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

48th Annual Report

Touching lives, Adding value

2010-2011

Board of Directors

SANJIV BATRA
Chairman and Managing Director
Upto 30.09.10

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

H S MANN
Chairman and Managing Director
w.e.f. 6.10.10 to 22.07.11

GOVERNMENT NOMINEE DIRECTORS

DR. SUTANU BEHURIA
Upto 6.10.10

P K CHAUDHERY

SAURABH CHANDRA
w.e.f. 6.10.10 to 7.12.10

DR. RAJAN KATOCH
w.e.f. 7.12.10

INDEPENDENT DIRECTORS

ANIL BAIJAL

ARUNA MAKHAN

H L ZUTSHI

ANIL RAZDAN
w.e.f. 13.07.11

S. KRISHNAN
w.e.f. 14.07.11

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

ARUN BALAKRISHNAN
w.e.f. 16.07.11

FUNCTIONAL DIRECTORS

S K KAR
Director (Finance)
upto 30.06.10

A MAHAPATRA
Director (Personnel)
upto 30.07.10

SUNIR KHURANA
Director (Marketing)

VED PRAKASH
Director (Marketing)

RAJEEV JAIDEVA
Director (Personnel)
w.e.f. 3.12.10

Corporate Mission

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

Corporate Objectives

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

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

48th ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

NOTICE

Notice is hereby given that **48th Annual General Meeting** of the Members of MMTC Limited will be held at **SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003** on Friday, **the 30th September, 2011 at 1200 hours** to transact the following business:

ORIDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended 31st March 2011, Report of Board of Directors, Statutory Auditors' Report and the Comments thereupon of Comptroller & Auditor General of India.
2. To declare dividend on equity share capital for the financial year ended 31st March 2011. The Board has recommended a dividend of 25% on the post Bonus enhanced paid up equity capital of the company for the year ended 31st March 2011.
3. To re-appoint Smt Aruna Makhan, Non Official Part time Director who retires by rotation at the AGM, as Non Official Part time Director of the company on the same terms & conditions as approved by the President of India. Being eligible, she has offered herself for re-appointment as Non Official Part time Director.
4. To re-appoint Shri P K Chaudhery, Part time Director who retires by rotation at the AGM, as Part Time Director of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Part Time Director.
5. To re-appoint Mr Anil Baijal, Non-official Part Time (Independent) Director who retires by rotation at the AGM, as Non-official Part Time (Independent) Director of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Non-official Part Time (Independent) Director.
6. To re-appoint Shri Ved Prakash Director (Marketing) who retires by rotation at the AGM, as Director (Marketing) of the company on the same terms & conditions as approved by the President of India. Being eligible, he has offered himself for re-appointment as Director (Marketing).
7. To authorize Board of Directors of the company in terms of the provisions of Section 224(8)(aa) of Companies Act, 1956 to fix remuneration of the Statutory/Branch Auditors of the company appointed by Comptroller & Auditor General of India u/s 619 of the Companies Act, 1956 for the financial year 2011-12.

SPECIAL BUSINESS

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

> "RESOLVED THAT Smt Vijaylaxmi Joshi who was appointed as Chairman-cum-Managing Director, with immediate effect, by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry office order no. A-12022/7/2009-E.IV dated 22nd July 2011 and by the Board of Directors in circulation on 25th July 201 as Chairman-cum-Managing Director under section 260 of the Companies Act, 1956, and who holds

office up to the date of this Annual General Meeting be and is hereby appointed as Chairman-cum-Managing Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

"RESOLVED THAT Dr. Rajan Katoch, who was appointed by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry communication no. 11/36/2001-FT (M&O) dated the 7th December 2010 and by the Board of Directors in its 383rd meeting held on 22nd December 2010 as Part Time Director under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part Time Director of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

"RESOLVED THAT Shri Rajeev Jaideva, who was appointed by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Office Order No. A-12022/28/2008-E.IV dated 3.12.2010 of Department of Commerce, Ministry of Commerce & Industry and by the Board of Directors in its 383rd meeting held on 22nd December 2010 as Whole Time Director (Personnel) under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Whole Time Director (Personnel) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

"RESOLVED THAT Shri Anil Razdan who was appointed as Part Time Non-Official Director, by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry communication no. 11/9/2011-FT(M&O) dated 6th July 2011 and by the Board of Directors in circulation on 25th July 201 as Part Time Non-Official Director (Independent Director) under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part Time Non-Official Director (Independent Director) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

"RESOLVED THAT Shri S Krishnan who was appointed as Part Time Non-Official Director, by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry communication no. 11/9/2011-FT(M&O) dated 6th July 2011 and by the Board of Directors in circulation on 25th July 201 as Part Time Non-Official Director (Independent Director) under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part Time Non-Official Director (Independent Director) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

> "RESOLVED THAT Shri G S Vedi who was appointed as Part Time Non-Official Director, by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry communication no. 11/9/2011-FT(M&O) dated 6th July 2011 and by the Board of Directors in circulation on 25th July 201 as Part Time Non-Official Director (Independent Director) under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part Time Non-Official Director (Independent Director) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

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

> "RESOLVED THAT Shri Arun Balakrishnan who was appointed as Part Time Non-Official Director, by the President of India in exercise of powers vested vide Article 87(2) of Articles of Association of the company, vide Department of Commerce, Ministry of Commerce & Industry communication no. 11/9/2011-FT(M&O) dated 6th July 2011 and by the Board of Directors in circulation on 25th July 201 as Part Time Non-Official Director (Independent Director) under section 260 of the Companies Act, 1956, and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Part Time Non-Official Director (Independent Director) of the company on the terms, conditions and tenure as determined by the President of India from time to time".

