financial year 2021-22. |

| C&AG Final comments(Consolidated) | Management's reply to C&AG comments |
|---|---|
| **C. Comments on Independent Auditor's Report on Consolidated Financial Statements Independent Auditor's Report for the year ended 31 March 2021** | |
| (i) Statutory Auditor at SI. No. 1 (under the paragraph Key Audit Matters) has stated that "the company has 5 regional offices" whereas the Company has six regional offices as on 31.03.2021 which has also been disclosed under General Information in Financial Statement. Hence, reporting by Independent Auditor is deficient to that extent. | The observation of C&AG is noted and would be suitably incorporated/ modified in the printed accounts of the financial year 2020-21. |
| (ii) Considering the impact of above comments, the loss for the year (Rs 789.28 crore) as depicted in the statement of Profit & Loss of the Company would increase by 52.34 per cent to reach Rs 1202.41 crore. Hence, the Financial Statements of the Company do not present a "true & fair view" and it was not proper on the part of the Independent Auditor to have provided the assurance that the Financial Statements presented a true & fair view. | It has been assured by statutory auditors that necessary provision will be made in 2021-22 after discussing the matters with the management. Further that there is sufficient reason for the recognition of deferred tax asset and non provision of interest payable to Anglo American Metallurgical Coal Pte Ltd is correct and thus present a true and fair view on the financial statements. It is a matter of opinion only.<br><br>Further the loss and contingent liabilities has been correctly shown in the books of accounts for 2020-21 . |

## MMTC LIMITED

### Consolidated Balance Sheet as at March 31, 2021

(₹ in Crores)

| Particulars | Note No | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment * | 3 | **34.57** | 38.95 |
| Right of use assets | 3 | **3.36** | 5.14 |
| Capital work-in-progress | 3 | **-** | - |
| Investment Property | 4 | **3.87** | 4.05 |
| Other intangible assets | 5 | **0.39** | 0.56 |
| Investments accounted for using the equity method | 6A | **79.87** | 78.73 |
| Financial Assets | | | |
| Investments | 6B | **2.23** | 1.16 |
| Trade Receivables | 7A | **-** | - |
| Loans | 8 | **5.44** | 6.65 |
| Others | 9 | **45.31** | 46.13 |
| Deferred tax Assets (net) | 10 | **555.44** | 230.84 |
| Other non-current Assets | 11A | **24.99** | 25.00 |
| **Current Assets** | | | |
| Inventories | 12 | **45.65** | 217.71 |
| Financial Assets | | | |
| Investments | 6C | **-** | - |
| Trade Receivables | 7B | **834.11** | 2,046.99 |
| Cash & Cash Equivalents | 13 | **155.00** | 74.65 |
| Bank Balances other than above | 14 | **98.65** | 152.20 |
| Loans | 8 | **1.36** | 1.72 |
| Others | 9 | **6.20** | 14.31 |
| Current Tax Assets (net) | 15 | **2.64** | 11.44 |
| Other Current Assets | 11B | **3,566.94** | 3,446.16 |
| Assets held for Disposal | 6D | **7.84** | 7.86 |
| **Total Assets** | | **5,473.86** | **6,410.25** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share Capital | 16A | **150.00** | 150.00 |
| Other Equity | 16B | **(50.26)** | 733.47 |
| Non Controlling Interest | | **-** | - |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 17A | **-** | 166.70 |
| Other Financial Liabilities | 19A | **3.61** | 6.49 |
| Provisions | 20A | **44.03** | 44.84 |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | 17B | **2,417.85** | 3,682.84 |
| Trade payables | | | |
| Total outstanding dues of micro and small enterprise | 18 | **0.03** | 0.08 |
| Total outstanding dues of creditors other than micro and small enterprise | | **998.28** | 665.52 |
| Other Financial Liabilities | 19B | **209.65** | 200.19 |
| Other current liabilities | 21 | **772.22** | 706.26 |
| Provisions | 20B | **926.97** | 52.77 |
| Current Tax Liabilities (net) | 22 | **1.48** | 1.09 |
| **Total Equity and Liabilities** | | **5,473.86** | **6,410.25** |

See accompanying notes to Financial Statements 1 to 55

As per our report of even date attached

**For and on behalf of Board of Directors**

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**(CA. R C Gupta)**
Partner
M. No. 095584

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F)& CFO
DIN: 08751137

Date: 27.10.2021
Place: New Delhi

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

* Valuation of MMTC"s immovable properties has been carried out and as per latest valuation report fair value as on 31.3.2021 is ₹ 1642 crore, as against the previous valuation of ₹ 1389 crore in May 2019.

| MMTC LIMITED | | | |
|---|---|---|---|
| **Consolidated Statement of Profit and Loss for the year ended March 31, 2021** | | | |
| | | | **(₹ in Crores)** |
| **Particulars** | **Note No** | **Year Ended March 31, 2021** | **Year Ended March 31, 2020** |
| **Income** | | | |
| Revenue From Operations | 23 | **30,001.47** | 26,304.71 |
| Other Income | 24 | **17.67** | 36.25 |
| **Total Income (I)** | | **30,019.14** | **26,340.96** |
| **Expenses** | | | |
| Cost of Material Consumed | 25 | **75.51** | 177.46 |
| Purchase of Stock in Trade | 26 | **28,348.17** | 25,060.51 |
| Changes in Inventories of Finished Goods, Stock in Trade and Work in Progress | 27 | **161.82** | 44.09 |
| Employees' Benefits Expenses | 28 | **140.21** | 199.32 |
| Finance Costs | 29 | **202.09** | 142.19 |
| Depreciation, Impairment & Amortization Expenses | 30 | **5.69** | 6.50 |
| Other Expenses | 31 | **1,321.61** | 886.14 |
| **Total expenses (II)** | | **30,255.10** | **26,516.21** |
| **Profit/(Loss) before Exceptional Items and Tax (I-II)** | | **(235.96)** | (175.25) |
| Exceptional Items - Expense/(Income) | 32 | **877.18** | 44.32 |
| **Profit Before Tax and Share of Equity Accounted Investees** | | **(1,113.14)** | **(219.57)** |
| Share of Profit/(Loss) of Joint Ventures Accounted for Using the Equity Method (Net of Income Tax) | | **0.79** | (71.27) |
| **Profit / (Loss) before tax** | | **(1,112.35)** | **(290.84)** |
| **Tax Expenses** | 33 | | |
| i) Current Tax | | **1.46** | 1.03 |
| ii) Adjustment relating to prior periods | | **0.07** | (0.12) |
| iii) Deferred tax | | **(324.60)** | - |
| **Total Tax Expense** | | **(323.07)** | **0.91** |
| **Profit / (Loss) for the year (A)** | | **(789.28)** | (291.75) |
| Profit / (Loss) for the Year Attributable to : | | | |
| Owners of the parent | | **(789.28)** | (291.75) |
| Non-controlling interest | | **-** | - |
| **Profit / (Loss) for the year** | | **(789.28)** | **(291.75)** |
| **Other Comprehensive Income / (Loss)** | | | |
| Items that will not be reclassified to Profit or Loss: | | | |
| - Remeasurements of the Defined Benefit Plans | | **6.93** | (11.26) |
| - Equity Instruments through Other Comprehensive Income | | **1.07** | (9.38) |
| - Income Tax effect | | **-** | - |
| - Share of Other Comprehensive Income in Joint Ventures (net of tax) | | **0.34** | (0.06) |
| Items that will be reclassified to Profit or Loss: | | **-** | |
| - Exchange Differences in Translating the Financial Statements of Foreign Operation | | **(2.79)** | 8.28 |
| **Other Comprehensive Income / (Loss) net of tax (B)** | | **5.55** | (12.42) |
| **Total Comprehensive Income / (Loss) for the year (A+B)** | | **(783.73)** | (304.17) |
| **Total Comprehensive Income / (Loss) Attributable to :** | | **(783.73)** | **(304.17)** |
| Owners of the parent | | **-** | **-** |
| Non-controlling interest | | | |
| **Total Comprehensive Income / (Loss) for the year** | | **(783.73)** | **(304.17)** |
| **Earnings per equity share :** | | | |
| Basic & Diluted | **46** | **(5.26)** | **(1.95)** |

See accompanying notes to Financial Statements 1 to 55

As per our report of even date attached

**For and on behalf of Board of Directors**

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**(CA. R C Gupta)**
Partner
M. No. 095584

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F)& CFO
DIN: 08751137

Date: 27.10.2021
Place: New Delhi

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

**MTC LIMITED**

**Cash Flow Statement For The Y ear Ended March 31, 2021**

(₹ in Crores)

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **Net Profit before tax** | | **(1,112.35)** | | **(290.84)** |
| **Adjustment for:-** | | | | |
| Loss on valuation of inventories | **1.59** | | 7.49 | |
| Depreciation & amortisation expense | **5.69** | | 6.50 | |
| Net Foreign Exchange (gain)/loss | **(11.89)** | | (5.80) | |
| (Profit) /Loss on sale of PPE & Right to Use Assets | **(1.37)** | | (0.06) | |
| Provision for dimunition in value of non current investment | **-** | | 33.80 | |
| Interest income | **(8.31)** | | (14.61) | |
| Dividend income | **(0.07)** | | (12.41) | |
| Finance Costs | **201.60** | | 141.87 | |
| Interest Expense on Lease | **0.49** | | 0.32 | |
| Debts/claims written off | **5.80** | | 0.34 | |
| CSR expenditure | **0.89** | | 1.43 | |
| Allowance for Bad & Doubtful Debts / claims/ advances | **1.06** | | 0.49 | |
| Provision no longer Required | **(0.29)** | | (3.83) | |
| Liabilities Written Back | **(4.38)** | | (4.91) | |
| Provision for DWA risk | **0.08** | | 0.04 | |
| Share of (profit)/ loss of joint ventures accounted for using the equity method (net of income tax) | **(0.79)** | | 71.27 | |
| | | **190.10** | | **221.93** |
| **Operating Profit before Working Capital Changes** | | **(922.25)** | | **(68.91)** |
| Adjustment for:- | | | | |
| Inventories | **170.47** | | 54.71 | |
| Trade Receivables | **1,210.48** | | (1,617.30) | |
| Loans & Other Financial Assets | **10.50** | | (8.34) | |
| Other current & non current assets | **(70.01)** | | (484.74) | |
| Trade payables | **344.81** | | (461.89) | |
| Other Financial Liabilities | **6.58** | | 26.06 | |
| Other current & non current liabilities | **65.96** | | 145.55 | |
| Provisions | **879.34** | **2,618.13** | (154.01) | (2,499.96 |
| Taxes Paid | | **1,695.88** | | (2,568.87) |
| **Net cash flows from operating activities** | | **7.66** | | **(19.44)** |
| **B.CASH FLOW FROM INVESTING ACTIVITIES** | | **1,703.54** | | **(2,588.31)** |
| Purchase of fixed assets | **(0.42)** | | (6.41) | |
| Sale of fixed Assets | **2.61** | | 0.69 | |
| Sale/(Purchase) of Investments | **0.02** | | (79.42) | |
| Interest received | **8.31** | | 14.61 | |
| Dividend Received | **0.07** | **10.59** | 12.41 | (58.12) |
| **Net cash flows from investing activities** | | **10.59** | | **(58.12)** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Borrowings | **(1,431.69)** | | 2,888.05 | |
| Finance Costs | **(201.60)** | | (141.87) | |
| Lease (Interest) | **(0.49)** | | (3.41) | |
| Dividend (inclusive of dividend distribution tax) paid | **-** | **(1,633.78)** | (54.25) | 2,688.52 |
| **Net Cash From Financing Activities** | | **(1,633.78)** | | **2,688.52** |
| **D.** Net changes in Cash & Cash equivalents | | **80.35** | | 42.09 |
| **E. Opening Cash & Cash Equivalents (Note No 13)** | | **74.65** | | **32.56** |
| **F. Closing Cash & Cash Equivalents (Note No 13)** | | **155.00** | | **74.65** |

Note:
1. The above cash flow statement has been prepared under the "indirect method" as set out in Ind AS 7 on Statement of Cash Flows.
2. Cash and Cash Equivalents consist of :-

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with Banks | | |
| (a) in Current Account | **62.93** | 59.79 |
| (b) In term deposit with original maturity upto 3 months | **57.92** | - |
| (c) Debit balance in Cash Credit Account | **33.99** | 14.82 |
| Cheques/Drafts/Stamps on hand | **-** | - |
| Cash on hand | **0.16** | 0.04 |
| **Total** | **155.00** | **74.65** |

As per our report of even date attached

**For and on behalf of Board of Directors**

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**(CA. R C Gupta)**
Partner
M. No. 095584

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F)& CFO
DIN: 08751137

Date: 27.10.2021
Place: New Delhi

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

**MMTC Limited**

**Consolidated Statement of Changes in Equity for the period ended 31.03.2021**

**A. Equity Share Capital**

(₹ in Crores)

| Particulars | No of Shares | Amount |
|---|---|---|
| Balance as at 1.4.2020 | 1,500,000,000 | 150 |
| Changes in Equity Share Capital during the year | - | - |
| **Balance as at 31.3.2021** | **1,500,000,000** | **150** |

(₹ in Crores)

| Particulars | No of Shares | Amount |
|---|---|---|
| Balance as at 1.4.2020 | 1,500,000,000 | 150 |
| Changes in Equity Share Capital during the year | - | - |
| **Balance as at 31.3.2021** | **1,500,000,000** | **150** |

(₹ in Crores)

| | Equity Components of compound financial instruments | Reserves and Surplus | | | | Items of Other Comprehensive Income | | | Attributable to the owners of the parent | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Bond Redemption Reserve | Research & Development Reserve | General Reserve | Retained Earnings | Equity instruments through OCI | Exchange differences on translating the financial statements of a foreign operation | Other items of OCI | | |
| Balance as at 1.4.2020 | 1.13 | 8.30 | - | 598.89 | 132.08 | (10.00) | 16.93 | (13.86) | 733.47 | 733.47 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (789.28) | 1.07 | (2.79) | 7.27 | (783.73) | (783.73) |
| Dividend and DDT | - | - | - | - | - | - | - | - | - | - |
| Unamortized premium on forward contract | - | - | - | - | - | - | - | - | - | - |
| Items recognized directly in retain earnings | - | - | - | - | - | - | - | - | - | - |
| Re-measurements of defined benefit plans | - | - | - | - | - | - | - | - | - | - |
| Any other changes | - | - | - | - | - | - | - | - | - | - |
| **Balance as at 31.3.2021** | **1.13** | **8.30** | **-** | **598.89** | **(657.20)** | **(8.93)** | **14.14** | **(6.59)** | **(50.26)** | **(50.26)** |

(₹ in Crores)

| | Equity Components of compound financial instruments | Reserves and Surplus | | | | Items of Other Comprehensive Income | | | Attributable to the owners of the parent | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Bond Redemption Reserve | Research & Development Reserve | General Reserve | Retained Earnings | Equity instruments through OCI | Exchange differences on translating the financial statements of a foreign operation | Other items of OCI | | |
| Balance as at 1.4.2019 | 1.13 | 8.30 | 0.35 | 588.54 | 505.69 | (0.62) | 8.85 | (2.54) | 1,109.70 | 1,109.70 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | (291.75) | (9.38) | 8.28 | (11.32) | (304.17) | (304.17) |
| Dividend and DDT | - | - | - | - | (54.25) | - | - | - | (54.25) | (54.25) |
| Unamortized premium on forward contract | - | - | - | - | - | - | - | - | - | - |
| Items recognized directly in retain earnings | - | - | - | - | (2.89) | - | (0.20) | - | (3.09) | (3.09) |
| Re-measurements of defined benefit plans | - | - | - | - | - | - | - | - | - | - |
| Any other changes | - | - | (0.35) | 10.35 | (24.72) | - | - | - | (14.72) | (14.72) |
| **Balance as at 31.3.2020** | **1.13** | **8.30** | **-** | **598.89** | **132.08** | **(10.00)** | **16.93** | **(13.86)** | **733.47** | **733.47** |

**Dividend not recongised at the end of reporting period** **(₹ in Crores)**

| | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Dividend proposed | - | - |
| Dividend distribution tax on proposed dividend | - | - |

As per our report of even date attached

**For and on behalf of Board of Directors**

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

**(CA. R C Gupta)**
Partner
M. No. 095584

**(G. Anandanarayanan)**
Company Secretary
ACS-13691

**(B.N. Dash)**
Chief General Manager(F&A)

**(Kapil Kumar Gupta)**
Director (F)& CFO
DIN: 08751137

Date: 27.10.2021
Place: New Delhi

**(J Ravi Shanker)**
Director
DIN: 06961483

**(Sanjay Chadha)**
Chairman and Managing Director (Addl. Charge)
DIN: 00752363

**MMTC LIMITED**

**Notes to the Financial Statements for the year ended March 31, 2021**

## 1. General Information

Established in 1963 and domiciled in India, the Company is 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 6 Regional Offices at various places in India and a wholly owned subsidiary MMTC Transnational Pte Ltd, at 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 a) Statement of Compliance and basis of preparation of Financial Statements

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto. Accounting policies have been applied consistently to all periods presented in these financial statements. The Financial Statements are prepared under historical cost convention on going concern basis from the books of accounts maintained under accrual basis except for certain financial instruments which are measured at fair value and in accordance with the Indian Accounting Standards prescribed under the Companies Act, 2013

### b) Basis of Consolidation

MMTC Limited together with its subsidiaries, associates & joint ventures is hereinafter referred to as 'the Group'. The Company consolidates entities which it owns or controls as per the provisions of Ind AS-110. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates & joint ventures. The financial statements of the Group companies are consolidated on a line-by-line basis and intra-group balances and transactions, including unrealized gain / loss from such transactions, are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in use at the Group. Non-controlling interests which represent part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the group , are excluded.

Associates are entities over which the Group has significant influence but not control. Joint Ventures are entities in which the group has joint control and has rights to the net assets of the entity. Investments in associates and joint ventures are accounted for using the equity method of accounting as per the provisions of Ind AS-28. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

### 2.2 Functional & presentation currency

These financial statements are presented in Indian rupees, the national currency of India, which is the functional currency of the Company. All amounts included in the financial statements are reported in crores of Indian rupees (upto two decimal) except number of equity shares and per share data and when otherwise indicated.

### 2.3 Use of estimates and judgment

The preparation of financial statements requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised

### 2.4 Revenue Recognition

i) Trading Income

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognized when the company satisfies a performance obligation by transferring the promised goods or services to a customer and the customer obtains control of the same and it is probable that the company will collect the consideration to which it is entitled in exchange for the goods or services that is transferred to the customer.

**Purchases and Sales**

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

b. Products are also traded through the commodity exchanges. Purchase/ Sale is booked in respect of trade done through different commodity exchanges and is backed by physical delivery of goods.

c. Gold/Silver kept under deposit: As per the arrangements with the Suppliers of Gold/Silver, the metal is kept by the supplier with the company on unfixed price basis for subsequent withdrawal on loan or outright purchase basis.

   (i) Purchases include gold/silver withdrawn from consignment deposit of the supplier on outright purchase basis for sale to exporters, as per the scheme of Foreign Trade Policy being operated by the Company as a nominated agency.

   (ii) Purchase of Gold/Silver during the year for domestic sale is accounted for on withdrawal from the Gold/ Silver consignment deposit of the supplier 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 accounted for as prepaid expenses.

   (iii) Gold/silver withdrawn on loan basis from the Gold/Silver under deposit, are booked as loan given to customers and grouped under financial assets. The corresponding liability towards the stocks received from foreign suppliers is grouped under Trade Payable. Loan/Trade Payable are adjusted when purchases and sales are booked.

d. In respect of Gold/Silver sourced domestically where price fixation is deferred, purchase is initially accounted for on the basis of invoice received from the supplier. The difference, if any, arising on price fixation is accounted for through debit / credit note.

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

f. High Sea Sales

   Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods, upon which buyer obtains control over the goods and the company becomes entitle to receive sales consideration, in favour of buyer before the goods cross the custom frontiers of India.

ii) Other Operating Revenue

   The income relating to the core activities of the company which are not included in revenue from sales / services for e.g. dispatch earned, subsidy, claims against losses on trade transactions, interest on credit sales and trade related advances (other than on overdue) etc., which are derived based on the terms of related trade agreements with business associates or schemes on related trade, are accounted for under 'Other Operating Revenue'.

iii) Claims

   Claims are recognized in the Statement of Profit & Loss (Net of any payable) on accrual basis including receivables from Govt. towards subsidy, cash incentives, reimbursement of losses etc, when its ultimate realisation is probable. Claims recognized but subsequently becoming doubtful are provided for through Statement of Profit and Loss. Insurance claims are accounted upon being accepted by the insurance company. Claims towards shortages/ damages including liquidated damages/ deficiencies in quality/quantity etc are accounted for in accordance with the provisions of relevant contracts. In case there is no such provisions in the existing contract, the claim is accounted for on receipt of acceptance by the party besides collectability of the claim amount being probable. On recognition of such claims the same will be realised/set off against advance received/claims payable etc. to the same party.

iv) Service Income

   Revenue from services is booked, when performance obligation is satisfied by transferring the promised services to the customers, for the consideration to which the company is entitled.

v) Dividend and interest income

Dividend income from investments is recognized when the Company's right to receive payment is established and it is probable that the economic benefits associated with the transactions will flow to the Company and the amount of income can be measured reliably.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

vi) Revenue Recognition on Actual Realization

Revenue is recognized on accrual basis except in the following items which are accounted for on actual realization since realisability of such items is uncertain, in accordance with the provisions of Ind AS- 115:-

a) Duty credit / exemption under various promotional schemes of Foreign Trade Policy in force, Tax credit, refund of custom duty on account of survey shortage, and refund of income-tax/service tax / sales-tax /VAT/GST and interest thereon etc.

b) Decrees pending for execution/contested dues and interest thereon, if any:

c) Interest on overdue recoverable where realisability is uncertain.

d) Liquidated damages on suppliers/underwriters.