By Order of the Board

Dated: 18th August 2011
Place : New Delhi

sd/-
(Manohar Balwani)
GM & Company Secretary

NOTES:

1. A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. A proxy form is sent herewith. Proxy form in order to be effective must be lodged with the company at its registered office not less than 48 hours before the time of the meeting.
2. Transfer Books and Register of Members will remain closed from **16th to 30th September 2011** (both days inclusive).
3. Members are requested to bring their copy of Annual Report and Attendance Slip at the Annual General Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Non-Resident Indian Shareholders holding shares in physical form are requested to inform the Company immediately:
   a) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank.
   b) The Change in the Residential Status on return to India for permanent settlement.
6. As per SEBI Guidelines, it has been made mandatory for all companies to use the bank account details furnished by the depositories for distributing dividends and other cash benefits, etc. through Electronic Clearing Service to the investors wherever ECS and bank details are available. Accordingly, the shareholders holding shares in Demat form should furnish the bank account details to their depository participants to avail the above facility.

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

8. M/s. MCS Ltd. have been appointed as Registrar and Transfer Agents for carrying out its entire share related activities viz. Transfer / transmission l transposition / dematerialisation / rematerialisation /split/ consolidation of shares, change of address, bank mandate, filing of nomination, dividend payment and allied activities. Shareholders are requested to make all future correspondence related to share transfers and allied activities with this agency only at the following address:

   M/s. MCS Ltd.
   F–65 Okhla Industrial Area,
   Phase I, New Delhi –110020

9. Members holding shares in physical mode should notify change in their addresses, if any, specifying full address in block letters with Pin Code of their post offices, to M/s. MCS Ltd., Registrar & Transfer Agents.

10. Members seeking further information on the accounts or any other matter contained in the Notice are requested to write to the Company **at least 7 days before** the meeting so that relevant information can be kept ready at the meeting.

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

Item No.8

In accordance with office order no. A-12022/7/2009-E.IV dated 22nd July 2011 of Department of Commerce, Ministry of Commerce & Industry, Government of India, Smt Vijaylaxmi Joshi, was appointed, subject to Section 260 of Companies Act, 1956, as Chairman-cum-Managing Director on the Board of MMTC Limited w.e.f. 22nd July 2011 vice Shri H S Mann. Smt Vijaylaxmi Joshi holds the charge till the conclusion of this AGM.

The company has received a notice from a member u/s 257 of Companies Act, 1956 proposing the candidature of Smt Vijaylaxmi Joshi as Chairman-cum-Managing Director of the company.

Smt Vijay Laxmi Joshi, aged 53 years, belongs to IAS-1980 batch Gujarat Cadre and presently is holding the charge of Additional Secretary, Department of Commerce, MOC&I, Govt of India. She has been given the additional charge of CMD of MMTC Ltd by the President of India vide Department of Commerce, Ministry of Commerce & Industry office order no. A-12022/7/2009-E.IV dated 22nd July 2011.

Board considers it desirable that the Company should continue to avail itself of her services as Chairman-cum-Managing Director and recommend this resolution for approval of the shareholders.

None of the Directors other than Smt Vijaylaxmi Joshi, to the extent of her appointment as Chairman-cum-Managing Director, is concerned or interested in the above resolution.

Item No.9

In accordance with communication No11/36/2001-FT (M&O) dated the 7th December 2010 of Department of Commerce, Ministry of Commerce & Industry, Government of India, Dr Rajan Katoch, was appointed, subject to Section 260 of Companies Act, 1956, as Part Time Director on the Board of MMTC Limited w.e.f. 7th December 2010. Dr Rajan Katoch holds the charge till the conclusion of this AGM.

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

Dr Rajan Katoch, aged 55 years, belongs to IAS-1979 Batch of MP Cadre. He is a Post Graduate in Economics and also has done Ph.D. in Economics. Presently, Dr Katoch is holding the charge of Additional Secretary & Financial Adviser, Department of Commerce, MOC&I. Before joining MOC&I Govt of India, he was holding the position of Principal Secretary, Home Department, Govt of Madhya Pradesh.

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

None of the Directors other than Dr Rajan Katoch, to the extent of his appointment as Part Time Director, is concerned or interested in the above resolution.

Item No.10

In accordance with communication No11/36/2001-FT (M&O) dated the 7th December 2010 of Department of Commerce, Ministry of Commerce & Industry, Government of India, Shri Rajeev Jaideva was appointed, subject to Section 260 of Companies Act, 1956, as Part Time Director on the Board of MMTC Limited w.e.f. 3rd December 2010. Shri Rajeev Jaideva holds the charge till the conclusion of this AGM.

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

Shri Rajeev Jaideva, aged 54 years, has a wide experience of over three decades of diverse working experience including in the area of Human Resource Management and Marketing Management in domestic and international field. Prior to his appointment as Director (Personnel) Shri Jaideva was serving MMTC as Chief General Manager(Personnel).

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

None of the Directors other than Shri Rajeev Jaideva, to the extent of his appointment as Whole Time Director(Personnel), is concerned or interested in the above resolution.