**2.5 Property, Plant and Equipments**

The cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of an item of PPE is the cash price equivalent at the recognition date. The cost of an item of PPE comprises:

i) Purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

ii) Costs directly attributable to bringing the PPE to the location and condition necessary for it to be capable of operating in the manner intended by management.

iii) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the company incurs either when the PPE is acquired or as a consequence of having used the PPE during a particular period for purposes other than to produce inventories during that period.

The company has chosen the cost model of recognition and this model is applied to an entire class of PPE. After recognition as an asset, an item of PPE is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Certain items of small value like calculators, wall clock, kitchen utensils etc. whose useful life is very limited andthe costof such item isupto Rs.2000/- in each case, are directly charged to revenue in the year of purchase. Cost of mobile handsets is also charged to revenue irrespective of cost.

**2.6 Intangible Assets**

Identifiable intangible assets are recognized when the company controls the asset; it is probable that future economic benefits expected with the respective assets will flow to the company for more than one economic period; and the cost of the asset can be measured reliably. At initial recognition, intangible assets are recognized at cost. Intangible assets are amortized on straight line basis over estimated useful lives from the date on which they are available for use. Softwares are amortized over its useful life subject to a maximum period of 5 years or over the license period as applicable. Intangible assets upto Rs.2,000/- in each case are directly charged to revenue.

No intangible assets arising from research is recognised and expense on research directly charged to profit and loss account when it is incurred. An intangible assets arising from development is recognised, if the asset fulfils the criteria for recognition as per Ind AS. Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

**2.7 Non-Current Assets Held for Sale**

The company classifies a non-current asset (or disposal group of assets) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The non-current asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and the fair value less costs to sell.

## 2.8 Depreciation

Depreciation is provided on straight line method as per the useful lives approved by the Board of Directors, which are equal to those provided under schedule II of the Companies Act, 2013. The useful life of an asset is reviewed at each financial year-end. Each part of an item of PPE with a cost that is significant in relation to the total cost of the asset and if the useful life of that part is different from remaining part of the asset; such significant part is depreciated separately. Depreciation on all such items have been provided from the date they are 'Available for Use' till the date of sale / disposal and includes amortization of intangible assets and lease hold assets. Freehold land is not depreciated. An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The residual value of all the assets is taken as Re 1/-. The useful lives of the assets are taken as under:-

| **Name of Assets** | **Useful life as adopted by the company as per Schedule II** |
|---|---|
| **A. General Assets** | |
| Furniture & Fittings | 10 |
| Office Equipment | 5 |
| Vehicles – Scooter | 10 |
| Vehicles – Car | 8 |
| Computers - Servers and networks | 6 |
| Computers – End User Devices | 3 |
| Lease-hold Land | As per Lease Agreement |
| Wagon Rakes | As per Agreement / Wagon Investment Scheme |
| Electrical installations excluding fans | 10 |
| Water Supply, Sewerage and Drainage | 5 |
| Roads | |
| Carpeted Roads – RCC | 10 |
| Carpeted Roads - Other than RCC | 5 |
| Non Carpeted Roads | 3 |
| Culverts | 30 |
| Buildings | |
| RCC | 60 |
| Other than RCC | 30 |
| Residential Flats (Ready Built) | |
| RCC | 60 |
| Other than RCC | 30 |
| Temporary Structure & wooden partition | 3 |
| Warehouse / Godown | 30 |
| **B. Manufacturing Unit's Assets** | |
| Factory Buildings | 30 |
| Electronic installations excluding fans | 10 |
| Water Supply, Sewerage and Drainage | 5 |
| Plant and Machinery | |
| Single Shift | 15 |
| Double Shift | 10 |
| Triple Shift | 7.5 |
| Plant and Machinery- Wind Energy Generation Plant | 22 |

| | |
|---|---|
| **C. Fixed Assets created on Land and neither the Fixed Assets nor the Land belongs to the Company** | 5 |
| **D. Amortization of Intangible Assets** | |
| Softwares | 5 years or License period as applicable |

**2.9 Impairment**

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalue amount, in which case the impairment loss is treated as a revaluation decrease.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

At the end of each reporting period, the company reviews the carrying amounts of its tangible, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

*Impairment of financial assets*

Financial assets, other than those at Fair Value through Profit and Loss (FVTPL), are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For Available for Sale (AFS) equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty;
- Breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or financial re-organisation; or the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on individual basis. Objective evidence of impairment for a portfolio of receivables could include company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of zero days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at cost, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables; such impairment loss is reduced through the use of an allowance account for respective financial asset. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognized.

*De-recognition of financial assets*

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

**2.10 Borrowing Costs**

The Company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset as a part of the cost of the asset.

The Company recognises other borrowing costs as an expense in the period in which it incurs them.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

**2.11 Foreign currency translation**

Transactions in currencies other than the functional currency are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign currency monetary items (except overdue recoverable where realisability is uncertain) are converted using the closing rate as defined in the Ind AS-21. Non-monetary items are reported using the exchange rate at the date of the transaction. The exchange difference gain/loss is recognized in the Statement of Profit and Loss.

Liability in foreign currency relating to acquisition of fixed assets is converted using the closing rate. The difference in exchange is recognized in the Statement of Profit and Loss.

**2.12 Inventory**

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The method of determination of cost and valuation is as under:

a) Exports:

(i) Cost of export stocks is arrived at after including direct expenses incurred up to 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 up to the point at which they are lying is considered. However, 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.

(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 up to the point at which they are lying is considered. Costs include wastage and other direct manufacturing costs.

d) Packing material

Packing material is valued at lower of the cost or net realisable value.

e) Stocks with fabricators

Stocks with fabricators are taken as the stocks of the company, till adjustments.

**2.13 Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**2.14 Contingent Liabilities / Assets**

*Contingent Liabilities*

Contingent liabilities are not recognized but disclosed in Notes to the Accounts when the company has possible obligation due to past events and existence of the obligation depends upon occurrence or non-occurrence of future events not wholly within the control of the company.

Contingent liabilities are assessed continuously to determine whether outflow of economic resources have become probable. If the outflow becomes probable then relative provision is recognized in the financial statements.

Where an entity is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made

Contingent Liabilities are disclosed in the General Notes forming part of the accounts

*Contingent Assets*

Contingent Assets are not recognised in the financial statements. Such contingent assets are assessed continuously and are disclosed in Notes when the inflow of economic benefits becomes probable. If it’s virtually certain that inflow of economic benefits will arise then such assets and the relative income will be recognised in the financial statements.

**2.15 Leases**

An asset held under lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

An asset held under lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

The company normally enters into operating leases which are accounted for as under:-

(i) Rental income from operating leases is recognized either on a straight-line basis or another systematic basis over the term of the relevant lease.

(ii) Where the company is lessee, at commencement date right to use of assets are recognized at cost and the present value of lease payments that are not paid recognized as lease liability. Subsequently, right of use assets measured by using cost model with any adjustment required for re-measurement of lease liability and lease liability is measured by increasing the carrying amount to reflect the interest on lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any re-assessment or lease modifications.

(iii) As a practical expedient , short term leases and leases for which the underlying assets is of low value upto Rs.1,00,000/- per month or Rs.12,00,000/-per year are not recognized as per the provisions given under Ind AS-116 (Leases) and are recognized as an expense on a straight line basis over the lease term.

**2.16 Employee benefits**

i. Provision for gratuity, leave compensation and long service benefits i.e. service award, compassionate gratuity, employees' family benefit scheme and special benefit to MICA division employees is made on the basis of actuarial valuation using the projected unit credit method. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to Statement of Profit or Lossand any change due to plan amendment, curtailment and settlement is considered for determining the current service cost, net interest, past service cost or gain/loss for settlement etc.

ii. Provision for post-retirement medical benefit is made on defined contribution basis.

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

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

v. Superannuation Pension Benefit, a defined contribution scheme is administered by Life Insurance Corporation of India (LIC). The Company makes contributions based on a specified percentage of each eligible employee's salary.

Short-term employee benefit obligations

Short-term employee benefit obligations are measured on an undiscounted basis and are recorded as expense as the related service is provided. A liability is recognized for the amount expected to be paid under PRP Scheme, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**2.17 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

*Deferred tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

*Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

*Dividend Distribution Tax*

Company is recognising the dividend distribution tax payable on payment of dividend under other equity since the dividend payable consequent upon approval of shareholders in Annual General Meeting is also presented under other equity.

*Uncertainty over income tax treatments*

Company while determining taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12 company is considering the probability of accepting the same treatment by income tax authorities and any change due to this adjusted retrospectively with cumulative effect by adjusting equity on initial application without adjusting comparatives.

**2.18 Investment Property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. All of the Company's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties. After initial recognition, the company measures investment property at cost.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Investment properties are depreciated in accordance to the class of asset that it belongs and the life of the asset is as conceived for the same class of asset at the Company.

**2.19 Earnings per share**

A basic earnings per equity is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any shares splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**2.20 Discontinued operations**

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed off or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

**2.21 Financial instruments**

i) Non-derivative financial instruments

Non-derivative financial instruments consist of:

- financial assets, which include cash and cash equivalents, trade receivables, unbilled revenues, finance lease receivables, employee and other advances, investments in equity and debt securities and eligible current and non-current assets;
- Financial liabilities, which include long and short-term loans and borrowings, bank overdrafts, trade payables, eligible current and non-current liabilities.

Financial assets and financial liabilities are offsetted and the net amount is presented in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

a) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and are considered part of the Company's cash management system. In the statement of financial position, bank overdrafts are presented under borrowings within current liabilities.

b) Investments in liquid mutual funds, equity securities (other than Subsidiaries, Joint Venture and Associates) are valued at their fair value. These investments are measured at fair value and changes therein, other than impairment losses, are recognized in other comprehensive income and presented within equity, net of taxes. The impairment losses, if any, are reclassified from equity into statement of income. When an available for sale financial asset is derecognized, the related cumulative gain or loss recognised in equity is transferred to the statement of income.

c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade receivables, unbilled revenues and other assets.

The company estimates the un-collectability of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

d) Trade and other payables

Trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method. For these financial instruments, the carrying amounts approximate fair value due to the short term maturity of these instruments.

e) Investments in Subsidiary, Associates and Joint Venture

The company accounts investment in subsidiary, joint ventures and associates at cost

An entity controlled by the company is considered as a subsidiary of the company.

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

Investments where the company has significant influence are classified as associates. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement is classified as a joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

ii) Derivative financial instruments

The Company is exposed to foreign currency fluctuations on foreign currency assets, liabilities, net investment in foreign operations and forecasted cash flows denominated in foreign currency.

The Company limits the effect of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into derivative financial instruments where the counterparty is primarily a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of income as cost.

Subsequent to initial recognition, derivative financial instruments are measured as described below:

a) Cash flow hedges

In respect of firm commitments and forecast transactions changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and held in cash flow hedging reserve, net of taxes, a component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss and reported within foreign exchange gains/ (losses), net within results from operating activities. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, such cumulative balance is immediately recognized in the statement of profit and loss.

b) Others

Changes in fair value of foreign currency derivative instruments neither designated as cash flow hedges nor hedges of net investment in foreign operations are recognized in the statement of income and reported within foreign exchange gains/ (losses), net within results from operating activities.

Changes in fair value and gains/ (losses) on settlement of foreign currency derivative instruments relating to borrowings, which have not been designated as hedges are recorded in finance expenses.

**2.22 Segment Information**

The Chairman and Managing Director (CMD) of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS-108, "Operating Segments." The CMD of the Company evaluates the segments based on their revenue growth and operating income.

The Company has identified its Operating Segments as Minerals, Precious Metals, Metals, Agro Products, Coal & Hydrocarbon, Fertilizer and General Trade/others.

The Assets and liabilities used in the Company's business that are not identified to any of the operating segments are shown as unallocable assets/liabilities. Management believes that it is currently not practicable to provide segment disclosures relating to total assets and liabilities since the assets are used interchangeably and hence a meaningful segregation of the available data is onerous.

**2.23 Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts. Taking into account the nature of activities of the company, prior period errors are considered material if the items of income / expenditure collectively (net) exceed 0.5% of sales turnover of the company.

## Notes to Consolidated Financial Statements for the year ended March 31, 2021

### 3. Property, Plant and Equipment

(₹ in crore)

| Particulars | Gross carrying value as at April 1, 2020 | Additions | Disposal/ adjustments | Gross carrying value as at March 31, 2021 | Accumulated depreciation as at April 1, 2020 | Additions | Disposal/ adjustments | Accumulated depreciation as at March 31, 2021 | Net Carrying Value as at March 31, 2021 | Net Carrying Value as at March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Land freehold | | | | | | | | | | |
| - Office building | 0.37 | - | - | 0.37 | - | - | - | - | 0.37 | 0.37 |
| - Staff Quarters | 0.13 | - | - | 0.13 | - | - | - | - | 0.13 | 0.13 |
| Land leasehold | - | - | - | | - | - | - | | | |
| - Office building | 1.07 | - | - | 1.07 | 0.09 | 0.02 | - | 0.11 | 0.96 | 0.98 |
| - Staff Quarters | 1.85 | - | - | 1.85 | 0.56 | 0.22 | - | 0.78 | 1.07 | 1.29 |
| Building | - | - | - | | - | - | - | | | |
| - Office Building | 6.68 | - | (0.23) | 6.45 | 0.81 | 0.17 | (0.03) | 0.95 | 5.50 | 5.87 |
| - Staff Quarters/Residential Flats | 1.21 | - | - | 1.21 | 0.18 | 0.04 | - | 0.22 | 0.99 | 1.03 |
| - Water supply, Sewerage & Drainage | 0.06 | - | - | 0.06 | 0.04 | 0.01 | - | 0.05 | 0.01 | 0.02 |
| -Electrical Installations | 3.07 | - | - | 3.07 | 1.90 | 0.06 | - | 1.96 | 1.11 | 1.17 |
| -Roads & Culverts | 0.02 | - | - | 0.02 | 0.02 | - | - | 0.02 | - | - |
| - Audio/Fire/Airconditioning | 0.06 | - | - | 0.06 | 0.05 | - | - | 0.05 | 0.01 | 0.01 |
| Plant & Equipment | 41.11 | - | (0.51) | 40.60 | 15.39 | 2.97 | (0.51) | 17.85 | 22.75 | 25.72 |
| Furniture & Fixtures | - | - | - | | - | - | - | | | |
| - Partitions | 1.27 | - | (0.03) | 1.24 | 0.97 | 0.10 | - | 1.07 | 0.17 | 0.30 |
| - Others | 1.61 | 0.01 | (0.05) | 1.57 | 0.65 | 0.15 | (0.03) | 0.77 | 0.80 | 0.96 |
| Vehicles | 0.50 | - | (0.02) | 0.48 | 0.24 | 0.06 | (0.02) | 0.28 | 0.20 | 0.26 |
| Office Equipments | 1.88 | 0.20 | (0.20) | 1.88 | 1.47 | 0.20 | (0.04) | 1.63 | 0.25 | 0.41 |
| Others:- | - | - | - | | - | - | - | | | |
| - Computer/ Data Processors | 2.47 | 0.03 | (0.11) | 2.39 | 2.04 | 0.20 | (0.10) | 2.14 | 0.25 | 0.43 |
| **Total** | **63.36** | **0.24** | **(1.15)** | **62.45** | **24.41** | **4.20** | **(0.73)** | **27.88** | **34.57** | **38.95** |
| **Last Year** | 63.13 | 0.69 | (0.46) | 63.36 | 20.27 | 4.48 | (0.34) | 24.41 | **38.95** | |
| **Right to Use Assets** | **7.40** | **0.14** | **(1.18)** | **6.36** | **2.26** | **1.04** | **(0.30)** | **3.00** | **3.36** | **5.14** |
| **Last Year** | 1.62 | 5.78 | - | 7.40 | 0.13 | 2.13 | | 2.26 | **5.14** | |
| **Capital Work in Progress** | - | - | - | - | - | - | - | - | - | - |
| **Last Year** | 0.28 | - | (0.28) | - | - | - | - | - | - | - |

a) Leasehold lands, roads and culverts, sewerage, drainage and water supply for staff quarters at Delhi includes those held jointly with STC Limited earlier on 50:50 basis. However, during 2018-19, the company has obtained execution of separate lease deed for 16.16 acre land from DDA towards its share.

b) During the year, the company assessed the impairment loss of assets and accordingly provision towards impairment in the value of PPE amounting to ₹ Nil crores (P.Y. Nil crore) has been made during the year.

c) Valuation of MMTC"s immovable properties has been carried out and as per latest valuation report fair value as on 31.3.2021 is ₹ 1642 crore, as against the previous valuation of ₹ 1389 crore in May 2019 (Refer note 32 (ii))

**4. Investment Property** **(₹ in crore)**

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Gross carrying value as at beginning of the year | **4.88** | 4.66 |
| Additions | **-** | 0.22 |
| Disposal/adjustments | **-** | - |
| **Gross carrying value as at end of the year** | **4.88** | **4.88** |
| Accumulated depreciation as at beginning of the year | **0.84** | 0.67 |
| Additions | **0.16** | 0.16 |
| Disposal/adjustments | **-** | - |
| Accumulated depreciation as at end of the year | **1.01** | 0.83 |
| **Net Carrying Value as at end of the year** | **3.87** | **4.05** |

**Amounts recognised in profit or loss for investment properties**

| Particualrs | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Rentwal income | **1.50** | 1.35 |
| Direct operating expenses from property that generated rental income | **-** | - |
| Direct operating expenses from property that did not generate rental income | **-** | - |
| Profit from investment properties before depreciation | **1.50** | 1.35 |
| Depreciation | **0.08** | 0.08 |
| Profit from investment properties | **1.42** | **1.27** |

**Leasing arrangements**

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows :

| Particulars | 31-Mar-21 | 31-Mar-20 |
|---|---|---|
| Within one year | - | - |
| Later than one year but not later than five year | - | - |
| Later than five year | - | - |
| **Total** | **-** | **-** |

**Estimation of fair value**

The investment properties have been measured following cost model. The fair values of investment properties determined by independent valuer is ₹107.63 crore (P.Y. ₹ 96.48 crore).

**5. Intangible Assets** **(₹ in crore)**

| Particulars | Gross carrying value as at April 1, 2020 | Additions | Disposal / adjustments | Gross carrying value as at March 31, 2021 | Accumulated depreciation as at April 1, 2020 | Additions | Disposal / adjustments | Accumulated depreciation as at March 31, 2021 | Net Carrying Value as at March 31, 2021 | Net Carrying Value as at March 31, 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Computer Softwares | **4.11** | **0.13** | **-** | **4.24** | **3.55** | **0.30** | **-** | **3.85** | **0.39** | **0.56** |
| Last Year | 3.39 | 0.64 | 0.08 | 4.11 | 2.59 | 0.78 | 0.18 | 3.55 | **0.56** | |

## 6. Investments

(₹ in crore)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **NON CURRENT INVESTMENTS** | | | | |
| **A) Investments in Equity Instruments - (Investments accounted for using the equity method - Joint Ventures ) Unquoted** | | | | |
| Free Trade Warehousing Pvt. Ltd. 5000 (P.Y. 5000) fully paid up equity shares of Rs.10 each. | **0.01** | | 0.01 | |
| Add/(Less) : Income/(Loss) from Joint Venture till date | **(0.01)** | **-** | (0.01) | - |
| MMTC Pamp India Pvt. Limited. 17446000 (P.Y. 17446000) fully paid up equity shares of Rs. 10 each. | **17.45** | | 17.45 | |
| Add : Income from Joint Venture till date | **62.42** | **79.87** | 61.28 | 78.73 |
| **Total (A)** | | **79.87** | | **78.73** |
| B) Investments in Equity Instruments - (Others )w | | | | |
| **a) At Fair Value through other comprehensive income** | | | | |
| **Quoted** | | | | |
| Bombay Stock Exchange Limited. 38961 (P.Y. 38961) fully paid up equity shares of Rs.2 each. | **3.00** | | 3.00 | |
| Add /(Less): Fair Value Adjustment through Other Comprehensive Income | **(0.77)** | **2.23** | (1.84) | 1.16 |
| **b) At amortized cost** | | | | |
| **Unquoted** | | | | |
| Indo French Biotech Limited. 4750000 (P.Y. 4750000) fully paid up equity shares of Rs. 10 each. | **4.75** | | 4.75 | |
| Less : Impairment in value of investment | **(4.75)** | **0.00** | (4.75) | 0.00 |
| **Total (B)** | | **2.23** | | **1.16** |

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| Total Non-Current Investments (Gross) | | **25.21** | | 25.21 |
| | **Aggregate Amount** | **Market Value** | **Aggregate Amount** | Market Value |
| Aggregate amount of quoted investments and market value there of | **3.00** | **2.23** | 3.00 | 1.16 |
| Aggregate amount of unquoted investments | **22.21** | **-** | 22.21 | - |
| Aggregate amount of impairment in the value of investments | **4.75** | **-** | 4.75 | - |

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| C) CURRENT INVESTMENTS | - | - | - | - |

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **6 D. NON-CURRENT INVESTMENTS HELD FOR SALE** | | | | |
| **a) Investments in Equity Instruments at amortized cost** | | | | |
| **Joint Ventures** | | | | |
| **Unquoted** | | | | |
| Neelachal Ispat Nigam Limited. 368762744(P.Y. 368762744) fully paid up equity shares of 10 each. | **459.11** | | 459.11 | |
| Add/(Less) : Income/(Loss) from Joint Venture till date | **(459.11)** | - | (459.11) | - |

| | | | | |
|---|---|---|---|---|
| Sical Iron Ore Terminal Limited. 33800000(P.Y. 33800000) fully paid up equity shares of Rs. 10 each. | **-** | | - | |
| Add/(Less) : Income/(Loss) from Joint Venture till date | **-** | - | - | - |
| **Others** | | | | |
| **Fair value through other comprehensive income** | | | | |
| **Unquoted** | | | | |
| Indian Commodity Exchange Limited.32000000(P.Y. 32000000) fully paid up equity shares of Rs. 5 each. | **16.00** | | 16.00 | |
| Add /(Less): Fair Value Adjustment through Other Comprehensive Income | **(8.16)** | **7.84** | (8.16) | 7.84 |
| **Total Investments held for sale** | | **7.84** | | **7.84** |
| **b) PPE HELD FOR SALE** | | **-** | | **0.02** |
| **TOTAL (a)+(b)** | | **7.84** | | **7.86** |

i. All Non-Current Investments in Equity Instruments of Subsidiaries and Joint Ventures are carried at cost less impairment in value of investment, if any. The Investment in Equity Instruments of others are carried at Fair Value.

ii. The Company had invested ₹ 33.80 crore (P.Y ₹ 33.80 crore) towards 26% equity in SICAL Iron Ore Terminal Limited (SIOTL), a Joint Venture for the construction and operation of iron ore terminal at Kamrajar Port. The construction of terminal was completed by November 2010, the same could not be commissioned due to restrictions on mining, transportation and export of iron ore. After due tender process, Kamrajar Port Ltd (KPL) has allowed to SIOTL for necessary modifications to also handle common user coal. MMTC‟s Board of Directors during its 428th meeting held on 14.09.16 approved MMTC‟s exit through open tender mechanism from the JV. Accordingly, bids were invited from interested bidders for sale of MMTC‟s equity. No bids were received in the tender process. However, the lead promoter (i.e. M/s Sical Logistics Ltd) has agreed to buy MMTC‟s equity at the reserve price of ₹ 34.26 crore. Accordingly, the Share Purchase Agreement (SPA) has been signed and in terms of the agreement M/s SICAL Logistics Ltd have deposited ₹ 0.50 crore with MMTC towards performance of the Agreement. As per terms of SPA, M/s SIOTL applied to M/s Kamrajar Port Ltd for NOC/Permission of MMTC‟s exit from the JV. The NOC was received in Oct 2019. However, balance payment has not been received so far. Keeping in view the delay in receipt of share purchase value from M/s SICAL Logistics Ltd and financial distress of M/s Sical Logistics Ltd, a provision has been created for ₹ 33.80 crore towards impairment in value of investment on SIOTL. Accordingly the investment has been shown as "held for sale‟.

Further the company lodge a claim of ₹ 34.26 crore with Corporate Insolvency Resolution Professional appointed by NCLT pursuant to application by parties under Insolvency and Bankruptcy Code 2016.Meanwhile KPL issued notice of intent to terminate to SIOTL on 21.12.2020.The company file a writ petition on 24.06.2021 in Madras High Court against the termination notice issued by KPL.

iii. Government of India has accorded „in principle‟ approval for divestment of 100 % equity of MMTC in NINL. The process of divestment is underway through DIPAM. Accordingly, the investment has been shown as investment "held for sale‟.

iv. Against the initial investment of 5.20 crore equity shares of ₹ 5 each amounting to ₹ 26.00 crore in the Indian Commodity Exchange (ICEX) [representing 26% holding of the Company in ICEX], the Company divested 2 crore equity shares at a premium of 100% during 2015-16. A Right Issue at a 100% premium was brought out by ICEX in February/March 2016 that got fully subscribed. Again during FY 2016-17, ICEX brought out Right Issue at 100% Premium that also got fully subscribed. MMTC did not participate in the above Right Issues. MMTC‟s holding as on 31.03.2020 is 6%.

MMTC valued its equity holding in ICEX at book value of ICEX at ₹ 7.84 crore as at 31.3.2021 (P.Y. ₹ 7.84 crore). The equity shares of ICEX are not listed at any stock exchange in India as on 31.03.2021. MMTC has invited Request for Proposal (RfP) for divestment of 6% equity in ICEX and accordingly the investment has been shown as "held for sale‟ as on 31.3.2021.

SEBI has granted the additional timeline till December 31, 2021 to comply with the shareholding limits as per SECC Regulations, 2018.

v. The company has fully impaired its equity investment of ₹ 2.99 crore in its joint venture- M/s MMTC Gitanjali Limited during the year 2017-18 in view of the recent defaults made by the main promoter, the investigations launched by the investigating agencies against them and considering the fact that JV Company has suspended its business activities. The company has also given notice for exiting from the JV Company. The financial statements have not been received from the JV Company for 2020-21, hence the same is also not considered for the purpose of consolidation.

vi. The company has written off its equity investment of ₹ 0.06 crore in its joint venture-TM Mining Co. Ltd during the year. The JV company is in process of closure and necessary application has been made with MCA.

**7. Trade Receivable** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| (i) Trade Receivables from related parties | | |
| a) Considered Good - Secured | **-** | - |
| b) Considered good - Unsecured | **0.01** | (0.06) |
| c) Which have significant increase in Credit Risk | **-** | - |
| d) Credit impaired | **-** | |
| Less : Allowances for bad and doubtful debts | **-** | - |
| **Sub-Total** | **0.01** | **(0.06)** |
| (ii) Other Trade Receivables | | |
| a) Considered Good - Secured | **538.22** | 303.54 |
| b) Considered good - Unsecured | **295.88** | 1,743.51 |
| c) Which have significant increase in Credit Risk | **-** | - |
| d) Credit impaired | **390.02** | 388.97 |
| Less : Allowances for bad and doubtful debts | **390.02** | 388.97 |
| **Sub-Total** | **834.10** | **2,047.05** |
| **Total** | **834.11** | **2,046.99** |
| **NON-CURRENT (A)** | **-** | **-** |
| **CURRENT (B)** | **834.11** | **2,046.99** |
| **TOTAL** | **834.11** | **2,046.99** |

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 ₹ Nil (P.Y. ₹ Nil).

**Movement in allowances for doubtful debt** **(₹ in crores)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balance at the beginning of the year | **388.97** | 391.20 |
| Additions during the year | **1.05** | 1.33 |
| Reversals/ written off during the year | **-** | (3.56) |
| Utilisations during the year | **-** | - |
| **Balance at the end of the year** | **390.02** | **388.97** |

**8. Loans** **(₹ in crore)**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | CURRENT | NON-CURRENT | CURRENT | NON-CURRENT |
| **Considered good - Secured** | | | | |
| **Security Deposits** | **-** | **0.06** | **-** | **0.01** |
| Loans to Related Parties | **-** | **-** | - | - |
| Loans to Employees | **0.62** | **2.57** | 0.72 | 3.14 |
| Others | **-** | **-** | - | - |
| **Sub- Total** | **0.62** | **2.63** | **0.72** | **3.15** |

| | | | | |
|---|---|---|---|---|
| **Considered good - Unsecured** | | | | |
| Security Deposits | **-** | **1.89** | **-** | **1.87** |
| Loans to Related Parties | **-** | **-** | **-** | **-** |
| Loans to Employees | **0.74** | **0.92** | 1.00 | 1.63 |
| Others | **-** | **-** | - | - |
| **Sub- Total** | **0.74** | **2.81** | **1.00** | **3.50** |
| Which have significant increase in Credit Risk | | | | |
| Security Deposits | **-** | **-** | - | - |
| Loans to Related Parties | **-** | **-** | - | - |
| Loans to Employees | **-** | **-** | - | - |
| Others | **-** | **-** | - | - |
| **Sub- Total** | **-** | **-** | **-** | **-** |
| Credit impaired | | | | |
| Security Deposits | **-** | **0.17** | - | 0.17 |
| Loans to Related Parties | **-** | **-** | - | - |
| Loans to Employees | **-** | **-** | - | - |
| Others | **0.03** | **0.14** | 0.03 | 0.14 |
| Less: Allowance for bad and doubtful loans | **0.03** | **0.31** | 0.03 | 0.31 |
| **Sub- Total** | **-** | **-** | **-** | **-** |
| **Total** | **1.36** | **5.44** | **1.72** | **6.65** |

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 ₹ Nil crore (P.Y. ₹ 0.01 crore).

**9. Other Financial Assets** **(₹ in crore)**

| **Particulars** | **As at March 31, 2021** | | **As at March 31, 2020** | |
|---|---|---|---|---|
| | **CURRENT** | **NON-CURRENT** | **CURRENT** | **NON-CURRENT** |
| Bank Deposits with more than 12 months maturity | **-** | **13.12** | - | 0.03 |
| Balance with bank for Unpaid Dividend | **-** | **0.22** | - | 0.22 |
| Receivable From NSEL (i) | **-** | **208.25** | - | 208.25 |
| Demurrage and Despatch receivable | **5.00** | **6.26** | 5.82 | 6.41 |
| Forward contract receivable | **-** | **-** | - | - |
| Advances to other Companies (ii) | **-** | **33.53** | - | 33.53 |
| Other Advances | **(0.05)** | **8.78** | 1.40 | 8.71 |
| Interest accrued due/not due on: | **-** | **-** | | |
| -Term Deposits | **1.81** | **-** | 2.75 | - |
| -Loans to Employees | **0.55** | **7.10** | 0.71 | 7.69 |
| -Loans to Related Parties | **-** | **-** | - | - |
| -Loans to Others | **0.02** | **2.25** | 0.55 | 15.03 |
| Others | **-** | **9.90** | 4.21 | 11.27 |
| Less: Impairment / Allowances for bad and Doubtful Receivables etc. | **1.13** | **244.10** | 1.13 | 245.01 |
| **Total** | **6.20** | **45.31** | **14.31** | **46.13** |

(i) Represents ₹ 208.25 crore (P.Y. ₹ 208.25 crore) recoverable from various borrowers and National Spot Exchange (NSEL) arising on account of default of payment obligation of NSEL against which full provision has already been made. The Company has filed legal suit in Bombay High Court against NSEL and others and hearings are in progress. CBI also investigated the case. The Hon"ble Supreme Court of India has set aside the order of amalgamation of NSEL with FTIL.

During pendency of SLP, Civil suit & notice of motion filed by MMTC was stayed, which may resume after disposal of above mentioned SLP.

Meanwhile State of Maharashtra has challenged a Judgment dated 22.08.2019 of Bombay HC via SLP (Civil) No.21128-29 of 2019 before the Hon"ble Supreme Court of India. Said order dated 22.08.19 held that NSEL shall not fall within the definition of "Financial Establishment". MMTC has also filed intervention application in the said SLP which is pending adjudication. The matter came for final disposal on 02.02.2021. However, the Hon"ble Court adjourned the matter. Next date of hearing is awaited.

(ii) During the year a provision of ₹ Nil crore (P.Y. ₹ 0.36 crore) has been made against advance for project development to HFTWPL & KFTWPL. Total Provision as on 31.03.2021 is ₹ 16.30 crore (P.Y. ₹ 16.30 crore).

**10. Deferred Tax Assets** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Deferred Tax Liability** | | |
| Property plant and equipment | **(7.83)** | (8.70) |
| **Sub Total** | **(7.83)** | **(8.70)** |
| **Deferred tax Assets** | | |
| Prov. For Doubtful Debts | **233.27** | 233.27 |
| DWA Risk | **0.02** | 0.01 |
| VRS Expenses | **3.03** | 6.26 |
| Carried Forward Tax Losses * | **330.69** | - |
| Prov for Employee Benefit Expense | **(3.74)** | - |
| **Sub Total** | **563.27** | **239.54** |
| **Deferred Tax Assets (Net)** | **555.44** | **230.84** |

Deferred Tax assets have been recognised to the extent of expected utilisation against probable future taxable income of the company.

* The company has made deferred tax assets amounting to ₹ 330.69 crore on losses limited to the probable interest proceeds from F.Y. 2019-20 to 2021-22 to be realised through divestment proceed on NINL.

**Movement in deferred tax balances during the year** **(₹ in crore)**

| Particulars | Balance As at March 31 2020 | Recognised in Profit and Loss | Adjustments | Balance As at March 31 2021 |
|---|---|---|---|---|
| Deferred Tax Liability<br>Property plant and equipment | (8.70) | - | 0.87 | (7.83) |
| **Sub Total** | **(8.70)** | **-** | **0.87** | **(7.83)** |
| **Deferred tax Assets** | | | | |
| Provisions for Bad & Doubtful Debts | 233.27 | - | - | 233.27 |
| Prov. for DWA Risk | 0.01 | 0.01 | - | 0.02 |
| VRS Expenses | 6.26 | - | (3.23) | 3.03 |
| Carried Forward Tax Losses | - | 330.69 | - | 330.69 |
| Prov for Employee Benefit Expense | - | (3.74) | - | (3.74) |
| **Sub Total** | **239.54** | **326.96** | **(3.23)** | **563.27** |
| **Total** | **230.84** | **326.96** | **(2.36)** | **555.44** |

**Recognised Deferred tax assets**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Deductible temporary differences | **555.44** | 230.84 |
| **Total** | **555.44** | **230.84** |

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

### 11. Other Assets

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. Non-Current** | | |
| Advances other than Capital Advances | | |
| - Security Deposits | **0.24** | 0.24 |
| - Advances to other Suppliers | **4.67** | 4.67 |
| - Other Advances | **17.12** | 17.12 |
| Allowances for bad and Doubtful Advance | **(18.02)** | (17.98) |
| Others | | |
| - Income Tax paid recoverable | **20.94** | 20.94 |
| - Others | **0.04** | 0.01 |
| **Total** | **24.99** | **25.00** |
| **B. Current** | | |
| Advances other than Capital Advances | | |
| - Security Deposits | **20.82** | 13.09 |
| - Advances to Related Parties | **1,425.00** | 1,425.00 |
| - Trade Related Advance to Related Parties | **2,103.47** | 1,796.00 |
| - Interest accrued realisability uncertain | **(547.87)** | (252.18) |
| - Advances to other Suppliers | **8.38** | 5.75 |
| - Claim Recoverable Others | **165.44** | 131.34 |
| - Gold/Silver stock towards unbilled purchases | **294.50** | 238.18 |
| - Other Advances | **15.41** | 23.68 |
| Allowances for bad and Doubtful Advance | **(3.36)** | (3.25) |
| Others | | |
| - Income Tax refund due | **11.12** | - |
| - Sales Tax refund due | **13.77** | 13.82 |
| - Excise/Custom duty refund due | **4.68** | 4.64 |
| - Service Tax refund due | **0.40** | 0.46 |
| - Others | **55.18** | 49.63 |
| **Total** | **3,566.94** | **3,446.16** |

### 12. Inventories

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Raw Materials | **5.83** | 11.31 |
| Finished Goods | **22.25** | 43.38 |
| Stock in trade | **13.83** | 155.82 |
| (includes goods in transit valued at ₹ 2.68 crore (P.Y. ₹ 7.69 crore) | | |
| Others | **3.74** | 7.20 |
| **Total** | **45.65** | **217.71** |

a) As taken, valued and certified by the management.

b) Inventories including goods in transit are valued at lower of the cost or realizable value as on 31st March 2021 Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 1.59 crore (P.Y. ₹ 7.49 crore).

c) Stock-in-trade includes the following:

(i) 9036 units(P.Y. 39936 units) Certified Emission Reductions (CERs) valued at ₹1 (P.Y. ₹1) as per Ind AS- 2 "Inventories", being lower of cost or net realizable value.

(ii) Nil units (P.Y. Nil units) number of CERs under certification.

(iii) An amount of ₹4.91 crore (P.Y. ₹5.13 crore) has been spent on account of Depreciation, O&M cost of Emission Reduction equipment.

d) Stock in Trade includes an inventory of ₹ Nil crore (P.Y. ₹ 22.18 crore) valued at cost relating to onion imported under Price Stabilization Scheme of the Government of India to create Buffer Stock of onion. (Refer note 36(e)).

e) MMTC has been supplying imported Coking Coal to NINL pursuant to marketing agreement between MMTC and NINL. A decision was taken by promotors to shut down the plant in March, 2020 and it was also decided by MMTC that no further supply of Coking Coal shall be made to NINL. MMTC had imported 79848 MT of Goonyella Coking Coal in February" 2020. In addition, MMTC was holding stocks of 15853 MT Blackwater Soft Coking Coal at Paradip port which was imported earlier and was not delivered to NINL. MMTC made attempts to dispose off the coal stocks by floating domestic and international tenders many times but due to unsatisfactory response, efforts were made to sell the coal to PSUs viz. RINL/SAIL. SAIL had initially committed to buy this coal but later refused to purchase the same citing unacceptable quality of the coal. Thereafter, the stocks were disposed off through open tenders. The purchase cost of Goonyella Coking Coal i.e. 79848 MTs is ₹111 crore (approx.) excluding GST Cess and the purchase price of Black Water Soft Coking Coal is ₹ 17.23 crores (approx.) excluding GST Cess for a balance quantity of 15853 MT. During the FY 2020-21, 93119.49 MT of Coking Coal has been sold for ₹ 74.16 crore. with a loss of ₹ 37.66 crore.

**13. Cash & Cash Equivalents** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Balances with Banks | | |
| (a) in Current Account | **62.93** | 59.79 |
| (b) In term deposit with original maturity upto 3 months | **57.92** | - |
| (c) Debit balance in Cash Credit Account | **33.99** | 14.82 |
| Cheques/Drafts/Stamps on hand | **-** | - |
| Cash on hand | **0.16** | 0.04 |
| **Total** | **155.00** | **74.65** |

**14. Bank Balances other than above** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| As Margin money/under lien | **88.66** | 140.04 |
| In term deposit with original maturity more than 3 months but less than 12 months | **9.99** | 12.16 |
| **Total** | **98.65** | **152.20** |

**15. Current tax Assets (Net)** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Advance Tax Paid/TDS Recoverable for the FY 2020-21 | **2.64** | |
| Advance Tax Paid/TDS Recoverable for the FY 2019-20 | **-** | 11.44 |
| **Total** | **2.64** | **11.44** |

## 16.A. Equity Share Capital

(₹ in crore)

| Particulars | | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **Authorized** | | | |
| Ordinary shares of par value of Rs. 1/- each | | | |
| | Number | **2,000,000,000** | 2,000,000,000 |
| | Amount | **200.00** | 200.00 |
| **Issued, subscribed and fully paid** | | | |
| Ordinary shares of par value of Rs. 1/- each | | | |
| | Number | **1,500,000,000** | 1,500,000,000 |
| | Amount | **150.00** | 150.00 |

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Equity Shares | **1,500,000,000** | **1,500,000,000** |
| Add: No. of Shares issued/ subscribed during the year | **-** | - |
| Less: Deduction | **-** | - |
| **Closing balance** | **1,500,000,000** | **1,500,000,000** |

No. of Shares in the company held by shareholder holding more than 5 percent

| Name of the Shareholder | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| - President of India | **1,348,903,143** | **1,348,903,143** |

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.

Movements in equity share capital: During the year, the company has neither issued nor bought back any shares.

The Company does not have any holding company.

During 2018-19, the company has allotted 50 crore equity shares in ratio of 1:2 as fully paid bonus shares by capitalization of free reserves amounting to ₹ 50 crore, pursuant to an ordinary resolution passed after taking consent of shareholders through postal ballot. Accordingly,the paid up share capital of the company stands increased to ₹ 150/- croredivided into 150 crore equity share of ₹ 1/-each fully paid.