Item No.11

In accordance with communication No 11/9/2011-FT(M&O) dated 6th July 2011 of Department of Commerce, Ministry of Commerce & Industry, Government of India, Shri Anil Razdan was appointed, subject to Section 260 of Companies Act, 1956, as Part Time Non-Official Director (Independent Director) on the Board of MMTC Limited w.e.f. 13th July 2011. Shri Anil Razdan holds the charge till the conclusion of this AGM.

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

Shri Anil Razdan, aged 62 years, is a retired IAS Officer -1973 batch and held the charge of Secretary, Ministry of Power, Govt of India prior to his superannuation. He is presently Member of the Advisory Group of the Union Ministry of Power, Member of Adhoc Task Force on MOU in DPE. He has also been appointed as Scientific Consultant on Energy Technologies to the Office of the Principal Scientific Adviser to the Govt of India in April 2010.

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

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

Item No.12

In accordance with communication No 11/9/2011-FT(M&O) dated 6th July 2011 of Department of Commerce, Ministry of Commerce & Industry, Government of India, Shri S Krishnan was appointed, subject to Section 260 of Companies Act, 1956, as Part Time Non-Official Director (Independent Director) on the Board of MMTC Limited w.e.f. 14th July 2011. Shri S Krishnan holds the charge till the conclusion of this AGM.

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

Shri Krishnan, aged 61 years, is a retired IAS Officer-1975 batch and held the charge of Secretary to the Govt of India, Department of Fertilizers, Ministry of Chemicals & Fertilizers prior to his superannuation.

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

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

Item No.13

In accordance with communication No 11/9/2011-FT (M&O) dated 6th July 2011 of Department of Commerce, Ministry of Commerce & Industry, Government of India, Shri G S Vedi was appointed, subject to Section 260 of Companies Act, 1956, as Part Time Non-Official Director (Independent Director) on the Board of MMTC Limited w.e.f. 14th July 2011. Shri G S Vedi holds the charge till the conclusion of this AGM.

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

Shri Vedi, aged 61 years held the charge of CMD of Punjab & Sind Bank prior to his superannuation on 30.6.2010.

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

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

Item No.14

In accordance with communication No 11/9/2011-FT(M&O) dated 6th July 2011 of Department of Commerce, Ministry of Commerce & Industry, Government of India, Shri Arun Balakrishnan was appointed, subject to Section 260 of Companies Act, 1956, as Part Time Non-Official Director (Independent Director) on the Board of MMTC Limited w.e.f. 16th July 2011. Shri Arun Balakrishnan holds the charge till the conclusion of this AGM.

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

Shri Balakrishnan, aged 61 years held the charge of CMD of Hindustan Petroleum Corporation prior to his superannuation in July 2010.

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

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

DIRECTORS' REPORT

The Members
MMTC Limited,
New Delhi.

Ladies & Gentlemen,

On behalf of Board of Directors, I have pleasure in presenting 48th Annual Report on the performance of your company for the financial year ended 31st March 2011 along with audited statements of accounts, Auditor's Report & Review of Accounts by the Comptroller and Auditor General of India.

RESULTS OF OPERATIONS

Your Company recorded its highest ever topline consecutively for the seventh year. Your company achieved record level business turnover of Rs. 688,545 million during 2010-11 registering a growth of over 53% over the previous year. This best ever business turnover since MMTC's inception in 1963 includes Exports of Rs. 36,934 million, highest ever Imports of Rs. 633,008 million and domestic trade of Rs. 18,603 million. The other trade related earnings contributed Rs. 2,015 million. The trading profit earned by your Company stood at Rs. 3,300 million as against Rs 3,176 million during last year. The net profit earned by your company during 2010-11 amounted to Rs. 1,216 million

The highlights of the Company's performance during 2010-11 are as below: -

(Rs. in million)

	2009-10	**2010-11**
Exports	32,228	36,934
Imports	399,690	633,008
Domestic	19,324	18,603
Other trade earnings	1,397	2,015
Net Sales/ Trading Earnings	**452,639**	**690,560**
Trading profit	3,176	3,300
Profit Before Taxes	3,331	1,918
Profit after Taxes	**2,162**	**1,216**
Dividend		
(i) Proposed Dividend	450	250
(ii) Dividend Tax	75	41
Reserves and Surplus	**12,371**	**12,797**

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

AWARDS & RANKINGS

Following Awards and Rankings were conferred on your Company during 2010-11:

- CAPEXIL's award for Highest Export in Minerals and Ores Sector for the year 2009-10(19th time in a row).
- "Top Exporters for the year 2008-09,Gold Trophy(Merchant Exporter)" by EEPC(Northern Region).
- Dun & Bradstreet (D&B) and Rolta Corporate Award 2010 in Trading Sector.
- Ranked 4th by Business Today in their publication "BT 500 - 2010 Public Sector Companies" .
- Ranked 8th by Dun & Bradstreet in their publications "India's Top 500 Companies 2010" and "India's Top PSUs 2011"
- Ranked 11th by Business Standard in their publication "BS1000" released in March 2011.

EQUITY SHARE CAPITAL & DIVIDEND

During the year under report equity shares of your company of face value Rs.10/- each were sub-divided into ten shares of face value Re.1/- each. Also, Bonus Shares in the ratio of 1:1 were issued on 5th August 2010. This resulted in increase of the equity capital of your company from Rs.500 million comprising of 50 million shares of Rs.10/- each to Rs.1000 million comprising of 1000 million shares of Re.1/- each. The Board of Directors recommends declaration of dividend of 25% on the enhanced post Bonus equity capital of the Company for the year 2010-11.