## B. Other Equity

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| General Reserve | **598.89** | **598.89** |
| Research & Development Reserve | **-** | - |
| Retained Earnings | **(657.20)** | 132.08 |
| Bond Redemption Reserve | **8.30** | 8.30 |
| Other Reserves | **(0.25)** | (5.80) |
| **Total** | **(50.26)** | **733.47** |

### (i) General Reserve

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | **598.89** | 588.54 |
| Transfer from surplus/other reserves | **-** | 10.35 |
| Issue of Bonus Shares | **-** | - |
| **Closing Balance** | **598.89** | **598.89** |

**(ii) Research & Development Reserve** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | - | 0.35 |
| Transfer from surplus | - | - |
| Transfer to General Reserve | - | (0.35) |
| **Closing Balance** | **-** | **-** |

**(iii) Bond Redemption Reserve** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | **8.30** | 8.30 |
| Transfer from surplus | - | - |
| Deduction | - | - |
| **Closing Balance** | **8.30** | **8.30** |

**(iv) Retained Earnings** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Opening Balance | **132.08** | 505.69 |
| Net Profit for the year | **(789.28)** | (291.75) |
| Dividend and Dividend Distribution Tax | - | (54.25) |
| Other Adjustments | - | (17.61) |
| Appropriations:- | | |
| General Reserve | - | (10.00) |
| **Closing Balance** | **(657.20)** | **132.08** |

**(v) Other Reserves** **(₹ in crore)**

| | Equity Components of compound financial instruments | Equity instruments through OCI | Effective Portion of cash flow hedges | Exchange differences on translating the financial statements of a foreign operation | Remeasurements - Post Employee Benefit Plans | Total other reserves |
|---|---|---|---|---|---|---|
| As at April 1 2019 | 1.13 | (0.62) | - | 8.85 | (2.54) | 6.82 |
| Remeasurements of the defined benefit plans | - | - | - | - | (11.32) | (11.32) |
| Other adjustments | | | | | | |
| Equity Instruments through other | - | - | - | - | - | - |
| comprehensive income | - | (9.38) | - | - | - | (9.38) |
| Addtion / (Deduction) | - | - | - | 8.08 | - | 8.08 |
| **As at April 1 2020** | **1.13** | **(10.00)** | **-** | **16.93** | **(13.86)** | **(5.80)** |
| Remeasurements of the defined benefit plans | - | - | - | - | 7.27 | 7.27 |
| Other adjustments | - | - | - | - | - | - |
| Equity Instruments through other comprehensive income | - | 1.07 | - | - | - | 1.07 |
| Addtion / (Deduction) | - | - | - | (2.79) | - | (2.79) |
| **As at March 31, 2021** | **1.13** | **(8.93)** | **-** | **14.14** | **(6.59)** | **(0.25)** |

## 17. Borrowings

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. NON-CURRENT** | | |
| (i) Term Loans | | |
| (a) From Banks | | |
| -Secured | **-** | - |
| -Unsecured | **-** | 166.70 |
| **Total** | **-** | **166.70** |
| **B. CURRENT** | | |
| (i) Loans repayable on Demand (a)From Banks | | |
| -Secured ( against hypothecation of inventories, trade receivables and other current assets present and future) | **239.04** | 581.07 |
| -Unsecured | **2,178.81** | 1,791.77 |
| Other Loans- From National Small Saving Fund (NSSF) | **-** | 1,310.00 |
| **Total** | **2,417.85** | **3,682.84** |

- 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. Interest payable on loan repayable on demand is based on MCLR plus spread of banks.

MMTC has been facing liquidity crisis for long time and also made default in repayment of loans due and monthly interest payment to banks from September 2020 (finance cost of ₹ 198.48 includes accrued interest of ₹ 84.48 crore). As per directives of Board, MMTC requested all lender banks for restructuring of loan in terms of RBI Circular no. RBI/2020-21/16 DOR No.BP/BC/3/21.04.048/2020-21 dated 06.08.2020 for resolution of Covid-19 related stress. The loan resolution plan was approved by all lender banks and was implemented w.e.f. 08.06.2021. Principal amount of loan outstanding as on the date of implementation of resolution plan was ₹ 2272.25 crore. Requisite information and / records were shared with banks and subsequently company and lender banks have signed Master Debt Resolution Agreement (MDRA), Trust and Retention Account Agreement (TRA) and other necessary documents thereto on 08.06.2021.

Post implementation of loan restructuring, MMTC account with all the lender banks to be regular/ standard with all the lender banks. By signing the documents, lenders waived existing event of default and no civil action or proceeding may be invoked under IBC. Under this scheme, the company has got moratorium/ deferment on recovery of interest for credit facilities upto 08.12.2021 for SBI and 31.03.2022 for other banks and for principal upto 31.03.2022 for all banks. The outstanding loan and accrued interest are to be repaid mainly through disinvestment proceeds of Neelachal Ispat Nigam Limited (NINL). It may be affected by cases/ Anglo Coal, Government directives and Covid-19 pandemic situation etc.GOI administrative Dept. i.e Dept. of Commerce has been duly informed.

## 18. Trade Payable

(₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **CURRENT** | | |
| **Trade Payables** | | |
| Total outstanding dues of micro and small enterprise | **0.03** | 0.08 |
| Total outstanding dues of creditors other than micro and small enterprise | **998.17** | 665.50 |
| **Trade Payables to Related Parties** | | |
| Total outstanding dues of micro and small enterprise | **-** | - |
| Total outstanding dues of creditors other than micro and small enterprise | **0.11** | 0.02 |
| **Total** | **998.31** | **665.60** |

**19. Other Financial Liabilities** (₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. NON-CURRENT** | | |
| Lease | **3.61** | 6.49 |
| **Total** | **3.61** | **6.49** |
| **B. CURRENT** | | |
| Payables- other than trade | **14.88** | 9.59 |
| Despatch/ Demurrage payable | **4.23** | 5.18 |
| Amount recovered -pending remittance | **8.72** | 0.59 |
| Interest accrued on borrowings | **2.08** | 13.40 |
| Security Deposit & EMD | **43.57** | 37.98 |
| Unpaid Dividend | **0.22** | 0.22 |
| Claims payable | **47.20** | 45.41 |
| Forward Contract Payable | **0.35** | 0.27 |
| Others | **88.40** | 87.55 |
| **Total** | **209.65** | **200.19** |

**20. Provisions** (₹ in crore)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **A. NON-CURRENT** | | |
| **EMPLOYEE BENEFITS** | | |
| a) Earned Leave | **13.12** | 11.68 |
| b) Compassionate Gratuity | **0.09** | 0.10 |
| c) Post Retirement Medical Benefit | | |
| Retired/retiring on or after 01.01.2007 | **5.22** | 4.25 |
| Retired before 01.01.2007 | **1.32** | 1.46 |
| d) Half Pay Leave | **16.29** | 18.26 |
| e) Service Award | **3.41** | 3.88 |
| f) Employee's Family Benefit Scheme | **3.11** | 3.48 |
| g) Special benefit to MICA employees | **1.47** | 1.73 |
| **Total** | **44.03** | **44.84** |
| **B. CURRENT** | | |
| **EMPLOYEE BENEFITS** | | |
| a) Earned Leave | **2.89** | 2.75 |
| b) Compassionate Gratuity | **0.03** | 0.06 |
| c) Post Retirement Medical Benefit | | |
| Retired/retiring on or after 01.01.2007 | **0.28** | 0.10 |
| Retired before 01.01.2007 | **2.49** | 0.27 |
| d) Half Pay Leave | **4.30** | 3.62 |
| e) Gratuity | **8.41** | 11.12 |
| f) Service Award | **0.94** | 0.97 |
| g) Bonus/performance related pay | **17.84** | 21.48 |
| h) Employee’s Family Benefit Scheme | **0.52** | 0.55 |
| i) Special benefit to MICA employees | **0.38** | 0.43 |
| **Sub Total** | **38.08** | **41.35** |

| | | |
|---|---|---|
| **OTHERS** | | |
| Destinational weight and analysis risk | **0.08** | 0.04 |
| Provision for Litigation Settlements | **888.81** | 11.38 |
| **Sub Total** | **888.89** | **11.42** |
| **Total** | **926.97** | **52.77** |

**21. Other Liabilities** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| Advance Received from Customers | **418.68** | 455.74 |
| Statutory dues Payable | **57.93** | 11.07 |
| Amount payable towards unbilled purchases | **294.50** | 238.18 |
| Others | **1.11** | 1.27 |
| **Total** | **772.22** | **706.26** |

**22. Current tax liabilities (Net)** **(₹ in crore)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Income tax payable for the FY 2019-20 | **1.48** | 1.09 |
| Income tax payable for the FY 2018-19 | **-** | - |
| **Total** | **1.48** | **1.09** |

**23. Revenue From Operations** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Sale of Products | **29,970.20** | 26,216.74 |
| Sale of Services | **2.91** | 4.06 |
| Other Operating Revenue | | |
| - Claims | **25.90** | 89.25 |
| - Subsidy | - | - |
| - Despatch Earned | 11.25 | 4.98 |
| - Other Trade Income | (8.79) | (10.32) |
| **Total** | **30,001.47** | **26,304.71** |

**24. Other Income** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest Income | | |
| - From Fixed Deposits | **5.38** | 5.59 |
| - From Customers on amount overdue | **0.15** | 0.04 |
| - Others | **3.32** | 9.73 |
| Dividend Income | | |
| - From Joint Ventures | - | 12.21 |
| - From Others | 0.07 | 0.20 |

| | | |
|---|---:|---:|
| Other Non Operating Revenue (Net of expenses directly attributable to such income) | | |
| - Staff Quarters Rent | **0.70** | **0.64** |
| - Liabilities Written Back | **4.38** | **4.91** |
| - Foreign Exchange Gain | **-** | **-** |
| -Misc. Receipt | **3.67** | **2.93** |
| **Total** | **17.67** | **36.25** |

**25. Cost of Materials Consumed** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---:|---:|
| Opening stock of Raw Material | **11.31** | 26.97 |
| Add : Transfer from purchases | **70.30** | 161.13 |
| Less : Closing Stock of Raw Material | **6.10** | 10.64 |
| **Cost of Materials Consumed** | **75.51** | **177.46** |
| **Consumables** | **-** | **-** |

**26. Purchase of Stock-in-Trade** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---:|---:|
| **A. Purchases** | | |
| **Precious Metal** | **12,803.89** | 7,524.20 |
| Metals | **323.25** | 894.55 |
| Fertilizers | **9,162.36** | 11,058.11 |
| Minerals | **1,766.86** | 1,693.04 |
| Agro Products | **3,555.34** | 2,336.43 |
| Coal and Hydrocarbons | **709.93** | 1,542.78 |
| General Trade | **26.63** | 10.90 |
| Others | **-** | 0.64 |
| B. Stock Received/(Issued) in kind | **(0.09)** | (0.14) |
| Precious Metals | | |
| **Total** | **28,348.17** | **25,060.51** |

**27. Changes in Inventory** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---:|---:|
| **A. Finished Goods** | | |
| Opening Balance | **43.38** | 30.18 |
| Closing Balance | **22.58** | 46.53 |
| Changes in Inventory of Finished Goods | **20.80** | (16.35) |
| **B. Stock-In-Trade** | | |
| Opening Balance | **155.83** | 222.76 |
| Closing Balance | **14.81** | 162.32 |
| Changes in Inventory of Stock in Trade | **141.02** | 60.44 |
| **Net (Increase) /Decrease** | **161.82** | **44.09** |

**28. Employees' Benefit Expenses** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| a) Salaries and Wages | | |
| Salaries and Allowances | **105.55** | 129.62 |
| Leave encashment | **7.86** | 11.98 |
| Bonus | **0.41** | 0.40 |
| Performance Related Pay | **-** | - |
| Medical Expenses | **6.97** | 13.21 |
| Group Insurance | **0.08** | 0.12 |
| VR Expenses | **-** | 22.87 |
| b) Contribution to Provident Fund & Other Funds | | |
| Providend Fund | **9.14** | 10.13 |
| Gratutity Fund | **4.03** | 3.42 |
| Family Pension Scheme | **0.84** | 1.02 |
| Superannuation Benefit | **4.59** | 5.12 |
| c) Staff Welfare Expenses | **0.74** | 1.43 |
| **Total** | **140.21** | **199.32** |

As per the decision of Committee of Directors MMTC has deferred payment of perks to its serving employee"s w.e.f. Sept 2020. Further restoration of same will be dependent on MMTC"s financial position mainly post NINL divestment and relevant guidelines. Accordingly, no provision has been created during 2020-21.

**29. Finance Cost** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Interest Expenses | **201.60** | 141.87 |
| Interest Expenses on Lease | **0.49** | 0.32 |
| Premium on forward contract | **-** | - |
| **Total** | **202.09** | **142.19** |

**30. Depreciation And Amortization Expenses** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation on PPE | **5.24** | 5.56 |
| Depreciation on Investment Property | **0.16** | 0.16 |
| Amortization of Intangible Assets | **0.29** | 0.78 |
| **Total** | **5.69** | **6.50** |

**31. Other Expenses** (₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **a) Operating Expenses :** | | |
| Freight | **87.32** | 110.30 |
| Demurrage | **0.85** | 25.37 |
| Clearing, Handling, Discount & Other charges | **126.71** | 142.71 |
| L/C negotiation and other charges | **3.77** | 4.99 |
| Difference in foreign exchange | **(7.72)** | (6.60) |
| Customs duty | **1,072.70** | 546.41 |

| | | |
|---|---|---|
| Packing Material | **0.17** | 1.25 |
| Insurance | **-** | 0.08 |
| Godown insurance | **1.37** | 0.87 |
| Plot and Godown rent | **0.66** | 2.86 |
| Provision for destinational weight and analysis risk | **0.08** | 0.04 |
| **Sub Total (a)** | **1,285.91** | **828.28** |
| b) Administrative Expenses : | | |
| Rent | **1.31** | 2.22 |
| Security Expenses | **3.41** | 3.62 |
| Rates and taxes | **1.46** | 2.14 |
| Insurance | **0.20** | 0.25 |
| Repairs to buildings | **4.51** | 5.11 |
| Repairs to machinery | **0.02** | 0.03 |
| Repairs & Maintenance- Computers | **1.89** | 1.63 |
| Repairs & Maintenance - Others | **0.36** | 0.67 |
| Electricity & Water Charges | **2.34** | 3.14 |
| Advertisement & Publicity | **0.10** | 0.90 |
| Printing & Stationery | **0.22** | 0.51 |
| Postage & Courier | **0.04** | 0.17 |
| Telephone | **0.82** | 1.09 |
| Telecommunication | **0.37** | 0.45 |
| Travelling | **0.70** | 1.81 |
| Vehicle | **0.90** | 1.48 |
| Entertainment | **0.12** | 0.52 |
| Legal | **4.07** | 11.43 |
| Auditors' Remuneration | **0.65** | 0.72 |
| Bank Charges | **0.60** | 1.88 |
| Books & Periodicals | **0.01** | 0.05 |
| Trade / Sales Promotion | **0.28** | 0.83 |
| Subscription | **0.21** | 0.62 |
| Training, Seminar & Conference | **0.01** | 0.14 |
| Professional/Consultancy | **1.47** | 2.48 |
| CSR Expenditure | **0.89** | 1.43 |
| Difference in foreign exchange | **(4.17)** | 0.80 |
| Service Tax / GST | **1.93** | 0.82 |
| Exhibition and Fairs | **0.08** | 0.76 |
| Miscellaneous Expenses | **4.04** | 9.33 |
| **Sub Total (b)** | **28.84** | **57.03** |
| **c) Others** | | |
| Allowance for Bad and Doubtful Debts / claims/ advances | **1.06** | 0.49 |
| Bad Debts/Claims/Assets written off/withdrawn | **5.80** | 0.34 |
| **Sub Total (c)** | **6.86** | **0.83** |
| **Total (a+b+c)** | **1,321.61** | **886.14** |

## 32. Exceptional Items

(₹ in crore)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Write-down of inventories to net realisable value and its reversal | **1.59** | 7.49 |
| Disposals of items of fixed assets | **(0.24)** | (0.06) |
| Provision for dimunition in value of non current investment (i) | **-** | 33.80 |
| Profit on surrender of lease assets | **(1.13)** | - |
| Litigation settlements (ii) | **877.25** | 6.92 |
| Provisions no longer required | **(0.29)** | (3.83) |
| **Total** | **877.18** | **44.32** |

(i) Represents provision towards equity investment in SICAL Iron Ore Terminal Ltd.

(ii) Exceptional items includes an amount of claim by a foreign supplier relating to import of coking coal in the year 2008-09 for supply to NINL (a JV company) for an amount of USD 7.872 crore and cost of arbitration USD 0.098 crore along with interest, which was finally decided by Hon"ble Supreme Court vide SC judgement dt.17.12.2020 and restored the arbitration award & Judgement dated 12.5.2014. In the meanwhile MMTC had filed a Review Petition on 16.01.2021 which was listed on 03.02.2021 and SC allowed open court hearing limited to the issue of interest part. The Hon"ble Supreme Court on 29.07.2021 directed to pay pendente lite and future interest at 6% simple interest. Accordingly, MMTC has made a provision of ₹ 877.43 crore (inclusive of claim of ₹ 583.15 crore& interest of ₹ 294.28 crore).

In compliance with the order dated 22.5.2019 passed by the Hon"ble Delhi High Court, the Company deposited the title deeds of immovable properties with the Registrar. After the favourable order, the company had filed application seeking inter alia dismissal of the execution /enforcement petition filed by the claimant but the claimant submitted that they are presently in the process of assailing the decision of the Division Bench to set aside the award, by preferring a Special Leave Petition before the Hon"ble Supreme Court. The Court vide its order dated 15th July, 2020 dismissed the enforcement petition as infructuous and ordered that the title deeds deposited by the company will be retained by the Registrar General of the Delhi High Court for a further period of 12 weeks and will be thereafter released to the company, subject to any orders passed by the Hon"ble Supreme Court in this regard. The title deeds of immovable properties is still with the Registrar of Delhi High Court. The Hon"ble Delhi High court after hearing the execution petition plea of M/s Anglo Coal, has directed vide order dtd.03.03.2021 to deposit ₹ 585.94 crore within two months from the date of the said order. Due to financial crisis the company could not be complied with order. The execution matter is being pursued in Hon"ble Delhi High Court pursuant to attachment of some of the MMTC"s properties /Bank account. As per order dated 28.9.2021, MMTCwas directed to deposit ₹ 1000 crore with the court from surplus of the divestment proceeds of NINL after discharging the dues of Bankers as per Master Debt Agreement dated 8.6.2021. Next date of hearing is as per latest order is 29.11.2021.

Though MMTC has been regularly updating NINL on the progress of legal case pertaining to Anglo Coal and have been repeatedly requesting NINL to provide for in the books of NINL, contingent liability arising out of Anglo Coal dispute, as the procurement was initiated by MMTC for NINL only. MMTC has sent various communications in this regard to NINL. However, NINL had not been made a party in legal proceedings against Anglo Coal by MMTC.

The Agenda Item pertaining to Anglo coal dispute was placed on table vide item no. 10 of 165th meeting of Board of Directors of NINL held on 27.05.2019. Chairman NINL on the Agenda tabled, briefed the Board on the transaction with Anglo Coal and current status of the legal case. Chairman, NINL also explained that MMTC as a sole and exclusive agent for procurement of raw materials on behalf of NINL had taken measures in the interest of NINL. The import of coking coal was meant for NINL only. It was also informed that MMTC has been and will continue to take all possible measures and legal recourse to defend the matter. However, the decision to reflect the liability in NINL was not taken even though it had been reflected against NINL in the Annual reports of MMTC without provisioning.

The nominee Directors of steel and mines, Government of Orissa, IPICOL and OMC expressed that the liability on account of Anglo coal dispute cannot be disclosed in the statement of accounts of NINL, since, the said liability does not accrue to NINL as the latter is not party to the contract. They further advised not to place such items as tabled items.

MMTC has mentioned Anglo Coal as contingent liability on account of NINL in MMTC"s books of account from the FY 2009-10 to 2018-19 which have been audited by C&AG and approved by AGM. No provisioning have been made till 2018-19 in its books of account of MMTC for Anglo coal liability as it has been mentioned in the accounts of 2013-14 to 2018-19 that the liability on this account is to be borne by NINL. Pursuant to Hon"ble Supreme Court order the contingent liability of ₹ 1607 crore approx. appearing in the accounts of MMTC was again taken up by MMTC and was deliberated again in the 175th meeting of Board of Directors of NINL held on 18.02.2021. The decision minuted in NINL Board was *"The Contingent Liability of ₹ 1607 crore approx. appearing in the accounts of MMTC was deliberated and OMC informed that they have already sent a formal communication that these liabilities cannot form a part of liabilities in NINL books of accounts. NMDC also reiterated the observation of OMC in this regards. The stand taken by DIPAM on the issue on the reference of MMTC and Department of Commerce, Ministry of Commerce & Industry was also discussed."*

Again during 176th meeting of Board of Directors of NINL held on 06.03.2021, the contingent liability on account of Anglo Coal appearing in the accounts of MMTC was again raised by nominee Directors of MMTC and OMC informed that that they have already sent formal communication that this liability can"t form a part of liabilities in NINL books of accounts. NMDC also reiterated the observation of OMC.