RESERVES

A sum of Rs. 12,371.47 million was available in the reserves and surplus of your Company as on 1st April 2010. During the year 2010-11 an amount of Rs. 500 million was withdrawn from the reserves for issuance of bonus shares in the ratio of 1:1. Your Directors have proposed that out of Rs.925.88 million available out of the profits for the year 2010-11, after payment of dividend and tax thereon, an amount of Rs.130 million be transferred to General Reserves of the Company and balance profit of Rs.795.88 million be carried forward as retained profits. Accordingly an amount of Rs.12,797.35 million shall be available in "Reserves and Surplus" of your Company as on 31st March 2011.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earnings and outgo of your Company during 2010-11 has been as under: -

	EARNINGS		OUTGO
	Rs. In Million		Rs. In Million
Exports	36,934.08	Imports	597,878.84
Others	142.16	Interest	323.26
		Others	3,124.12
Total	37,076.24	Total	601,326.22

SUBSIDIARY COMPANY

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd. Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. During the year 2010-11, MTPL achieved its best business turnover of USD 710 million, since its inception. The Profit after tax earned by MTPL during 2010-11 amounted to USD 2.32 million. The net worth of MTPL stood at USD 18.23 million as on 31st March 2011. MTPL has so far paid total dividends of US$ 8.27 million as against capital of US$ 1 million contributed by your company besides multiplying its net worth by over 18 times since its inception.

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

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

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

Your company had set up Neelachal Ispat Nigam Limited (NINL) - an iron & steel plant of 1.1 million tonnes capacity, 0.8 million tonne coke oven and by product unit with captive power plant, jointly with Govt. of Orissa. The project has firm Iron ore supply linkages and also has captive Iron ore mining rights for reserves estimated at about 150 million tons. The construction of phase-II of the Project (Steel making facilities) with an estimated cost of Rs.18,550 million is in advance stages & is likely to commence trial production by end of current financial year. During the year 2010-11, NINL achieved a sales turnover of Rs.16,158 million which includes export of 405,900 tonnes of pig iron worth Rs. 8,237 million, domestic sales of 114,491 tonnes of pig iron valued at Rs 2,553 million and 156,277 tonnes of BF coke valued at Rs. 2,814 million.

Future Projects/ Joint Ventures

Aiming at diversification and with a view to add value to its existing trading operations, your Company has participated in various joint ventures under public- private partnership route. These value multiplier initiatives to enhance your company's future sustainability are briefed hereunder:

(i) Your company has promoted a Commodity Exchange under the name and style of "Indian Commodity Exchange Limited" which has since commenced operations in November 2009.

(ii) Your company is participating in the equity of a Currency Futures Exchange under the name and style of "United Stock Exchange of India Ltd." which has commenced operations in September 2010.

(iii) Your company has joined hands with an international producer as a joint venture partner for setting up a gold/silver medallion manufacturing unit, which would also include a gold refinery as an integral part, under the name and style of "MMTC-Pamp India Private Limited". The civil construction activities for medallion manufacturing unit in Haryana have already been completed and the medallion manufacturing unit commenced trial production in February 2011. The said medallion manufacturing unit has since commenced commercial production in April 2011.

(iv) For effective marketing of the finished products from above unit, as well as jewellery from other sources, your company is setting up, in partnership with a leading Indian company, a chain of retail stores at various cities in India for medallions, jewellery and its homegrown brand of 'SANCHI' silverware. Towards this end a special purpose vehicle (SPV) under the name and style of "MMTC-Gitanjali Private Limited" has been incorporated and 17 retail outlets have already been opened in various cities/ towns in India.

(v) Your company has set up a permanent berth with loading facilities for iron ore at Ennore Port jointly with SICAL and L&T Infrastructure Ltd. under the name and style of M/s. SICAL Iron Ore Terminals Limited. The berth is operationally ready since October 2010 but due to ban on exports of iron ore by Karnataka State Govt. the terminal has not been formally commissioned as yet. Once exports resume, the terminal will provide an important outlet for such exports.

(vi) Your company is also developing a deep draught iron ore loading berth at Paradeep Port (Orissa) jointly with Noble Group Ltd. and Gammon Infrastructure Projects Ltd. under the name and style of M/s. Blue Water Iron Ore Terminal Private Ltd. The project is in the initial phase and is expected to commence construction by end of the current calendar year after forest clearance has been received from the authorities concerned.

(vii) Towards investing in mining exploration your Company has set up a joint venture company with M/s. TATA Steel Ltd. under the name and style of TM Mining Ltd. for exploration and development of mines for minerals, ferrous and non-ferrous ores, precious metals, diamonds and coal etc., both in India and abroad.

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

(ix) Your company has been allotted a coal mine in the Jharkhand State having estimated reserves of about 700 million MT. Prospecting license for the same has since been issued by the concerned authorities and the pre-feasibility study completed. Actions for further exploration of the coal block for preparing geological report /mining plans has since been initiated.

INDUSTRIAL RELATIONS & HUMAN RESOURCE MANAGEMENT

Cordial and harmonious industrial relations continued to prevail in your company with no man-days being lost during the year. Regular meetings were held with the Unions / Associations for arriving at amicable resolution of personnel issues with a view to achieve Company's goals and objectives.