Post crystallization of this liability, MMTC vide its letter dated 07th September, 2021 lodged a formal claim on NINL seeking to incorporate this firm liability in the Books of Accounts of NINL.

In this regard, vide 180th meeting of Board of Directors of NINL held on 13.09.2021, the claim of MMTC was deliberated. Nominee Directors of MMTC had strongly emphasized that the transaction was done only on behalf of NINL and the liabilities arising therefrom cannot be denied by NINL. However, the Board of NINL decided, by way of majority, that the liability cannot be passed on to NINL. MMTC directors had also informed in the meeting that MMTC shall be seeking an opinion on the subject from a senior Govt. Counsel and shall submit the same along with decision of NINL Board to DoC/DIPAM for resolution.

Further to the above, vide 182nd meeting of Board of NINL held on 24.09.2021, while deliberating on the provisional accounts of NINL for FY 2020-21, the issue pertaining to liability on account of Anglo Coal dispute after crystallization of amount was again raised by nominee directors of MMTC, as the same has the bearing on MMTC"s books of accounts for FY 2020-21, which is under finalization. However, all other Board Members refused to accept said liability in the books of NINL and the provisional accounts of NINL for 2020-21 was passed without incorporating the liability on account of Anglo Coal. The provisional accounts have been submitted to DIPAM by NINL on 28.09.2021.

MMTC had also sought an opinion from Learned AG regarding accrual of the liability of Anglo Coal on NINL. He opined that MMTC claim on NINL that it"s too late in the day for MMTC to initiate legal proceedings against NINL as limitation period has expired.

The company is exploring available legal recourse against Anglo Coal.

**33. Tax Expense** **(₹ in crore)**

| **Particulars** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
|---|---|---|
| **Current year** | **1.46** | 1.03 |
| Adjustments relating to prior periods | **0.07** | (0.12) |
| **Sub Total (A)** | **1.53** | 0.91 |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | **(324.60)** | - |
| **Sub Total (B)** | **(324.60)** | - |
| **Total (A+B)** | **(323.07)** | **0.91** |
| **Tax recognised in other comprehensive income** | | |
| **Particulars** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
| Defined benefit plan actuarial gains (losses) | **-** | **-** |
| **Total** | **-** | **-** |
| **Reconciliation of effective tax rates** | | |

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Profit before tax** | **(1,112.34)** | **(272.80)** |
| Enacted tax Rate (applicable to holding company) | **34.94** | **34.94** |
| Computed Expected Tax Expense | - | - |
| Adjustments relating to holding company : | | |
| Non-deductible expenses | - | - |
| Tax exempt income/ any other deduction or allowable exp. | - | - |
| Change in estimates related to prior years | - | - |
| Deferred Tax | - | - |
| Adjustments relating to Subsidiary & Joint Ventures | - | - |
| **Tax Expenses for the year** | - | - |
| Adjustment : Tax effect on OCI | - | - |
| **Net Tax Expenses for the year** | - | - |

**34. Contingent Liabilities& Disclosures:**

**i)** **(₹ in crore)**

| | Particulars | As at 31.3.2021 | As at 31.3.2020 |
|---|---|---|---|
| **I)** | | | |
| a) | Claims against the company not acknowledged as debts including foreign currency claim. | 175.57 | 202.35 |
| b) | Disputed Income Tax Demand against which ₹ 20.45 crore (P.Y. ₹ 19.64 crore) deposited. | 42.69 | 40.59 |
| c) | Disputed TDS demands | 0.05 | 0.00 |
| d) | Disputed Sales Tax Demand against which ₹ 20.16 crore (P.Y. ₹ 12.36 crore) deposited and ₹ 0.07 crore (P.Y. ₹ 0.07 crore) covered by Bank Guarantees. | 202.73 | 202.66 |
| e) | Disputed Service Tax Demand | 113.76 | 107.10 |
| f) | Disputed Central Excise demand against which ₹ 0.76 crore (P.Y. ₹ 0.76 crore) Deposited. | 20.29 | 20.29 |
| g) | Disputed PF demand | 2.24 | 2.24 |
| h) | Custom Bonds | 254.80 | 267.08 |
| i) | Outstanding GR-1 against which Bank Guarantee furnished of ₹ 0.73 crore (P.Y. ₹ 0.73 crore). | 1.60 | 1.60 |
| j) | Claims against the company not acknowledged as debts from a foreign supplier. * | 128.89 | - |
| | **Total (I)** | **942.61** | **843.91** |
| **II)** | **Others on back to back basis where liability if any is to account of associate** | | |
| a) | Differential Custom Duty/Interest/Penalty etc. | 166.87 | 166.92 |
| | **Total (II)** | **166.87** | **166.92** |

**Movement in respect of items mentioned at S.No. (I)** (₹ in crore)

| | Particulars | Balance as at 31st March, 2020 | Reduction during the year in respect of opening balance | Addition during the year 2020-21 | Balance as at 31st March, 2021 |
|---|---|---|---|---|---|
| a) | Claims against the company not acknowledged as debts including foreign currency claim. | 202.35 | 30.88 | 4.10 | 175.57 |
| b) | Disputed Income Tax Demand | 40.59 | - | 2.10 | 42.69 |
| c) | Disputed TDS demands | - | - | 0.05 | 0.05 |
| d) | Disputed Sales Tax Demand | 202.66 | 0.01 | 0.08 | 202.73 |
| e) | Disputed Service Tax Demand | 107.10 | - | 6.66 | 113.76 |
| f) | Disputed Central Excise demand | 20.29 | - | - | 20.29 |
| g) | Disputed PF demand | 2.24 | - | - | 2.24 |
| h) | Custom Bonds | 267.08 | 74.66 | 62.38 | 254.80 |
| i) | Outstanding GR-1 | 1.60 | - | - | 1.60 |
| j) | Claims against the company not acknowledged as debts | - | - | 128.89 | 128.89 |
| | **Total** | **843.91** | **105.55** | **204.26** | **942.61** |

**Movement in respect of items mentioned at S.No. (II)**

| | Particulars | Balance as at 31st March, 2020 | Reduction during the year in respect of opening balance | Addition during the year 2020-21 | Balance as at 31st March, 2021 |
|---|---|---|---|---|---|
| a) | Differential Custom Duty/Interest/Penalty etc. | 166.92 | 0.05 | - | 166.87 |
| | **Total** | **166.92** | **0.05** | **-** | **166.87** |

**Share in Contingent Liabilities of Joint Ventures :-** (₹ in crore)

| Sl.No. | Name of Joint Venture | As at 31.3.2021 | As at 31.3.2020 |
|---|---|---|---|
| 1 | MMTC PAMP India Pvt. Limited | 7.70 | 7.68 |
| 2 | SICAL Iron Ore Terminal Limited | NA | NA |
| 3 | Neelachal Ispat Nigam Limited | NA | 595.80 |
| 4 | Free Trade Ware- housing Pvt. Ltd. | - | - |

NA – Audited Financial Statements not received

ia) Guarantees issued by Banks on behalf of the Company ₹ 3.66 crore (P.Y. ₹ 3.87 crore) in favour of customer towards performance of contracts against which backup guarantees amounting to ₹ Nil crore (P.Y. ₹ 0.59 crore) have been obtained from associate suppliers.

ii) Letters of Credit opened by the Company remaining outstanding ₹ 138.38 crore (P.Y. ₹ 100.54 crore).

iii) Corporate Guarantees of ₹ 1345.82 crore (P.Y. ₹ 1345.82 crore) given by the company in favour of financial institutions/ banks on behalf of NeelachalIspat Nigam Limited (NINL), aJoint Venture Company, for securing principal and interest in respect of loans to NINL. (Refer 36 c (iv))

iv) 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.

v) 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.

vi) *An amount of ₹ 128.89 crore (@7.50%) towards interest liability for the period 1.10.2009 to 24.9.2012 which has not been provided. Providing of interest for the period from 1.10.2009 to 24.09.2012 may not be prudent at this stage asthe learned AG has opined that any ambiguity arising from the Hon"ble Supreme Court order dated 29.7.2021 could be resolved by the court itself.

**35. Commitments**

Capital Commitments: Estimated amount of contracts including foreign currency contracts net of advances remaining to be executed on capital account and not provided for is ₹ Nil (P.Y. ₹ Nil crore).

Capital commitment in respect of investment in joint venture ₹ Nil crore (P.Y. ₹ Nil crore). Share in Capital Commitments of Joint Ventures:-

**(₹ in crore)**

| Sl.No. | Name of Joint Venture | As at 31.3.2021 | As at 31.3.2020 |
|---|---|---|---|
| 1 | MMTC PAMP India Pvt. Limited | 7.37 | 8.08 |
| 2 | SICAL Iron Ore Terminal Limited | NA | NA |
| 3 | Neelachal Ispat Nigam Limited | NA | 59.19 |
| 4 | Free Trade Ware- housing Pvt. Ltd. | - | - |

NA – Audited Financial Statements not received

**36. General Disclosures :-**

a) Following goods on account of un-billed purchases are held by the Company under deposit and shown under other current assets (note no. 11 (B)) as well as other current liabilities (note no.21).

| Items | 31/03/2021 | | 31/03/2020 | |
|---|---|---|---|---|
| | Qty | Value | Qty | Value |
| Gold (in Kgs) | 733.96 | 291.11 | 467.00 | 181.98 |
| Gold Jewellery (in Grams) | - | - | - | - |
| Silver (in Kgs) | 600.00 | 3.39 | 15,135.22 | 56.19 |
| **TOTAL** | **1,333.96** | **294.50** | **15,602.22** | **238.18** |

b) 3956.494 kgs (P.Y. 7970.788 kgs) of un-refined Silver is lying is DRO as on 31.3.2021 on behalf of Shri Mata Veshno Devi Shrine Board. The value of the stock cannot be ascertained as fineness of the Silver in not known.

c) Investment in and advances to NeelachalIspat Nigam Ltd (NINL)-Joint Venture company :-

(i) The company alongwith Government of Odisha has set up a 1.1 MT integrated steel plant in Odisha and invested ₹ 459.11 crore (P.Y. ₹ 459.11 crore) (Note 6) towards 49.78% in equity capital in NINL. The Government of India (CCEA)has accorded „in principle" approval on 8th January, 2020 for strategic divestment of equity investment held by MMTC and other Central/State PSUs. The process of divestment is underway through Department of Investment and Public Asset Management (DIPAM).The EOI has been invited by DIPAM and application for interested parties have been received and shortlisting of technically qualified parties are in process. Once this process is done, request for proposal will be invited for technically qualified parties.

(ii) The company has been extending, from time to time, short term credit facility (cash credit) to NINL upto a limit of ₹ 1425.00 crore for its day to day operational activities on continuing basis. In addition, a trade related financial facility to the extent of ₹ 1875.00 crore has also been extended. Against this, outstanding under Other Assets (advances to related parties) (note 11) is ₹ 3528.47 crore (P.Y. ₹ 3221.00 crore) inclusive of interest of ₹ 252.18 crore & ₹ 295.69 crore not recognised as income for 2019-20 & 2020-21 respectively.

(iii) Reconciliation of accounts with NINL duly signed by MMTC & NINL has been done upto 31.03.2021 with outstanding balance of ₹ 3528.47 crore. NINL"s confirmation of balance of ₹ 3528.47 crore as on 31.3.2021 is subject to finalization of NINL‟s annual accounts, but the same was informed in last NINL‟s Board Meeting.

(iv) The company has also given corporate guarantees amounting to ₹ 1345.82 crore (P.Y. ₹ 1345.82 crore) in favour of FIs/Banks/others to secure the loans availed by NINL (note 34 (iii)).Since NINL is unable to service the interest of lenders, some of the lenders and bond holders have invoked the corporate guarantees, which are being addressed by NINL/MMTC separately. NINL is showing ₹ 1295.82 crore in its books against corporate guarantees given by MMTC.

(v) The company has been recognising trade related interest during earlier years on accrual basis and is included in the outstanding advances. However, during 2019-20 & 2020-21 interest of ₹ 252.18 crore & ₹ 295.69 crore respectively is not recognised due to delay in divestment of NINL which is under divestment through DIPAM.

(vi) NINL have given corporate gurantee of ₹ 2800.00 crore (P.Y. ₹ 2800.00 crore) to the company to secure credit facilities extended to them from time to time.

(vii) NINL has been incurring losses for last 9 years and its net worth has become negative ₹ (-) 2564.71 crore as on 31.03.2020 (P.Y. ₹ (-) 956.49 crore as on 31.3.2019). Audited financial statements of NINL as on 31.3.2021 are not available as NINL is yet to finalise its audited accounts for the year 2020-21.

(viii) Considering the likely valuations of NINL and expected divestment proceeds, the Management has considered its investment and advances as good.

d) The Company has filed a recovery suit of ₹ 31.40 crore against M/s AIPL in respect of Mint sale transaction (P.Y. ₹ 31.40 crore) which included overdue interest of ₹ 2.95 crore (P.Y. ₹ 2.95 crore) which has been decreed in favour of the Company. M/s AIPL have also filed a suit against Government Mint/MMTC for damages of ₹ 167.20 crore (P.Y. ₹ 167.20 crore) which is not tenable as per legal opinion and is being contested.

e) Under Price Stabilization Scheme of the Government of India to create Buffer Stock of onion, MMTC imported onion from July 2019 onwards until 31.03.2020. As per the scheme MMTC‟s trading margin has been fixed at 1.5% on C&F cost at the time of sale and all expenses related to the import shall be to the account of Govt. The difference between the sale realisation and cost incurred including MMTC‟s margin has been shown as claim receivables from Govt. which will be adjusted with the advance received from Govt. The stocks have been stored in CWC/SWC/Other godowns in Mumbai.

f) A claim for ₹ 1.53 crore (P.Y. ₹ 1.53 crore) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 1.53 crore (P.Y. ₹ 1.53 crore) exists in the accounts after taking into account the EMD and other payables. The company has requested customs for abandonment which is pending for adjudication. A criminal & civil suit has been filed against the Associate.

g) At RO Mumbai, during the year 2011-12, a foreign supplier has submitted forged shipping documents through banking channels to obtain payment of ₹ 3.98 crore (P.Y. ₹ 4.12 crore) 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 which was vacated and Indian bank had to make payment to the foreign bank. The matter is still pending in the court. 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 ₹ 8.60 crore (P.Y. ₹ 8.60 crore), already paid for and after adjustment of EMD & payables provision for the balance amount has been made during the year 2014-15.

h) At RO Hyderabad, fake bills of lading covering two shipments of copper valued at ₹ 3.75 crore (P.Y. ₹ 3.75 crore) were received during 2011-12 through banking channels against which no material was received. The foreign supplier has been paid in full through letter of credit after the company received full payment from its Indian customer. The company has initiated legal action against the foreign supplier. The amount of ` 4.44 crore for this transaction received in full and final settlement from the local buyer which includes in Advance received from customer under other non-current liabilities.

i) Hon‟ble Delhi High Court has directed the Company to deposit ₹ 39.62 crore (P.Y. ₹ 39.62 crore) stated to be receivable by one of the Company‟s coal suppliers as per their books of accounts from MMTC in a case relating to execution of decree filed by a foreign party against the coal supplier. MMTC has filed application and counter affidavit stating that the supplier‟s contractual obligations are yet to be discharged and MMTC is unable to deposit any amount at this stage. Any amount found payable to the supplier after resolution of all issues, the same will be deposited with the court instead of releasing to the supplier without any liability on MMTC. The hearings are in progress and next date of hearing 20.9.2021.

## 37. Financial Instruments- Fair Values and Risk Management

### Financial Instruments by Categories

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**(₹ in crore as at March 31, 2021)**

| Particulars | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/ liabilities at fair value through OCI | Total carrying value | Total fair value |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Investments in Equity Instruments (Ref Note No.6) | | | 2.23 | 2.23 | 2.23 |
| Cash & Cash Equivalents (Ref Note No. 13) | 155.00 | | | 155.00 | |
| Trade Receivable (Ref Note No. 7) | 834.11 | | | 834.11 | |
| Employee Loans (Ref Note No. 8) | 4.85 | | | 4.85 | |
| Loans to related party (Ref Note No. 8) | 0.00 | | | 0.00 | |
| Security Deposits & Other Loans (Ref Note No. 8) | 1.95 | | | 1.95 | |
| Security Deposits (Ref Note No. 11) | 21.06 | | | 21.06 | |
| Other Financial Assets (Ref Note No. 9) | 6.20 | | | 6.20 | |
| Liabilities: | | | | | |
| Trade Payable (Ref Note No. 18) | 998.31 | | | 998.31 | |
| Borrowings (Ref Note No.17) | 2417.85 | | | 2417.85 | |
| Other Financial Liabilities (Ref Note No. 19) | 209.65 | | | 209.65 | |

**(₹ in crore as at March 31, 2020)**

| Particulars | Amortized cost | Financial assets/ liabilities at fair value through profit or loss | Financial assets/ liabilities at fair value through OCI | Total carrying value | Total fair value |
|---|---|---|---|---|---|
| **Assets:** | | | | | |
| Investments in Equity Instruments (Ref Note No.6) | | | 1.16 | 1.16 | 1.16 |
| Cash & Cash Equivalents (Ref Note No. 13) | 74.65 | | | 74.65 | |
| Trade Receivable (Ref Note No. 7) | 2046.99 | | | 2046.99 | |
| Employee Loans (Ref Note No. 8) | 6.49 | | | 6.49 | |
| Loans to related party (Ref Note No. 8) | 0.00 | | | 0.00 | |
| Security Deposits & Other Loans (Ref Note No. 8) | 1.88 | | | 1.88 | |
| Security Deposits (Ref Note No. 11) | 13.33 | | | 13.33 | |
| Other Financial Assets (Ref Note No. 9) | 14.31 | | | 14.31 | |
| Liabilities: | | | | | |
| Trade Payable (Ref Note No. 18) | 665.60 | | | 665.60 | |
| Borrowings (Ref Note No.17) | 3682.84 | | | 3682.84 | |
| Other Financial Liabilities (Ref Note No. 19) | 200.19 | | | 200.19 | |

**Fair Value Hierarchy**

- Level 1 - Level 1 hierarchy includes financial instruments measuredusing quoted prices (unadjusted) in active markets.
- Level 2 - Level 2 hierarchy includes financial instruments measuredusing inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Level 3 hierarchy includes financial instruments measuredusing inputs that are not based on observable market data (unobservable inputs).

The following tables present fair value hierarchy of assets and liabilities measured at fair value:

**(₹ in crore as at March 31, 2021)**

| Particulars | Level 1 | Level 2 | Level 3 | Total | Valuation Technique and key inputs | Significant unobservable inputs |
|---|---|---|---|---|---|---|
| Financial Assets | | | | | | |
| Financial Investments at FVTOCI | | | | | | |
| Investment in Equity Instruments (BSE) | 2.23 | | | 2.23 | | Quoted Price |
| Investment in Equity Instruments (ICEX) | | | 7.84 | 7.84 | Book Value adopted as best estimate of Fair Value. | |
| **Total** | **2.23** | **-** | **7.84** | **10.07** | | |

**(₹ incroreas at March 31, 2020)**

| **Particulars** | **Level 1** | **Level 2** | **Level 3** | **Total** | **Valuation Technique and key inputs** | **Significant unobservable inputs** |
|---|---|---|---|---|---|---|
| Financial Assets | | | | | | |
| Financial Investments at FVTOCI | | | | | | |
| Investment in Equity Instruments (BSE) | 1.16 | | | 1.16 | | Quoted Price |
| Investment in Equity Instruments (ICEX) | | | 7.84 | 7.84 | Book Value adopted as best estimate of Fair Value. | |
| **Total** | **1.16** | **-** | **7.84** | **9.00** | | |

**Financial risk management, objectives and policies**

The company's activities expose it to the following financial risks:
-market risk
-credit risk and
-liquidity risk.
The company has not arranged funds that have any interest rate risk.

**a) Market risk**

**(i) Foreign Exchange Risk**

The company has import and export transactions and hence has foreign exchange risk primarily with respect to the US$. The companyhas not arranged funds through long term borrowings. The short term foreign currency loans (buyer"s credit) availed from banks are fixed interest rate borrowings. As a result, the company does not have any interest rate risk. The company"s risk management policy is touse hedging instruments to hedge the risk of foreign exchange.

The company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk. The company designates the spot element of forward contracts with reference to relevant spot market exchange rate. The difference between the contracted forward and the spot market exchange rate is treated as the forward element. The changes in the spot exchange rate of hedging instrument that relate to the hedged item is deferred in the cash flow hedge reserve and recognized against the related hedged transaction when it occurs. The forward element of forward exchange contract is deferred in cost of hedging reserve and is recognized to the extent of change in forward element when the transaction occurs.

The following tablesshow the summary of quantitative data about the company"s exposure to foreign currency risk from financial instruments expressed in `:

**(₹ in crore as at March 31, 2021)**

| Particulars | US Dollars (in Equiv INR) | Other Currencies (in Equiv INR) | Total |
|---|---|---|---|
| Cash & cash equivalents | 91.84 | - | 91.84 |
| Trade Receivable | 559.28 | - | 559.28 |
| Demurrage / Despatch Receivable | 4.61 | 1.65 | 6.26 |
| Other Receivable | 1.37 | - | 1.37 |
| **Total Receivable in foreign currency** | **657.10** | **1.65** | **658.75** |
| Foreign Currency Loan payable | 53.84 | - | 53.84 |
| Interest on foreign currency loan payable | - | - | - |
| Trade Payables | 249.79 | 0.55 | 250.34 |
| Freight Demurrage / Despatch Payable | 1.42 | - | 1.42 |
| Provision towards Litigation Settlement | 98.05 | - | 98.05 |
| Others | 904.66 | - | 904.66 |
| **Total Payable in Foreign Currency** | **1,307.77** | **0.55** | **1,308.31** |

The company has no exposure in respect of foreign currency receivable/payable since loss/gain is to the account of the Associate supplier/customer except on provision towards litigation settlement where matter is still under dispute. Also the company has taken forward exchange contracts in respect of payables at the risk and cost of the associate.

**(₹ incrore as at March 31, 2020)**

| Particulars | US Dollars (in Equiv INR) | Other Currencies (in Equiv INR) | Total |
|---|---|---|---|
| Cash & cash equivalents | 110.20 | - | 110.20 |
| Trade Receivable | 121.64 | - | 121.64 |
| Demurrage / Despatch Receivable | 5.17 | - | 5.17 |
| Other Receivable | 13.40 | - | 13.40 |
| **Total Receivable in foreign currency** | **250.41** | **-** | **250.41** |
| Foreign Currency Loan payable | 344.91 | - | 344.91 |
| Interest on foreign currency loan payable | 1.30 | - | 1.30 |
| Trade Payables | 45.28 | - | 45.28 |
| Freight Demurrage / Despatch Payable | 16.88 | - | 16.88 |
| Provision towards Litigation Settlement | - | - | - |
| Others | 0.46 | - | 0.46 |
| **Total Payable in Foreign Currency** | **408.83** | **-** | **408.83** |

The company has no exposure in respect of foreign currency receivable/payable since loss/gain is to the account of the Associate supplier/customer except on provision towards litigation settlement where matter is still under dispute. Also the company has taken forward exchange contracts in respect of payables at the risk and cost of the associate.

Sensitivity:

As of March 31, 2021 and March 31, 2020, every 1% increase or decrease of the respective foreign currencies compared to our functional currency would impact our profit before tax by approximately ` NIL and ` NIL, respectively.

**(i) Price Risk**

The company‟s exposure to equity securities price risk arises from investments held by the company and classified in balance sheet as at fair value through other comprehensive income. Out of the two securities held by the company, one is listed in NSE and the other (ICEX) is not listed.

As of March 31, 2021 and March 31, 2020, every 1% increase or decrease of the respective equity prices would impact other component of equity by approximately ₹ 0.02 crore and ₹ 0.01 crore, respectively. It has no impact on profit or loss.

**b) Credit Risk**

Credit risk refers to the risk of default on its obligation by a counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Accordingly, credit risk from trade receivables has been separately evaluated from all other financial assets in the following paragraphs.

*Trade Receivables*

The company‟s outstanding trade receivables are mostly secured through letter of credit/BG except in respect of JV‟s and Govt of India.

Impairment on trade receivables is recognized based on expected credit loss in accordance with provisions of IndAS 109. The company‟s historical experience for customers, present economic condition and present performance of the customers, future outlook for the industryetc. are taken into account for the purposes of expected credit loss.

*Credit risk exposure*

An analysis of age of trade receivables at each reporting date is summarized as follows:

**(₹ in crore as at March 31, 2021)**

| Particulars | Gross amount | Impairment | Carrying Value |
|---|---|---|---|
| Not due | 704.93 | - | 704.93 |
| Overdue for less than one month | 1.86 | - | 1.86 |
| Overdue for more than one month upto two months | 0.13 | - | 0.13 |
| Overdue for more than two months upto three months | 0.50 | - | 0.50 |
| Overdue for more three months upto six months | 0.09 | - | 0.09 |
| Overdue for more than six months | 516.62 | 390.02 | 126.60 |
| **Total** | **1,224.13** | **390.02** | **834.11** |

**(₹ in crore as at March 31, 2020)**

| Particulars | Gross amount | Impairment | Carrying Value |
|---|---|---|---|
| Not due | 176.54 | - | 176.54 |
| Overdue for less than one month | 261.77 | - | 261.77 |
| Overdue for more than one month upto two months | 498.91 | - | 498.91 |
| Overdue for more than two months upto three months | 859.38 | - | 859.38 |
| Overdue for more three months upto six months | 114.45 | - | 114.45 |
| Overdue for more than six months | 524.91 | 388.97 | 135.94 |
| **Total** | **2,435.96** | **388.97** | **2,046.99** |

Trade receivables are generally considered credit impaired when overdue for more than three years (except government dues), unless the amount is considered receivable, when recoverability is considered doubtful based on the recovery analysis performed by the company for individual trade receivables. The company considers that all the above financial assets that are not impaired though overdue are of good credit quality.

With regard tocertain trade receivables, the company has equivalent trade payables to associate suppliers which are payable on realization of trade receivables. Such trade receivables are considered not impaired though past due.

Other financial assets

Credit risk relating to cash and cash equivalents is considered negligible because our counterparties are banks. We consider the credit quality of term deposits with scheduled banks which are subject to the regulatory oversight of the Reserve Bank of India to be good, and we review these banking relationships on an ongoing basis. Credit risk related to employee loans are considered negligible since major loanslike house building loans, vehicle loans etc are secured against the property for which loan is granted to the employees. The other employee loans are covered under personal guarantee of concerned employees along with surety bonds of other serving employees. There are no impairment provisions as at each reporting date against these financial assets. We consider all the above financial assets as at the reporting dates to be of good credit quality.

**c) Liquidity Risk**

Our liquidity needs are monitored on the basis of monthly and yearly projections. The company‟s principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Due to the dynamic nature of underlying businesses, the company maintains flexibility in funding by maintaining availability under committed credit lines.

Short term liquidity requirements consists mainly of sundry creditors, expense payable, employee dues arising during the normal course of business as of each reporting date. The company maintains sufficient balance in cash and cash equivalents to meet short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The table below provides details regarding the contractual maturities of non-derivative financial liabilities. The table has been drawn up based on the undisclosed cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table includes both principal & interest cash flows.

**(₹ in croreas at March 31, 2021)**

| Particulars | Less than 6 months | 6 months to 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Trade Payables | 998.31 | | | | | 998.31 |
| Short term borrowings | 2417.85 | | | | | 2417.85 |
| Other Financial Liabilities | 209.65 | | | | | 209.65 |
| **Total** | **3625.81** | **-** | **-** | **-** | **-** | **3625.81** |

**(₹ in crore as at March 31, 2020)**

| Particulars | Less than 6 months | 6 months to 1 year | 1-3 years | 3-5 years | More than 5 years | Total |
|---|---|---|---|---|---|---|
| Trade Payables | 665.60 | | | | | 665.60 |
| Short term borrowings | 3682.84 | | | | | 3682.84 |
| Other Financial Liabilities | 200.19 | | | | | 200.19 |
| **Total** | **4548.63** | **-** | **-** | **-** | **-** | **4548.63** |

**38. Impact of Hedging Activities**

**Cash Flow Hedge**

As at 31st March 2021 there was no outstanding Hedging Instrument on account of the company.

**Fair Value Hedge**

As per the Risk Management Policy, the company enters into forward contracts withcommodity exchanges to hedge against price fluctuations in gold and silver inventories. The gain or loss on the hedging instrument is recognized in profit or loss.The hedging gain or loss on the hedged item adjusts the carrying amount of the hedged item and is recognised in profit or loss.

a. Disclosure of effects of hedge accounting on financial position for hedging instruments:

**(₹ in crore as at March 31, 2021)**

| Type of Hedge and risk | Carrying amount of hedging instrument | | Change in fair value of hedging instrument used as the basis for recognizing hedge ineffectiveness for the period | Nominal amounts of the hedging instruments | |
|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | | **Quantity (kgs)** | **Value** |
| Fair Value hedge | | | | | |
| Price Risk | | | | | |
| Forward contract to sell gold | | | | 33 | 3.74 |

**(₹ in crore as at March 31, 2020)**

| Type of Hedge and risk | Carrying amount of hedging instrument | | Change in fair value of hedging instrument used as the basis for recognizing hedge ineffectiveness for the period | Nominal amounts of the hedging instruments | |
|---|---|---|---|---|---|
| | **Assets** | **Liabilities** | | **Quantity (kgs)** | **Value** |
| Fair Value hedge | | | | | |
| Price Risk | | | | | |
| Forward contract to sell gold | | | | 176 | 51.35 |

**b. Disclosure of effects of hedge accounting on financial position for hedged items:**

**(₹ in crore as at March 31, 2021)**

| Type of Hedge and risk | Carrying amount of hedged item | | Accumulated amount of hedge adjustments on the hedged item included in the carrying amount of hedged item | Line item in the Balance Sheet in which the hedged item is included | Changes in value used as the basis for recognizing hedge ineffectiveness | Accumulated amount of hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses (para 6.5.10 of IndAS 109) |
|---|---|---|---|---|---|---|
| **Fair Value hedge** | | | | | | |
| **Price Risk** | | | | | | |
| Inventory of gold | | - | | Inventories | - | - |

(₹ in crore as at March 31, 2020)

| Type of Hedge and risk | Carrying amount of hedged item | | Accumulated amount of hedge adjustments on the hedged item included in the carrying amount of hedged item | Line item in the Balance Sheet in which the hedged item is included | Changes in value used as the basis for recognizing hedge ineffectiveness | Accumulated amount of hedge adjustments remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses (para 6.5.10 of IndAS 109) |
|---|---|---|---|---|---|---|
| **Fair Value hedge** | | | | | | |
| **Price Risk** | | | | | | |
| Inventory of gold | | - | | Inventories | - | - |

**39. Disclosure in respect of Indian Accounting Standard (Ind AS)-36 "Impairment of assets"**

During the year, the company assessed the impairment loss of assets and accordingly provision towards impairment in the value of PPE amounting to ₹ Nil crores (P.Y. ₹ Nil crore) has been made during the year.

**40. Disclosure in respect of Indian Accounting Standard (Ind AS)-19 "Employee Benefits"**

40.1 General description of various employee"s benefits schemes are as under:

**a) 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. The scheme is funded by the company and the liability is recognized on the basis of contribution payable to the insurer, i.e., the Life Insurance Corporation of India, however, the disclosure of information as required under Ind AS-19 have been made in accordance with the actuarial valuation.

As per Actuarial Valuation company"s expected contribution for FY 2020-21 towards the Gratuity Fund Contribution is ₹ 3.78 crore (P.Y. ₹ 4.29 crore) . However, the company is making contribution to the fund as per the demand made by Life Insurance Corporation of India.

**b) Leave Compensation:**

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

The liability on this account is recognized on the basis of actuarial valuation.

**c) Long Service Benefits:** Long Service Benefits payable to the employees are as under-

**(i) Service Award:**

Service Award amounting to 3,500/- for each completed year of service is payable to the employees on superannuation/voluntary retirement scheme.

**(i) Compassionate Gratuity**

Compassionate Gratuity amounting to 50,000/- is payable in lump-sum to the dependants of the employee on death while in service.

**(ii) Employees' Family Benefit Scheme**

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 12,000/- on rendering service of less than 20 years and similarly a monthly benefit @ 50% of Basic Pay & DA last drawn subject to maximum 12,000/- on rendering service of 20 years or more at the time of death.

**(iii) Special Benefit to MICA Division employees** amounting to 5,00,000/- (Officer), 4,00,000/- (Staff) and 3,00,000/- (Worker) upon retirement

The summarized position of various defined benefits recognized in the Statement of Profit & Loss, Other Comprehensive Income (OCI) and Balance Sheet & other disclosures are as under:

**Net defined benefit obligation** **(₹ in crore)**

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Defined Benefit Obligation | C.Y. | 90.85 | 16.01 | 20.59 | 4.35 | 1.85 | 0.12 | 3.63 |
| | P.Y. | 98.90 | 14.44 | 21.89 | 4.85 | 2.15 | 0.16 | 4.02 |
| Fair Value of Plan Assets | C.Y. | 82.45 | - | - | - | - | - | - |
| | P.Y. | 87.78 | - | - | - | - | - | - |
| Funded Status [Surplus/ (Deficit)] | C.Y. | - | - | - | - | - | - | - |
| | P.Y. | - | - | - | - | - | - | - |
| Effect of asset ceiling | C.Y. | - | - | - | - | - | - | - |
| | P.Y. | - | - | - | - | - | - | - |
| Net Defined Benefit Assets/ (Liabilities) | C.Y. | (8.41) | (16.01) | (20.59) | (4.35) | (1.85) | (0.12) | (3.63) |
| | P.Y. | (11.12) | (14.44) | (21.89) | (4.85) | (2.15) | (0.16) | (4.02) |

**Movement in defined benefit obligation** **(₹ in crore)**

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Defined benefit obligation - Beginning of the year | C.Y. | 98.90 | 14.44 | 21.89 | 4.85 | 2.15 | 0.16 | 4.02 |
| | P.Y. | 105.48 | 18.03 | 23.32 | 5.70 | 2.30 | 0.16 | 4.00 |
| Current service cost | C.Y. | 3.28 | 0.76 | 0.82 | 0.15 | 0.05 | - | - |
| | P.Y. | 2.97 | 0.71 | 0.95 | 0.17 | 0.06 | - | - |
| Past Service Cost | C.Y. | - | - | - | - | - | - | - |
| | P.Y. | - | - | - | - | - | - | - |
| Interest Cost | C.Y. | 6.53 | 0.95 | 1.44 | 0.32 | 0.14 | - | - |
| | P.Y. | 7.90 | 1.37 | 1.78 | 0.43 | 0.18 | - | - |
| Benefits Paid | C.Y. | (11.29) | (4.57) | (2.54) | (0.79) | (0.41) | - | - |
| | P.Y. | (28.42) | (12.47) | (4.35) | (1.73) | (0.42) | - | - |
| Re-measurements - actuarial loss/(gain) | C.Y. | (6.56) | 4.43 | (1.02) | (0.18) | (0.09) | (0.04) | (0.39) |
| | P.Y. | 10.97 | 6.79 | 0.19 | 0.27 | 0.03 | 0.00 | 0.02 |
| Defined benefit obligation – End of the year | C.Y. | 90.85 | 16.01 | 20.59 | 4.35 | 1.85 | 0.16 | 4.02 |
| | P.Y. | 98.90 | 14.44 | 21.89 | 4.85 | 2.15 | 0.16 | 4.00 |

**Movement in plan asset** **(₹ in crore)**

| Particulars | Gratuity (Funded) | |
|---|---|---|
| | 31.03.2021 | 31.03.2020 |
| Fair value of plan assets at beginning of year | 87.78 | 99.20 |
| Interest income | 5.90 | 7.50 |
| Employer contributions | 0.06 | 9.51 |
| Benefits paid | (11.29) | (28.42) |
| Re-measurements - Actuarial (loss)/ gain | (0.01) | (0.00) |
| Fair value of plan assets at end of year | 82.45 | 87.78 |

**Amount Recognized in Statement of Profit and Loss** **(₹ in crore)**

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Current service cost | C.Y. | 3.28 | 0.76 | 0.82 | 0.15 | 0.05 | | |
| | P.Y. | 2.97 | 0.71 | 0.95 | 0.17 | 0.06 | | |
| Past Service Cost – Plan Amendment | C.Y. | | | | | | | |
| | P.Y. | - | - | - | - | - | | |
| **Service Cost (A)** | C.Y. | 3.28 | 0.76 | 0.82 | 0.15 | 0.05 | | |
| | P.Y. | 2.97 | 0.71 | 0.95 | 0.17 | 0.06 | | |
| Net Interest on Net Defined Benefit Liability/(assets) (B) | C.Y. | 0.73 | 0.95 | 1.44 | 0.32 | 0.14 | - | - |
| | P.Y. | 0.42 | 1.37 | 1.78 | 0.43 | 0.18 | - | - |
| Net actuarial (gain) / loss recognized in the period | C.Y. | - | 4.43 | (1.02) | - | - | (0.04) | (0.39) |
| | P.Y. | - | 6.79 | 0.19 | - | - | 0.00 | 0.02 |
| Cost Recognized in P&L (A+B) | C.Y. | 4.01 | 6.15 | 1.25 | 0.47 | 0.20 | (0.04) | (0.39) |
| | P.Y. | 3.39 | 8.87 | 2.93 | 0.60 | 0.24 | 0.00 | 0.02 |

**Amount recognized in Other Comprehensive Income (OCI)** **(₹ in crore)**

| Particulars | | Gratuity | Earned Leave | Sick Leave | Long Service Award | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Actuarial gain/(loss) due to DBO Experience | C.Y. | 6.56 | - | - | 0.21 | 0.11 | - | - |
| | P.Y. | (10.97) | - | - | (0.09) | 0.08 | - | - |
| Actuarial gain/(loss) due to assumption changes | C.Y. | - | - | - | (0.03) | (0.02) | - | - |
| | P.Y. | - | - | - | (0.18) | (0.11) | - | - |
| **Actuarial gain/(loss) arising during the period (A)** | C.Y. | 6.56 | - | - | 0.18 | 0.09 | - | - |
| | P.Y. | (10.97) | - | - | (0.27) | (0.03) | - | - |
| Return on Plan assets (greater) /less than discount rate (B) | C.Y. | 0.10 | - | - | - | - | - | - |
| | P.Y. | 0.01 | - | - | - | - | - | - |
| Actuarial gain/(loss) recognized in OCI (A+B) | C.Y. | 6.66 | - | - | 0.18 | 0.09 | - | - |
| | P.Y. | (10.96) | - | - | (0.27) | (0.03) | - | - |

**Sensitivity Analysis** **(₹ in crore as at March 31 2021)**

| Assumption | | Change in Assumption | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|---|
| | | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Discount rate | | 0.50% | (2.05) | (0.42) | (0.46) | (0.08) | (0.04) | - | - |
| | | -0.50% | 2.07 | 0.44 | 0.48 | 0.09 | 0.05 | - | - |
| Salary growth rate | | 0.50% | 2.07 | 0.44 | 0.48 | - | - | - | - |
| | | -0.50% | (2.07) | (0.42) | (0.46) | - | - | - | - |

(₹ in crore as at March 31, 2020)

| Assumption | | Change in Assumption | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|---|
| | | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Discount rate | | 0.50% | (2.28) | (0.37) | (0.50) | (0.09) | (0.05) | - | - |
| | | -0.50% | 2.40 | 0.39 | 0.53 | 0.10 | 0.05 | - | - |
| Salary growth rate | | 0.50% | 2.40 | 0.39 | 0.53 | - | - | - | - |
| | | -0.50% | (2.30) | (0.37) | (0.51) | - | - | - | - |

**Actuarial Assumption**

| Assumption | | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|
| | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| Method used | C.Y. | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit |
| | P.Y. | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit | Projected Unit Credit |
| Discount rate | C.Y. | 6.60% | 6.42% | 6.42% | 6.42% | 6.42% | 6.42% | 6.42% |
| | P.Y. | 6.60% | 6.60% | 6.60% | 6.60% | 6.60% | 6.60% | 6.60% |
| Rate of salary increase | C.Y. | 6.00% | 6.00% | 6.00% | - | - | - | - |
| | P.Y. | 6.00% | 6.00% | 6.00% | - | - | - | - |
| Mortality rate | C.Y. | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) |
| | P.Y. | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) | IALM (2012-14) |

**Expected Benefit Payments** (₹ in crore)

| Sr. No. | Year of payment | | Gratuity | Earned Leave | Sick Leave | Long Service Benefits | Special Benefit | Compassionate Gratuity | Employee Family Benefit |
|---|---|---|---|---|---|---|---|---|---|
| | | | (Funded) | (Non-Funded) | (Non-Funded) | (Non Funded) | (Non Funded) | (Non Funded) | (Non Funded) |
| 1 | 0 to 1 Year | | 16.33 | 2.89 | 4.30 | 0.94 | 0.38 | - | - |
| 2 | 1 to 2 Year | | 11.36 | 2.13 | 2.65 | 0.62 | 0.42 | - | - |
| 3 | 2 to 3 Year | | 11.75 | 1.82 | 3.07 | 0.62 | 0.28 | - | - |
| 4 | 3 to 4 Year | | 8.73 | 1.59 | 1.69 | 0.44 | 0.24 | - | - |
| 5 | 4 to 5 Year | | 6.60 | 1.01 | 1.39 | 0.29 | 0.31 | - | - |
| 6 | 5 to 6 Year | | 8.22 | 1.48 | 1.76 | 0.35 | 0.12 | - | - |
| 7 | 6 Year onwards | | 27.86 | 5.09 | 5.74 | 1.10 | 0.10 | - | - |

**Category of investment in Plan assets**

| Category of Investment | % of fair value of plan assets |
|---|---|
| Insured benefits | 100% |

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

**e) Superannuation Pension Benefit –** During the year, the Company has recognized ₹ 4.59 crore (P.Y. ₹ 5.09 crore) towards Defined Contribution Superannuation Pension Scheme in the Statement of Profit & Loss.