The aggregate manpower of the company as on 31st March 2011 stood at 1,767, including five Board level executives, the balance comprising of 584 Officers, 1094 staff and 84 workers. This includes 20 officers, 126 staff & 84 workers of erstwhile Mica Trading Company Ltd., which had been merged with your company pursuant to the orders of BIFR. While the composite representation of the total manpower consisted of women employees representing 18.68% (330 employees) of the total manpower, the representation of SC, ST, OBC & persons with disabilities (PWD) was to the extent of 21% (371 employees), 7.53% (133 employees), 1.75% (31 employees) and 1.87% (33 employees) respectively. During the year 21 officers were inducted through campus recruitment. Presidential Directives on reservations for SCs, STs, OBCs and PWD in services were followed fully in recruitment and promotion.

Aiming towards further enhancing / upgrading the skills of employees in the constantly changing business scenario 1,251 employees were imparted training during the year in different spheres of company's activities. This was done through programmes organized both with in-house expertise as well as external resources from renowned institutions / organizations. The employees deputed for training included 182 employees belonging to SC, 81 to ST and 313 women employees. In terms of man-days such training works out to 2,197 training man-days during the year 2010-11.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company is committed to uphold Official Language Policy of the Government. During the year 2010-11, your company consistently strived to adhere and implement the Official Language Policy and meet the targets given in the annual programme issued by the Department of Official Language, Ministry of Home Affairs, govt. of India. Towards this and to promote usage of the Official Language by employees of the company, several programs in the form of Hindi Workshops, Hindi Week/ Fortnight were organized at the Corporate Office and Regional Offices.

During the year the Company had the privilege of interacting with the Drafting and Evidence Sub-Committee of the Committee of Parliamentary on Official Languages when it inspected SRO Cochin of your company.

VIGILANCE

To enhance the goodwill & confidence emanating from value based business practices, the Vigilance group of your company carried further its focus on system improvement and preventive vigilance. An annual calendar of vigilance inspections was prepared by the group well in advance to ensure systematic and regular vigilance inspections. During the year regular inspections were conducted by vigilance & non-vigilance officers and based on the feedback received, corrective/ preventive measures were suggested. Special emphasis was also laid on updation of trade related drills/ manuals, streamlining of tendering and other procedures in line with the guidelines issued by Central Vigilance Commission

During the year under report Vigilance group of your Company was also instrumental in organizing "Vigilance Awareness Week" in various offices of MMTC in November 2010 whereat stress was laid upon increasing vigilance awareness amongst employees and business associates, to bring enhanced transparency in public dealings.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been a responsible corporate citizen since its inception in 1963, responding through resources and manpower in times of need. Corporate Social Responsibility was adopted as a Corporate Policy in the year 2006-07 with specific guidelines. The focus being education, health care, promotion of art & culture and community activities including relief in times of natural calamities. The CSR Policy was subsequently aligned to the CSR Guidelines laid down by the Department of Public Enterprises in 2009-10. Your company's CSR focus during 2010-11 was on building educational infrastructure for deprived sections of society and tsunami affected areas, literacy promotion, facilitating computer education and creating drinking water & health care facilities. In addition, your company also contributed towards the promotions of sports, art & culture. During this period sustainable development initiatives like afforestation at Bellary (Karnataka) and Jajpur & Baril (Odisha) by planting saplings and construction of two check dams to facilitate irrigation in Jajpur District (Odisha) were also undertaken. A total of Rs. 36.15 million was spent on these initiatives during the year.

CORPORATE GOVERNANCE

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

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

CODE OF CONDUCT

Pursuant to Clause 49 (I)(D) of the Listing Agreement signed with Stock Exchanges, a detailed Code of Conduct for Board Members and Senior Management Personnel has been laid down and hosted on the website of your company. All Board Members and Senior Management Personnel (except one) on the regular rolls of the company as on 31st March 2010, to whom the said Code is applicable have affirmed compliance of the same for the period ended 31st March 2011. Action against the one defaulting General Manager (under suspension) is in progress.

PUBLIC DEPOSIT SCHEME

As on 1st April 2010, there were no outstanding public deposits and the company did not invite/ accept any public deposit during the year ended 31st March 2011.

STATUTORY AUDITOR'S REPORT

The Statutory Auditors have not given any comments having an impact on the profit for the year 2010-11. Applicable disclosures have been made in the 'notes forming part of accounts' in respect of other observations contained in the report of statutory Auditors, as annexed, which have no financial impact on the profit for the year 2010-11.

COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA

The Comptroller & Auditor General of India(C&AG) has given 'Nil' comments under section 619(4) of the Companies Act, 1956 on the accounts of the Company for the year ended 31.03.2011.The communication dated 17th August 2011 of C & AG in this regard is annexed herewith.

CONSERVATION OF ENERGY

During the year 2010-11, there was no activity in Mica group of your company. Pursuant to Section 217(i)(e) of the Companies Act, 1956, a statement on conservation of energy is annexed to this report.

PARTICULARS OF EMPLOYEES

Pursuant to provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, it is stated that there were no employees who were in receipt of remuneration exceeding Rs.60 lakhs per annum or Rs. 5.00 lakhs per month during the year 2010-11.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended 31.3.2011;

iii) That the Directors have taken a proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors have prepared the annual accounts on a going concern basis.