**f) Post-Retirement Medical Benefit:** Available to retired employees at empanelled hospitals for inpatient treatment and also for OPD treatment under "Defined Contribution Scheme" as under:

a. The liability for the year 2020-21 in respect of scheme for retirees prior to 1.1.2007 has been Nil (1.50% of PBT) due to company has reported loss during the yearand @ 4.50% of Basic+DApaid during 2020- 21in respect of scheme for retirees after 1.1.2007, as per the defined contribution scheme.

b. During 2019-20, the company has created trust for management of fund and paid ₹ 150.00 creore to trust against company"s liability towards the scheme. Net Liability has been shown as company"s obligation as on 31.3.2021 under "Defined Contribution Scheme".

c. During the year, total expenses of ₹ 3.60 crore (P.Y. ₹ 8.90 crore) has been charged to Profit & Loss Account.

**41. Group Information**

**1. Subsidiaries**

The group"s subsidiaries are set out below. They have share capital consisting solely of equity shares that are held directly by the group and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| S.No. | Name of Subsidiary | Principal Activity | Place of Incorporation | Ownership Interest held by the group | |
|---|---|---|---|---|---|
| | | | | 31.03.2021 | 31.03.2020 |
| 1 | MMTC Transnational Pte Ltd. | Trading in Minerals, Metals, Fertilizers, Agro products, Coal& Hydrocarbons, Bullion, Jewellery and other commodities | Singapore | 100% (Non-Controlling Interest NIL) | 100% (Non-Controlling Interest NIL) |

**2. Joint Ventures**

The details of Joint Ventures in which the Group is a Joint Venturesare set out below. They have share capital consisting of equity shares that are held directly by the group and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Sr. No | Name of Joint Venture | Principal Activity | Place of Incorporation | Ownership Interest held by the group | | Accounting Method |
|---|---|---|---|---|---|---|
| 1 | MMTC Gitanjali Limited (i) | Trading in gold and silver coins, gold jewellery, diamond studded jewellery, lifestyle jewellery | India | 26% | 26% | Equity Method |
| 2 | MMTC PAMP India Pvt. Ltd. | Trading in Gold and silver bars, coins and related items and refining of gold and silver dores. | India | 26% | 26% | Equity Method |
| 3 | SICAL Iron Ore Terminal Limited (iii) | The company has set up its Iron Ore Terminal Facility | India | 26% | 26% | Equity Method |
| 4 | TM Mining Company Limited (ii) | Engaged in exploration, search, prospecting, development, extraction, exploitation of the mineral blocks/deposits. | India | 26% | 26% | Equity Method |
| 5 | Neelachal Ispat Nigam Limited | Iron & steel plant with captive power plant | India | 49.78% | 49.78% | Equity Method |
| 6 | Free Trade Ware- housing Pvt. Ltd. | Development of free trade warehousing zones in India | India | 50% | 50% | Equity Method |

(i) The company has fully impaired its equity investment of ₹ 2.99 crore in its joint venture- M/s MMTC Gitanjali Limited during the year 2017-18 in view of the report of defaults made by the main promoter, as per the media reports the investigations launched by the investigating agencies against them and considering the fact that JV Company has suspended its business activities. The company has also given notice for exiting from the JV Company. The financial statements have not been received from the JV Company for 2020-21, hence the same is also not considered for the purpose of consolidation.

(ii) The company has written off its equity investment of ₹ 0.06 crore in its joint venture-TM Mining Co. Ltd. during the year. The JV company is in process of closure and necessary application has been made with MCA.

(iii) The company made 100% provision towards impairment in equity investment of ₹ 33.80 crore in its JV M/s SICAL Iron Ore Terminal ltd.

(iv) Quoted fair value: All the above joint ventures are unlisted entities and hence no quoted price is available. The details of carrying amount is given in Note no. 6

**3. Entities Consolidated**

The following entities are considered for consolidation purpose:-

| Sl.No. | Name of Entity | Status | Financial Statements Adopted |
|---|---|---|---|
| 1. | MMTC Transnational Pte Ltd. | Subsidiary | Audited |
| 2. | MMTC PAMP India Pvt. Ltd. | Joint Venture | Audited # |
| 3. | NeelachalIspat Nigam Limited | Joint Venture | * |
| 4. | Free Trade Ware- housing Pvt. Ltd. | Joint Venture | Audited |

*Audited financial statements for 2020-21 not received.

# Financial Statements year ended 31.3.2021 has been restated on account of correction in financial statement of a JV company (MPIPL) are as follows:

| **Particulars** | | | |
|---|---|---|---|
| **Items of Balance Sheet** | **As reported previously** | **Adjustment made** | **Restated Values** |
| **Assets:**<br>Investments accounted for using the equity method | | | |
| As at 31.03.2020 | 105.79 | (27.06) | 78.73 |
| **Equity & Liabilitues:**<br>Other Equity | | | |
| As at 31.03.2020 | 760.53 | (27.06) | 733.47 |
| **Items of Financial Results** | | | |
| **Items of Profit and Loss Share of profit/(loss) of Joint Venture (net of tax)** | | | |
| Year ended 31.03.2020 | 26.17 | (18.02) | 8.15 |

The following entities are not considered for consolidation purpose due to investment is fully impairment

| Sl. No. | Name of Entity | Status | Reason for not consolidating |
|---|---|---|---|
| 1. | MMTC Gitanjali Limited | Joint Venture | Refer note no.41.2(i) above |
| 2. | TM Mining Company Limited | Joint Venture | Refer note no.41.2(ii) above |
| 3. | SICAL Iron Ore Terminal Limited | Joint Venture | Refer note no.41.2(iii) above |

**4. Unrecognized Losses of Joint Ventures**

The unrecognized share of losses of the Joint Venture, as the group has stopped recognizing its shareof losses of the joint venture being exceeded the carrying value of investment, while applying the equity method, is given below :-

| Sl. No. | Name of Joint Venture | Cumulative Balance as at 31.3.2021 | For the year ended 31.3.2021 | For the year ended 31.3.2020 | For the year ended 31.3.2019 | For the year ended 31.3.2018 | For the year ended 31.3.2017 |
|---|---|---|---|---|---|---|---|
| 1 | Neelachal Ispat Nigam Limited | 1,274.89 | Not Re'cd | 799.88 | 200.90 | 186.89 | 87.22 |
| 2 | Free Trade Warehousing Pvt. Ltd. | 19.68 | 6.79 | 9.06 | 1.45 | 1.38 | 1.00 |

Audited Financial Statements for 2020-21 not received.

**42. Information regarding Joint Ventures** **(₹ in crore)**

| Summarized Balance Sheet | MMTC-PAMP India Private Limited | | Neelachal Ispat Nigam Limited | | Free Trade Ware-housing Pvt. Ltd. | |
|---|---|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21* | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| **Current Assets** | | | | | | |
| Cash and Cash equivalents | 700.08 | 555.95 | | 34.96 | 0.09 | 0.10 |
| Other Assets | 1,041.31 | 1,161.95 | - | 385.57 | - | 0.05 |
| **Total Current Assets** | 1,741.39 | 1,717.90 | - | 420.53 | 0.09 | 0.15 |
| **Total Non current Assets** | 330.85 | 234.07 | | 2,707.22 | 33.60 | 49.03 |
| **Current Liabilities** | | | | | | |
| Financial Liabilities (excluding trade payables and provisions) | 1,399.60 | 324.88 | | 2,043.13 | 0.01 | 2.01 |
| Other Liabilities | 332.76 | 1,287.38 | - | 2,156.50 | 7.66 | 7.51 |
| **Total Current Liabilities** | 1,732.36 | 1,612.26 | - | 4,199.63 | 7.67 | 9.52 |
| **Non current Liabilities** | | | | | | |
| Financial Liabilities (excluding trade payables and provisions) | 3.91 | 4.32 | | 1,271.20 | - | - |
| Other Liabilities | 28.80 | 32.58 | - | 221.63 | 65.38 | 65.42 |
| **Total Non Current Liabilities** | 32.71 | 36.90 | - | 1,492.83 | 65.38 | 65.42 |
| **Net Assets** | 307.17 | 302.81 | - | (2,564.71) | (39.36) | (25.76) |

| Particulars | MMTC-PAMP India Private Limited | | Neelachal Ispat Nigam Limited | | Free Trade Ware-housing Pvt. Ltd. | |
|---|---|---|---|---|---|---|
| | 2020-21 | 2019-20 | 2020-21* | 2019-20 | 2020-21 | 2019-20 |
| Revenue | 20,372.37 | 34,512.63 | | 941.07 | 0.46 | 0.60 |
| Interest income | 16.33 | 18.23 | | 3.26 | - | - |
| Depreciation and amortization | 25.02 | 26.22 | | 177.55 | 0.82 | 0.87 |
| Interest expense | 61.59 | 61.62 | | 214.69 | 0.17 | 0.55 |
| Income tax expense | 2.16 | 18.42 | | 606.77 | - | - |
| Profit from continuing operations | 3.06 | 31.30 | | (1,758.05) | (13.60) | (18.11) |
| Profit from discontinued operations (Post tax) | - | - | - | - | - | - |
| Profit for the year | 3.06 | 31.30 | - | (1,758.05) | (13.60) | (18.11) |
| Other comprehensive income | 1.30 | (0.22) | | (8.31) | - | - |
| Total Comprehensive income | 4.36 | 31.08 | - | (1,766.36) | (13.60) | (18.11) |

| Particulars | MMTC-PAMP India Private Limited | | Neelachal Ispat Nigam Limited | | Free Trade Ware-housing Pvt. Ltd. | |
|---|---|---|---|---|---|---|
| | 31-Mar-21 | 31-Mar-20 | 31-Mar-21* | 31-Mar-20 | 31-Mar-21 | 31-Mar-20 |
| Opening net assets | 302.81 | 328.35 | (2,564.71) | (956.49) | (25.76) | (7.65) |
| Profit for the year | 3.06 | 31.30 | - | (1,758.05) | (13.60) | (18.11) |
| Other comprehensive income | 1.30 | (0.22) | - | (8.31) | - | - |
| Other Adjustments | - | (56.62) | | 158.14 | - | - |
| Advance against equity | - | - | - | - | - | |
| Closing net assets | 307.17 | 302.81 | (2,564.71) | (2,564.71) | (39.36) | (25.76) |
| Group's share in % | 26% | 26% | 49.78% | 49.78% | 50% | 50% |
| Group's share in INR | 79.87 | 78.73 | (1,276.71) | (1,276.71) | (19.68) | (12.88) |
| Goodwill/(Capital Reserve) | - | - | - | - | - | - |
| Carrying amount ** | 79.87 | 78.73 | - | - | - | - |

*Financial Statements as on 31.3.2021 not received.

The carrying amount of investment in case of JV Company, NINL & FTWPL is NIL as group's share in loss of Joint Venture Company exceeds the carrying amount of investment in respective Joint venture company. The carrying amount of investment in respect of JV CompanyMMTC Gitanjali Ltd. and SICAL Iron Ore Terminal Ltd is NIL as the group's equity investment in the JV has been fully impaired. The investment in JV Company TM Mining Company Ltd. hasalready beenwritten off.

**43. Disclosure in respect of Indian Accounting standard (Ind AS)-108: "Operating Segments"**

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company‟s performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies.Business segments of the company are:-Precious Metals, Metals, Minerals, Coal & Hydrocarbon, Agro Products, Fertilizer and Others

**Segment Revenue and Expense**

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

**(₹ in crore as at March 31, 2021)**

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **Segment Revenue from External Customers** | | | | | | | | |
| Within India | 14,029.93 | 74.03 | 1.32 | 586.14 | 671.45 | 9,185.83 | 28.17 | 24,576.86 |
| Outside India | 0.00 | 231.40 | 1,817.87 | 233.80 | 3,127.46 | 6.11 | 7.96 | 5,424.61 |
| Inter-Segment Revenue | | | | | | | | |
| Total Segment Revenue | 14029.93 | 305.43 | 1819.20 | 819.94 | 3798.90 | 9191.94 | 36.14 | 30001.47 |
| Segment Results | | | | | | | | |
| Within India | 53.13 | 0.80 | 1.32 | (30.73) | 7.02 | 29.40 | 2.97 | 63.91 |
| Outside India | - | 0.93 | 50.39 | 1.34 | 11.77 | 0.07 | 0.25 | 64.75 |
| Total segmental results | 53.13 | 1.72 | 51.72 | (29.39) | 18.78 | 29.47 | 3.22 | 128.66 |
| Unallocated Corporate expenses: | | | | | | | | |
| Interest expenses (net) | | | | | | | | 193.24 |
| Other unallocated expenses net of other income | | | | | | | | 1,048.56 |
| **Profit before tax from ordinary activities** | | | | | | | | (1,113.14) |

**(₹ in crore as at March 31, 2020)**

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **Segment Revenue from External Customers** | | | | | | | | |
| Within India | 8,304.82 | 719.26 | 29.47 | 1,341.83 | 831.23 | 11,100.10 | 6.04 | 22,332.75 |
| Outside India | 0.15 | 250.73 | 1,694.54 | 325.62 | 1,693.76 | (0.02) | 7.18 | 3,971.96 |
| Inter-Segment Revenue | | | | | | | | - |
| Total Segment Revenue | 8,304.97 | 969.99 | 1,724.01 | 1,667.45 | 2,524.99 | 11,100.08 | 13.22 | 26,304.71 |
| Segment Results | | | | | | | | - |
| Within India | 49.60 | 17.09 | 7.31 | 25.57 | (6.88) | 37.02 | 0.82 | 130.53 |
| Outside India | 0.01 | 3.58 | 48.12 | 1.77 | 8.06 | - | 0.22 | 61.76 |
| Total segmental results | 49.61 | 20.67 | 55.43 | 27.34 | 1.18 | 37.02 | 1.04 | 192.29 |
| Unallocated Corporate expenses: | | | | | | | | |
| Interest expenses (net) | | | | | | | | 126.83 |
| Other unallocated expenses net of other income | | | | | | | | 285.03 |
| **Profit before tax from ordinary activities** | | | | | | | | (219.57) |

**Segment Assets and Liabilities** **(₹ in crore as at March 31, 2021)**

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **A.01 Segment Assets :** | | | | | | | | |
| Assets | 427.26 | 19.21 | 333.84 | 3514.81 | 668.84 | 19.74 | 39.99 | 5023.69 |
| Unallocated assets | | | | | | | | 450.15 |
| **Total Assets** | | | | | | | | **5473.86** |
| **A.02 Segment Liabilities :** | | | | | | | | |
| Liabilities | 442.64 | 38.67 | 344.50 | 1200.13 | 722.51 | 19.88 | 23.71 | 2792.02 |
| Unallocated liabilities | | | | | | | | 2582.12 |
| **Total Liabilities** | | | | | | | | **5374.12** |

**(₹ in crore as at March 31, 2020)**

| Particulars | Precious Metals | Metals | Minerals | Coal & Hydro-Carbon | Agro Products | Fertilizers | Others | Total |
|---|---|---|---|---|---|---|---|---|
| **A.01 Segment Assets :** | | | | | | | | |
| Assets | 267.73 | (211.61) | 173.36 | 3550.38 | 313.82 | 1560.86 | 503.90 | 6158.42 |
| Unallocated assets | | | | | | | | 251.81 |
| **Total Assets** | | | | | | | | **6410.25** |
| **A.02 Segment Liabilities :** | | | | | | | | |
| Liabilities | 188.05 | 93.77 | 218.47 | 507.87 | 397.91 | 1353.68 | 27.77 | 2787.55 |
| Unallocated liabilities | | | | | | | | 2739.26 |
| **Total Liabilities** | | | | | | | | **5526.78** |

Information about major customers

The revenues from transactions with a single external customer amounting to 10 per cent or more of the entity"s revenues are given below:

**(₹ in crore)**

| Major Customer (customer having more than 10% revenue) | 2020-21 | 2019-20 |
|---|---|---|
| Total Revenue | 9177.84 | 11076.02 |
| No. of customers | 1 | 1 |
| % of Total Revenue | 30.59% | 42.11% |
| Product Segment | Fertilizers | Fertilizers |

**44. Disclosure in respect of Indian Accounting Standard 24 "Related Parties Disclosures"**

**Disclosures for Other than Govt. Related Entities**

**a. List of key management personnel**

| Name | Designation |
|---|---|
| i. Shri Sudhanshu Pandey | Chairman and Managing Director- (Managing Director) (w.e.f. 01.03.2020 upto 13.05.2020) |
| ii. Shri Sanjay Chadha | Chairman and Managing Director- (Managing Director) (Addl. Charge) (w.e.f 14.05.2020) |
| iii. Shri Umesh Sharma | Director(F) & (Chief Financial Officer) (Upto 31.05.2020) |
| iv. Shri Kapil Kumar Gupta | Director(F) & (Chief Financial Officer) (w.e.f. 01.06.2020) |

| | |
|---|---|
| v. Shri Ashwani Sondhi | Director (Upto 31.01.2021) |
| vi. Shri J Ravi Shanker | Director |
| vii. Shri R R Sinha | Director (Personnel) |
| viii. Shri T.S. Rao | Managing Director, MTPL |
| ix. Shri Debashish Nayak | Director (F), MTPL |

**b. Subsidiary**

MMTC Transnational Pte. Ltd. (MTPL), Singapore

**c. Joint Venture:-**

i. NeelachalIspat Nigam Ltd

ii. Free Trade Warehousing Pvt. Ltd.

iii. MMTC Pamp India Pvt. Ltd.

iv. MMTC Gitanjali Ltd.

v. Sical Iron Ore Terminal Ltd.

**d. Government and its related entities**

i. Government of India - holds 89.93% equity shares of the Company and has control over the company.

ii. Central Public Sector Enterprises in which Government of India has control.

**e. Post-Employment Benefit Plan**

i. MMTC Limited CPF Trust

ii. MMTC Limited Gratuity Trust

iii. MMTC Limited Employees‟ Defined Contribution Superannuation Trust

iv. MMTC Employees Post-Retirement Medical Benefit Trust

**f. Compensation of key management personnel** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---:|---:|
| Short-term benefits | 4.35 | 4.67 |
| Post-employment benefits | 0.45 | 0.58 |
| Other long-term benefits | - | - |
| Share-based payments | - | - |
| Termination benefits | - | - |
| **Total** | **4.81** | **5.26** |
| Recovery of Loans & Advances during the year | 0.00 | 0.01 |
| Advances released during the year | - | - |
| Closing Balance of Loans & Advances as at | | |
| the end of the year | - | 0.00 |

## g. Transactions with Related Parties

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | | Others | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 |
| Sale of goods and services | - | - | 2.51 | 13.56 | - | - | - | - | | 109.03 | 2.08 | 837.75 | - | - | | - |
| Purchase of raw material/goods and services | - | - | 107.12 | 78.98 | - | - | - | - | 1.74 | 92.22 | 25.38 | 935.48 | - | - | - | - |
| Payments on behalf of company | - | - | - | - | - | - | - | - | | | | | - | - | 77.82 | 109.18 |
| Other transactions | - | - | - | - | - | - | - | - | 28.64 | - | - | | - | - | 6.01 | 179.96 |

## h. Outstanding balances arising from sale/purchase of goods/services

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 |
| Trade Payables | 0.02 | 0.02 | - | - | - | - | - | - | 0.76 | 12.37 | 1.46 | 1.59 | - | - |
| Trade receivables | - | - | - | (1.05) | - | - | - | - | - | | - | - | - | - |
| Other Payables | - | - | 0.03 | - | - | - | - | - | - | - | - | - | - | - |
| Other Receivables | - | - | - | - | - | - | - | - | 0.09 | 4.31 | - | - | - | - |

## i. Loans to Joint Ventures

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 |
| Loans at beginning of the year | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Loan advanced | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Repayment received/adjusted | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest charged | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest received | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance at end of the year including interest | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

## j. Advances to Joint Ventures

(₹ in crore)

| Particulars | MMTC Gitanjali Private Limited | | MMTC PAMP India Private Limited | | Sical Iron Ore Terminal Limited | | Indian Commodity Exchange Limited | | MTPL | | Neelachal Ispat Nigam Limited | | Free Trade Warehousing Pvt. Ltd. | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 | Mar/21 | Mar/20 |
| Advances given | - | - | - | - | - | - | - | - | - | - | 3,528.47 | 3,221.00 | - | - |

**k. Loans toKMP** **(₹ in crore)**

| Particulars | Mar/21 | Mar/20 |
|---|---|---|
| Loans at beginning of the year | 0.00 | 0.01 |
| Loan advanced | - | - |
| Repayment received | - | - |
| Interest charged | - | - |
| Interest received | 0.00 | 0.01 |
| Balance at end of the year including interest | - | 0.01 |

l. Loans to related parties are for short term & to KMP are in the nature of welfare advances. Interest is charged basis market rates from time to time.

m. Disclosure for transactions entered with Govt. and Govt. Entities

| S. NO | NAME OF GOVT/ GOVT ENTITIES | NATURE OF RELATIONSHIP WITH THE COMPANY | NATURE OF TRANSACTIONS | VALUE (RS) | OUTSTANDING BALANCE | |
|---|---|---|---|---|---|---|
| | | | | | RECEIVABLE | PAYABLES |
| 1 | Deptt. Of Fertilizer GOI | Majority Owner | Sale of Goods | 9,177.84 | 3.32 | - |
| 2 | Deptt. Of Consumer Affairs GOI | Majority Owner | Import of Pulses | - | 33.17 | - |
| 3 | Other Departments of Govt of India | Majority Owner | Purchase/sale of goods | 2,469.43 | 1.07 | 9.44 |
| 4 | CPSEs | Related through GOI | Purchase/sale of goods | 1,839.39 | 113.18 | 303.10 |

**45. Disclosure in respect of Indian Accounting standard (Ind AS) 116 "Leases" 45.1As lessee**

**a) Finance lease: The company does not have any finance lease arrangement during the period.**

**b) Operating lease :**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Depreciation charge for right of use assets | 1.07 | 1.06 |
| Interest expense on lease liabilities | 0.50 | 0.58 |
| Expense on short term leases | - | |
| Expense on low value assets | - | |
| Expense relating to variable lease payments not included in measurement of lease liability | - | - |
| Income from subleasing right of use assets | - | |
| Total cash outflow for leases | 1.51 | 1.55 |
| Addition to right of use assets | 0.14 | 3.96 |
| Carrying amount of right of use assets at the end of the reporting period | 3.35 | 5.10 |

**Maturity analysis of lease liabilities** **(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Not later than 1 year | 0.37 | 1.35 |
| Later than 1 year and not later than 5 years | 0.42 | 2.99 |
| Later than 5 years | 3.23 | 28.47 |

**c) The company is using the right of use assets for operating its business activities.**

As a practical expedient, short term leases (having a term of 12 months or less)and leases for which the underlying assets is of low value upto Rs.1,00,000/- per month and Rs.12,00,000/- per year are not recognized as per the provisions given under Ind AS-116 (Leases).

**As a lessor**

a) Finance lease: The company does not have any finance lease arrangement during the period.

b) Operating lease :

- **Future minimum lease receivables under non-cancellable operating lease** **(₹incrore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Not later than 1 year | 1.50 | 1.50 |
| Later than 1 year and not later than 5 years | 3.89 | 5.39 |
| Later than 5 years | - | |

**46. Disclosure in respect of Indian Accounting Standard (Ind AS)-33 "Earnings Per Share(EPS)" Basic & Diluted EPS**

The earnings and weighted average number of ordinary shares used in the calculation of basic&dilutedEPS and Basic EPS is as follows:

**(₹incrore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit for the year, attributable to the owners of the company (₹ in crore) | (789.28) | (291.75) |
| Weighted average number of ordinary shares for the purpose of basic earnings per share | 1,500,000,000 | 1,500,000,000 |
| Basic & Diluted EPS (In ₹) | (5.26) | (1.95) |

**47. Disclosure in respect of Indian Accounting Standard (Ind AS)-37 "Provisions, Contingent Liabilities and Contingent Assets"**

**( ₹ incrore)**

| Particulars of Provision | Opening Balance as on 01.04.2020 | Adjustment during year | Addition during year | Closing Balance as on 31.03.2021 |
|---|---|---|---|---|
| Destinational Weight & Analysis Risk | 0.04 | 0.04 | 0.08 | 0.08 |
| Bonus/PRP | 21.48 | 4.05 | 0.41 | 17.84 |
| Provision for Litigation Settlements | 11.38 | (0.18) | 877.25 | 888.81 |

**48. Disclosure in respect of Indian Accounting Standard (Ind AS)-115: "Revenue from Contract with Customers)**

**Disclosure**

**A. (i) Contracts with customers**

**a) Company has recognized the following revenue during the year from contracts with its customers**

**(₹ in crore)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Sale of products | 29,970.20 | 26,216.74 |
| Sale of services | 2.91 | 4.06 |
| Other operating revenue | | |
| -Claims | 25.90 | 89.25 |
| -Subsidy | - | - |
| -Despatch Earned | 11.25 | 4.98 |
| -Other Trade Income | (8.79) | (10.32) |
| **Total** | **30,001.47** | **26,304.71** |

a) Company has recognized the following amount as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Impairment Loss | 1.06 | - |

**Disaggregation of Revenue**

The Company has identified its Operating Segments as Minerals, Precious Metals, Metals, Agro Products, Coal & Hydrocarbon, Fertilizer and General Trade/others. The segment wise revenue generated from the contract with customers and its proportion in total revenue is as follows:-

| Particulars | For the year ended March 31, 2021 | As % to Total Revenue | For the year ended March 31, 2020 | As % to Total Revenue |
|---|---|---|---|---|
| Precious Metals | 14,029.93 | 46.76 | 8,304.97 | 31.57 |
| Metals | 305.43 | 1.02 | 969.99 | 3.69 |
| Minerals | 1,819.20 | 6.06 | 1,724.01 | 6.55 |
| Coal & Hydrocarbon | 819.94 | 2.73 | 1,667.45 | 6.34 |
| Agro Products | 3,798.90 | 12.66 | 2,524.99 | 9.60 |
| Fertilizers | 9,191.94 | 30.64 | 11,100.08 | 42.20 |
| Others | 36.14 | 0.12 | 13.22 | 0.05 |
| **Total** | **30,001.47** | **100.00** | **26,304.71** | **100.00** |

**(ii) Contract Balances**

**(a) Receivables**

| Particulars | As at March 31,2021 | As at March 31,2020 |
|---|---|---|
| Opening Balance | 2,435.96 | 818.69 |
| Addition/(deduction) during the year | (1,211.83) | 1,617.27 |
| Closing Balance | **1,224.13** | **2,435.96** |

**(b) Contract Assets**

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Being a trading company performance obligation of the company is satisfied upon transferring a promised goods or service to its customers and there is no obligation on the part of the company which remains unexecuted.

**(c) Contract Liabilities**

Upon execution of contract with the customers, certain amount in the form of EMD, Security Deposit, Margin Money, advance for payment of custom duty etc. received from the customers which is shown as advance received from customers under the heading “Other Financial Liabilities” and “Other Liabilities”

| Particulars | As at March 31,2021 | As at March 31,2020 |
|---|---|---|
| Opening Balance | 212.24 | 361.95 |
| Add: Addition during the year | 329.36 | 132.83 |
| Less: Deduction (Refunds/adjustments) | 24.25 | 188.70 |
| Less: Recognised as revenue during the year forming part of opening balance | 55.09 | 93.85 |
| Closing Balance | **462.26** | **212.24** |

During the year company has recognized revenue of ₹ Nil crore (P.Y. ₹ Nil crore) from the performance obligations satisfied in earlier periods by raising debit/credit notes to its customers.

The company has made the adjustment of ₹ Nil crore (P.Y. ₹ Nil Crore) in the revenue of ₹ Nil crore ( P.Y. ₹ Nil crore) recognized during the year on account of discounts, rebates, refunds, credits, price concessions, incentives performance bonuses etc. as against the contracted revenue of ₹ Nil crore ( P.Y. ₹ Nil crore).

**(d) Practical expedients**

During the year company has entered into sales contracts with its customers where some of the part is yet to be executed, same has not been disclosed as per practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

**B. Significant judgements in the application of this standard**

(i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

(ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).

(iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

(iv) Certain adjustments have been made during the year in contract value which is not significant keeping in view the amount involved.

**C. Assets Recognised from costs to obtain or fulfil a contact with a customer**

Being a trading company, costs incurred by the company are fixed in nature with no significant incremental cost to obtain or fulfil a contract with a customer and same is charged to profit and loss as a practical expedient.

**49.** Balances of some of the Trade Receivable, Other Assets, Trade and Other Payable are subject to confirmation/ reconciliation and consequential adjustment, if any. Reconciliations are carried out on on- going basis. Provisions, wherever considered necessary, have been made. However, management does not expect to have any material financial impact of such pending confirmation/reconciliation.

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

**51. Material impact of CoVID-19 on the business of the company:-**

Due to CoVID-19 pandemic Government of India has announced lock down India from time to time to contain the spread of the pandemic. This pandemic has impacted the business of the company which in turn have consequential effect on the profitability as well as liquidity of the company. This has also caused delay in compliance for financial reporting under the provisions of Companies Act, 2013 and LODR 2015. MMTC limited is operating in seven business segment Precious Metals, Metals, Minerals, Coal and Hydrocarbon, Agro Products, Fertilizers and General Trade/ others. Some of the business segments impacted by CoVID-19 effect as given below:-

(i) In minerals due to situation created by COVID-19 the movement of men and material has been adversely affected. Due to this pandemic some of the entities to whom exports are made are working on very less capacity which impacted Iron ore export to these companies.

(ii) In metals segment due to this situation and frequent fluctuation in price customers are reluctant to book the imported material. Empanelled suppliers are not able to ship the committed consignments which results disruption of supply chain.

(iii) In precious metals sale of gold and silver in DTA and SEZ have been affected adversely.

(iv) In other business segments also there is impact due to price fluctuation, supply chain disruption, unable to get new orders and explore the market etc.

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

**53.** Amount in the financial statements are presented in ₹ crore (upto two decimals) except for per share data and as otherwise stated. Certain small amounts may not appear in financial statements due to rounding off in ` in crore. Previous year‟s figures have been regrouped/rearranged wherever considered necessary.

**54.** Statement containing salient features of the financial statements of Subsidiaries/Associates companies/ Joint Ventures pursuant to Section 129 (3) of the Companies Act, 2013 in prescribed form AOC-I is attached at Annexure-A.

**55. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 27.10.2021

As per our report of even date attached

**For and on behalf of Board of Directors**

**For M. L. Puri & Co.**
Chartered Accountants
F.R. No.: 002312N

| | | | |
|---|---|---|---|
| **(CA. R C Gupta)**<br>Partner<br>M. No. 095584 | **(G. Anandanarayanan)**<br>Company Secretary<br>ACS-13691 | **(B.N. Dash)**<br>Chief General Manager(F&A) | **(Kapil Kumar Gupta)**<br>Director (F)& CFO<br>DIN: 08751137 |

Date: 27.10.2021
Place: New Delhi

| | |
|---|---|
| **(J Ravi Shanker)**<br>Director<br>DIN: 06961483 | **(Sanjay Chadha)**<br>Chairman and Managing Director (Addl. Charge)<br>DIN: 00752363 |

| | | |
|---|---|---|
| | | **Annexure-A** |
| | **AOC-I** | |
| | **Statement containing salient features of the financial statements of Subsidiaries / Associate Companies/ Joint Ventures** | |
| | (Pursuant to Section 129 (3) of the Companies Act, 2013 ) | |
| | Part "A": Subsidiaries | |
| | | **(₹ In Crores)** |
| **1** | **Sl. No.** | **1** |
| 2 | Name of the Subsidiary | MMTC Transnational Pte Ltd., |
| 3 | Reporting period for the subsidiary concerned, if different from the holding company"s reporting period | N.A. |
| 4 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | US Dollars, Exchange Rate Rs. 74.2567 (Average Rate) |
| 5 | Share capital | 3.14 |
| 6 | Reserves & surplus | 73.97 |
| 7 | Total assets | 367.60 |
| 8 | Total Liabilities | 290.48 |
| 9 | Investments | - |
| 10 | Turnover | 3,621.60 |
| 11 | Profit before taxation | 9.70 |
| 12 | Provision for taxation | 1.46 |
| 13 | Profit after taxation | 8.24 |
| 14 | Proposed Dividend | NIL |
| 15 | % of shareholding | 100 |
| | | |
| a) | Names of subsidiaries which are yet to commence operations | NIL |
| b) | Names of subsidiaries which have been liquidated or sold during the year | NIL |

| AOC-I Part "B": Associates and Joint Ventures | | | | | |
|---|---|---|---|---|---|
| | | | | | (₹ In Crores) |
| **Name of Associates/Joint Ventures** | **Neelachal Ispat Nigam Limited** | **Free Trade Warehousing Pvt. Ltd.** | **MMTC Pamp India Pvt. Ltd.** | **Sical Iron Ore Terminal Ltd.** | **MMTC Gitanjali Ltd.** |
| | | | | | |
| 1. Latest audited Balance Sheet Date | 31.03.2020* | 31.03.2021 | 31.3.2021 | 31.03.2021 | 31.03.2017** |
| | | | | | |
| 2. Shares of Associate/Joint Ventures held by the company at the year end | | | | | |
| Number | 368762744 | 5000 | 17446000 | 33800000 | 2987400 |
| Amount of Investment in Associates/ Joint Venture | 459.11 | 0.01 | 17.45 | 33.80 | 2.99 |
| Extend of Holding % | 49.78% | 50% | 26% | 26% | 26% |
| | | | | | |
| 3. Description of how there is significant influence | Equity & Management Control | Equity | Equity | Equity | Equity |
| | | | | | |
| 4. Reason why the associate/joint venture is not consolidated | N.A. | N.A. | N.A. | N.A. | Note (1) |
| | | | | | |
| 5. Networth attributable to Shareholding as per latest audited Balance Sheet | (1,276.71) | (19.68) | 79.86 | 33.78 | 1.82 |
| | | | | | |
| 6. Profit / (Loss) for the year | | | | | |
| i. Considered in Consolidation | - | - | 1.13 | - | - |
| ii. Not Considered in Consolidation | - | - | - | - | - |
| | | | | | |
| a) Names of associates or joint ventures which are yet to commence operations. | | | | NIL | |
| b) Names of associates or joint ventures which have been liquidated or sold during the year | | | | NIL | |

*The financial statements are not received from Joint venture company for the year ended 31.03.2021.Latest audited Balance sheet for the JV company is for the year ended 31.03.2020. Details are given at Note no. 41.

**The financial statements are not received from Joint venture company for the year ended 31.03.2020. Latest audited Balance sheet for the JV company is for the year ended 31.03.2017. Details are given at Note no. 41.

**Additional information as per Part -III - General Instructions for preparation of Consolidated Financial Statements**

| Sl. No. | Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets | Amount (In ₹ Crores ) | As % of consolidated profit or loss | Amount (In ₹ Crores ) | As % of consolidated other comprehensive income | Amount (In ₹ Crores) | As % of total comprehensive income | Amount (In ₹ Crores ) |
| **Parent** | | | | | | | | | |
| **MMTC Limited** | | 423.56 | 422.46 | 101.14 | (798.30) | 144.27 | 8.00 | 100.84 | (790.30) |
| **Subsidiaries-Foreign** | | | | | | | | | |
| 1 | MMTC Transnational Pte Ltd.,Singapore | 74.17 | 73.97 | (1.04) | 8.24 | (50.36) | (2.79) | (0.69) | 5.45 |
| 2 | Non-controlling Interest | - | - | | | | | | |
| **Joint Ventures-Indian (investment as per equity method)** | | | | | | | | | |
| 1 | Free Trade Warehousing Pvt. Ltd. | (0.01) | (0.01) | - | - | - | - | - | - |
| 2 | MMTC Pamp India Pvt. Ltd. | 62.58 | 62.42 | (0.10) | 0.79 | 6.09 | 0.34 | (0.14) | 1.13 |
| 3 | Sical Iron Ore Terminal Ltd. | - | - | - | - | - | - | - | - |
| 4 | Neelachal Ispat Nigam Limited | (460.31) | (459.11) | - | - | - | - | - | - |
| 5 | MMTC Gitanjali Ltd. | - | - | - | - | - | - | - | - |
| 6 | TM Mining Company Ltd. | - | - | - | - | - | - | - | - |
| | **Total** | **100.00** | **99.74** | **100.00** | **(789.27)** | **100.00** | **5.55** | **100.00** | **(783.73)** |

# AUDITORS

Office of the Comptroller & Auditor General of India vide their letter No. CA. V/COY/CENTRAL GOVERNMENT, MMTC (12)/137 dated 01st Aug, 2019 have communicated the appointment of Auditors of the company under section 139 of the Companies Act, 2013 for the financial year 2019-20. The details are given below:-

| Statutory Auditor | Region |
|---|---|
| M L Puri & Co.<br>New Delhi | - RO Delhi including SROs<br>- CO, New Delhi (Including foreign offices), Office of Mica Division Consolidation and merger of all branches |
| **Branch Auditors** | |
| Patnaik & CO<br>Cuttack | - Bhubneshwar Regional Office including Sub-Offices/distribution centers |
| J P Shah & Co.<br>Ahmedabad | - Ahmedabad Regional Office including Sub-Offices/distribution centers |
| Jayesh Sanghrajka & Co. LLP<br>Mumbai | - Mumbai Regional Office including Sub-Offices/distribution centers |
| SRI Associates<br>Kolkata | - Kolkata Regional Office including Sub-Offices/distribution centers<br>- Mica Division at Kolkata, Abhraknagar, Jhumritalaya & Giridih |
| Venugopal and Chenoy<br>Hyderabad | - Hyderabad Regional Office including Sub-Offices/distribution centers |
| R M K & Co.<br>Jaipur | - Jaipur Regional Office |
| B Thiagarajan & Co.<br>Chennai | - Chennai Regional Office including Sub-Offices/distribution centers<br>- MICA Division at Gudur |
| Rao & Manoj Associates<br>Visakhapatnam | - Visakhapatnam Regional Office including Sub-Offices/distribution centers |

# MMTC BANKERS

1. State Bank of India
2. Punjab National Bank
3. Punjab & Sind Bank
4. Bank of Maharashtra
5. Indian Bank
6. The Karnataka Bank Ltd.
7. Union Bank of India

# MMTC OFFICES

**CORPORATE OFFICE**
MMTC Limited, Core 1, SCOPE Complex, 7 Institutional Area, Lodi Road,
New Delhi - 110 003
**Tel:** 91-11-24362200; **Email:** mmtc@mmtclimited.com
**Website:** www.mmtclimited.com

## Regional Offices

| | |
|---|---|
| **NORTH ZONE** | **DELHI REGIONAL OFFICE**<br>F 8-11, Jhandewalan Flatted Factory Complex, Rani Jhansi Road, New Delhi-110055<br>Tel : 011-23623950,23623952, 23670408; Fax : 011-23633175<br>Email: head_jjc@mmtclimited.com<br>**SROs/FOs: Jaipur** |
| **SOUTH ZONE** | **CHENNAI**<br>Essar House, 6, Espalande, Chennai -600108 (Tamilnadu)<br>Tel : 044-25341942, 25341938; Fax : 044-25340544, 25340317<br>Email : head_chennai@mmtclimited.com<br>**SROs/FOs: Bengaluru, Banihatti** |
| | **VIZAG**<br>MMTC Bhawan, Port Area, P. B. No. 132, Vishakhapatnam-530035 (Andhra Pradesh)<br>Tel : PBX : 0891-2562356, 2562771; Fax: 0891-2562611<br>Email : mmtcvizag@mmtclimited.com |
| | **HYDERABAD**<br>9-1-76 to 77/1/B, 3rd Floor, S.D. Road, Secunderabad-500003<br>Tel : 040-27804033; Fax : 040-27804038, 27725401<br>Email: mmtchyd@mmtclimited.com |
| **EAST ZONE** | **BHUBANESWAR (Sub-Regional Office)**<br>Alok Bharati Complex, 7th floor, Sahid Nagar, Bhubaneswar-751007 (Odisha)<br>Tel : 0674-2546848, 2518517, 2503336, 2544783; Fax :0674-2546847, 2512832<br>Email:head_bhubaneswar@mmtclimited.com, mmtcbbsr@mmtclimited.com<br>**SROs/FOs: Paradeep, Duburi** |
| **WEST ZONE** | **MUMBAI**<br>MMTC House, C-22,E-Block, Bandra Kurla Complex, Bandra East, Mumbai-400 051<br>Tel : 022-26572437,26594100, 26573193, 61214500; Fax : 022-26572541, 26572807<br>Email : head_mumbai@mmtclimited.com, mmtcmumbai@mmtclimited.com<br>**SROs/FOs: Ahmedabad** |
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