BOARD OF DIRECTORS

Following are the changes in the Board of Directors of your company since 1st April 2010:-

- Shri S K Kar relinquished the charge of Whole Time Director (Finance) on 30th June 2010 on superannuation.
- Shri A Mahapatra relinquished the charge of Whole Time Director (Personnel) on 30th July 2010 on superannuation.
- Shri Sanjiv Batra relinquished the charge of Chairman & Managing Director on 30th September 2010 on superannuation.
- Shri H S Mann, Director (Marketing) assumed the additional charge of CMD w.e.f. 6th October, 2010 until 22nd July 2011
- Dr S Behuria, relinquished the charge of part-time Director on the Board of MMTC and Shri Saurabh Chandra AS&FA, DIP&P & Department of Commerce, Ministry of Commerce & Industry took over as part time Director on the Board of MMTC vice Dr S Behuria w.e.f. 6th October 2010.
- Shri Saurabh Chandra, relinquished the charge of part-time Director on the Board of MMTC and Dr. Rajan Katoch, AS& FA, Department of Commerce, Ministry of Commerce & Industry took over as part time Director on the Board of MMTC vice Shri Saurabh Chandra w.e.f.7th December 2010.
- Shri Rajeev Jaideva took over the charge of Whole Time Director (Personnel) on the Board of MMTC w.e.f. 3rd December 2010.
- Shri Anil Razdan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 13th July 2011.
- Shri S Krishnan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th July 2011.
- Shri G S Vedi took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th July 2011.
- Shri Arun Balakrishnan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 16th July 2011.
- Shri H S Mann relinquished the charge of Director(Marketing) & additional charge of Chairman & Managing Director on 22nd July 2011.
- Smt Vijaylaxmi Joshi, Additional Secretary, Department of Commerce, MOC&I assumed the additional charge of Chairman-cum-Managing Director w.e.f. 22nd July 2011 vice Shri H S Mann.

The Board places on record its deep appreciation for the commendable services and the contributions made by Dr S Behuria, Shri Saurabh Chandra, Shri Sanjiv Batra, Shri S K Kar, Shri A Mahapatra and Shri H S Mann towards effective discharge of the functions of the Board and its Committees. The Board also welcomes Smt Vijaylaxmi Joshi, Dr. Rajan Katoch, Shri Rajeev Jaideva, Shri Anil Razdan, Shri S Krishnan, Shri G S Vedi & Shri Arun Balakrishnan and expresses confidence that the Company shall immensely benefit from their rich and varied experience.

In terms of provisions of Article 87(4)(A) of Articles of Association of the Company regarding rotational retirement of Directors, Smt Aruna Makhan, Non Official Part time Director, Shri P K Chaudhery, Govt Nominee Part time Director, Shri Ved Prakash, Director (Marketing) and Shri Anil Baijal, Non Official Part time Director, shall retire at the AGM and being eligible have offered themselves for reappointment.

ACKNOWLEDGEMENTS

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

By the Order of the Board

sd/-

Place : New Delhi
(Vijaylaxmi Joshi)

Dated: 18.08.2011
Chairman-cum-Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2010-11

Overview of global developments in 2010

According to World Trade Organization economists, Global trade flows rebounded strongly in 2010 following their collapse in 2009. The rise in the volume of goods exports in 2010 was the largest on record, enabling world trade to return to its pre-crisis level but not its long term trend. Economic conditions continued to improve in both developed and developing economies, but the recovery of both trade and output proceeded more slowly in developed countries. World trade recorded its largest ever annual increase in 2010 as merchandise exports surged 14.5 per cent, buoyed by a 3.6 per cent recovery in global output as measured by gross domestic product (GDP). Both trade and output grew faster in developing economies than in developed ones. World merchandise exports in volume terms rose 14.5 per cent in 2010, while world imports grew 13.5 per cent. As a result of rising commodity prices and a depreciating US currency, growth in the dollar value of world trade in 2010 was greater than the increase in volume terms.

As regards prospects for 2011, the WTO Economists have opined that World trade flows are continuing their recovery, building on the large gains of 2010, with slower but still slightly above average growth in 2011. However, recent events in the Middle East and Japan have raised the level of global economic uncertainty and tilted the balance of risk towards the downside. WTO economists' baseline projections for world merchandise trade in 2011 see exports growing by 6.5%, with shipments from developed countries increasing by around 4.5% and those from developing economies and the CIS advancing 9.5%

Overview of developments in India during 2010-11

In the Budget speech before the Parliament the Finance Minster has stated that India's growth in 2010-11 has been swift and broad-based. The economy is back to its pre-crisis growth trajectory. While agriculture has shown a rebound, industry is regaining its earlier momentum. Services sector continues its near double digit run. Fiscal consolidation has been impressive. The Gross Domestic Product (GDP) of India is estimated to have grown at 8.6 per cent in 2010-11 in real terms and is expected to grow at 9 per cent with an outside band of +/- 0.25 per cent in 2011-12

The Economic Survey 2010-11 presented to Parliament in February 2011 states that in tandem with world trade volumes, India's exports fell rapidly following the deepening of the global financial crisis midway through 2008-09; they rose in the second half of 2009-10, which continued through 2010-11 until June 2010. Thereafter growth decelerated till October 2010 and picked up subsequently to reach 36.4 per cent in December 2010, which is the highest growth in the last two years. Nevertheless cumulative export growth in April-December 2010-11 was at 29.5 per cent with cumulative exports reaching US $ 164.7 billion during this period. India's merchandise imports also affected by the global recession fell to US$ 288.4 billion with a negative growth of –5.0 per cent in 2009-10. This was due to the fall in growth of petroleum, oil and lubricants (POL) imports by 7.0 per cent and non- POL imports by 4.2 per cent.

MMTC- 2010-11 in retrospect

Financial Review

Your Company achieved record level top line consecutively for the seventh year running by registering its highest ever business turnover of Rs. 688545 million during fiscal 2010-11. This best ever business turnover in MMTC's history since 1963 includes Exports of Rs. 36,934 million, highest ever Imports of Rs.6,33,008 million and domestic trade of Rs. 18,603 million. The other trade related earnings contributed Rs. 2015 million. Your Company earned trading profit of Rs. 3300 million. The profit before tax and profit after tax earned by the company amounted to Rs. 1918 million and Rs. 1216 million respectively. Earning per share of face value of Re.1/- each for the financial year 2010-

11 has been Rs.1.22. The company's improved management of financial resources yielded net interest earnings of Rs. 1032 million. The corporate tax liability of the Company during 2010-11 works out to Rs. 774 million. MMTC continues to be a zero long-term debt company.

Sources and Utilization of Funds

The sources of funds of the company as on 31st March 2011 comprises of shareholders fund amounting to Rs 13797.35 million including equity share capital of Rs 1000 million and secured & unsecured loan funds of Rs. 50019.92 million and Rs. 10814.75 million. These Funds have been deployed interalia towards fixed assets amounting to Rs. 1113.65 million, Investments of Rs. 2830.85 million and net current assets of Rs 70352.03 million as on 31st March 2011.

Internal Control Procedures

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

MMTC has well-settled Internal Audit system & Procedures which is commensurate with its diverse functions. The company has an effective Internal Audit Division, to coordinate with external auditing firms in conducting internal audit all through the year. The Internal Audit reports are considered by 'Senior Management Audit Committee' and 'Audit Committee of Directors'. The Audit Committee also meets the company's statutory auditors regularly to ascertain their concerns and observations on financial reports. The directions of the Audit Committee are implemented by the Management .

Subsidiary Company

The wholly owned subsidiary of your Company - MMTC Transnational Pte. Ltd. Singapore (MTPL) was incorporated in October 1994 under the laws of Singapore with a share capital of USD 1 million. During the year 2010-11, MTPL achieved its best business turnover of USD 710 million, since its inception. The Profit after tax earned by MTPL during 2010-11 amounted to USD 2.32 million. The net worth of MTPL stood at USD 18.23 million as on 31st March 2011. MTPL has so far paid total dividends of US$ 8.27 million as against capital of US$ 1 million contributed by your company besides multiplying its net worth by over 18 times since its inception.

Business Groupwise Review for 2010-11

Minerals

Despite ban on iron ore exports from Karnataka since July 2010, regulation of export from Eastern Sector, frequent increase in railway freight from time to time, increase in export duty on iron ore, pressure on supply of ores and sheer constraints of infrastructure MMTC maintained its leadership position in mineral exports through aggressive marketing efforts especially in China. During the year 2010-11 China, Japan and South Korea were the key markets where MMTC exported its mineral products.

Minerals group of your company contributed a turnover of Rs. 30188 million during the year, which includes exports valued at Rs. 28042 million, Imports amounting to Rs. 40 million and domestic trade of Rs. 2106 million. In quantitative terms, the exports made by the group include 32.48 lakh tonnes of Iron Ore valued at Rs 19390 million, 4.80 lakh MT of chrome concentrate valued at Rs 7334 million, 0.47 lakh MT of Chrome Ore valued at Rs. 742 million and 1.52 lakh MT of Manganese ore valued at Rs. 575 million. The domestic trade concluded by the group includes 6.32 lakh tonnes of Iron Ore valued at Rs 1993 million, 0.97 lakh tonnes of limestone valued at Rs 43 million, 1.01 lakh tonnes of

Dolomite valued at Rs 69 million and 2039 tons of Ferro chrome valued at Rs. 1.2 million. The group also imported 220 tons of Ferro Chrome valued at Rs. 31 million and Manganese ore worth Rs.9.05 million.

During the year 2010-11, your company had to face various difficulties in sourcing material for meeting the commitments. Ban on iron ore exports from Karnataka State since July 2010 coupled with increasing domestic demand as also severe restrictions enforced on mining/movement of iron ore in Eastern Sector have resulted in tremendous pressure on availability of iron ore which has affected your company's exports. Also, frequent increases in railway freight and export duty on fines have led to steep increase in cost of convergence of cargo thereby adversely affecting the viability of exports. Despite this and the stiff competition at national and international levels your company continued to maintain its position as a prominent exporter of iron ore to the Japanese, Korean and Chinese markets during the year under review.

The export of Iron & steel making raw material from India has increased significantly in the recent past and the opportunities exist to expand it further in future. The demand is being driven by China, which has emerged as the largest buyer of Iron ore in the world. MMTC is likely to secure long-term purchase commitments for three years beginning FY 2011-12 from Japan and South Korea. However the availability of Iron ore for exports during 2011-12 may be adversely affected due to continuing dilemma on ban on iron ore exports from Karnataka, logistic constraints, severe restrictions enforced on mining/movement of iron ore in Eastern Sector and increase in demand from domestic steel industry. Besides increase in railway freight in 2010-11 coupled with higher export duty shall also adversely affect competitiveness in international markets.

Consequent upon mechanism for iron ore exports from Karnataka being put in place your company plans to export iron ore from permanent iron ore terminal being commissioned at Ennore by the joint venture co-promoted by MMTC.

Precious Metals, Gems & Jewellery

Your company enjoys the position of market leader in the Indian bullion trade, having flexibility to operate from various centers spread all over the country offering novel product services, besides maintaining enduring relationship. Despite high fluctuations and continuously rising prices of bullion as well as appreciating Indian rupee against US dollar, Precious Metals Group of your Company contributed a turnover of Rs. 506853 million during 2010-11. This performance was realized through diversified activities, which include imports of gold at Rs. 470235 million, Silver worth Rs. 30663 million and rough diamonds worth Rs. 1037 million as also domestic sale of gold medallion at Rs. 3463 million, silver worth Rs. 0.06 million, Jewellery worth Rs 887 million, 'SANCHI' silverware at Rs. 568 million.

The precious metals group of your company is continuously working on improving service to customers and now has 29.27% share of India's gold trade during 2010-11. The Precious Metals group is focusing on improving sales of value-added products, viz. Jewellery, medallions and silverware. The company has established a Joint Venture with M/s. Gitanjali (India's leading retail Jewellery company) and a Company by the name of MMTC Gitanjali Private Limited has already been incorporated and 17 jewellery retail outlets opened in various cities across India. It is proposed to open more outlets to increase the retail marketing network. A Joint Venture company for gold/silver refining and medallions manufacture has also been incorporated by the name of M/s. MMTC-Pamp India Private Limited. The medallion-manufacturing unit has since commenced commercial production in April 2011. The tie-up will give your company opportunity to market a certain percentage of the products of the Joint Venture company. Your company has also operationalised Assaying & Hallmarking centers at Delhi, Ahmedabad, Kolkata, and Jaipur. While the demand of bullion is expected to remain stable in 2011-12 due to volatile gold & silver prices, exchange rate and the continuing economic crisis in Euro zone, the retail boom in jewellery is likely to offer emerging opportunities for your company to progress further.

Metals and Industrial Raw Material

The Metals group of the company contributed Rs. 20601 million to MMTC's turnover during 2010-11. The domestic market of copper, zinc, aluminum and lead is dominated by indigenous producers. The contribution of the group comprised of export of 4.13 lakh tonnes of Pig iron worth Rs. 8136 millions, produced by NINL – a MMTC promoted Iron & steel plant, Import of Ferrous, Non-Ferrous Metals and Industrial Raw Materials worth Rs. 8267 millions and domestic sales of Rs. 4198 millions including sale of pig iron and slag produced at NINL worth Rs. 2757 millions.

International Markets for NFM continue to be influenced by developments in USA, Euro Zone and China. Despite US – the biggest consumer of NFM showing signs of recovery the market is still skeptical about the outcome of Middle-East crisis, the Euro Zone sovereign debt crisis and the likely reconstruction of Japan after the recent earthquake and tsunami. Despite these, aiming to further improve its performance during 2011-12, the group shall be improving upon its strategies/ business model for further diversification of its activities, tapping new markets/products while maintaining its focus on its core products/ markets, entering into strategic alliance with producers of Non Ferrous Metals besides improving customer relationship management, unrelenting focus on Institutional clientele and deeper market access.

Agro Products

The Agro products group of the company achieved a turnover of Rs. 16235 millions during 2010-11, which includes exports of cotton worth Rs. 20 millions, imports of 27190 MT of Dun/Yellow peas worth Rs.399 millions, 88138 MT Pulses worth Rs. 3702 million, 208694 MT of edible oils worth Rs.10597 millions and 8520 MT Sugar worth Rs. 223 millions, besides domestic trading of Pulses & Sugar worth Rs. 285 millions. The group also traded agro products at commodity exchanges and achieved a turnover of Rs. 1009 millions.

The agro trade primarily depends on Govt policies and vagaries of monsoon. At times when the surplus agro products are available in the country, the export opportunities emerge while in the period of shortages the agro products need to be imported. The Agro Group of the company has devised plans and strategies to meet the challenges emanating due to fluctuation in quantity/ products available for import/exports and broadening commodity portfolio to ensure sustainability of growth of the group in future.

Fertilizers and Chemicals

The Fertilizer and Chemicals group contributed a turnover of Rs.19394 million. The group's performance during 2010-11 included third country trade of 30000 MT Urea worth Rs. 533 million, Export of 7464 MT Di-Ammonium Phosphate (DAP) worth Rs.204 million, Import of 9.62 lakh Metric Tonnes of Urea valued at Rs. 14534 million, Import of 2.36 lakh Metric Tonnes of Muriate of Potash at Rs. 3937 million, and Imports of 19648 MT Sulphur worth Rs. 142 million, besides domestic trading of 8752 tonnes of Ammonium Sulphate produced at NINL – the MMTC promoted Iron & Steel plant - valued at Rs. 44 million.

The group judiciously leveraged and synergised MMTC's expertise in bulk handling with domain knowledge, hands-on experience, expertise in logistics management and skills to predict emerging trends in the global market of fertilizers to achieve this performance.

The consumption of fertilizers is growing in India at a rapid pace leading to increased shortfall between the demand vis-à-vis indigenous production resulting in increased volume of imports.

Moreover, India is largely dependent on imported raw materials such as sulphur, rock phosphate and phos acid for indigenous phosphatic industry. Besides this, the country's total requirements of MOP are fully imported. Such a scenario provides lot of potential for future growth in import of fertilizer and fertilizer raw materials, especially in view of enhanced focus of Government on Agricultural sector with a view to ensure food security for growing population. These shall facilitate the group to further increase the business volumes by capitalizing the emerging opportunities. However the volume of fertilizer imports and its prices are dependent on various factors including monsoon, Government Policy, domestic production and international demand-supply balance etc.

Coal & Hydrocarbons

The Coal & Hydrocarbons group contributed a turnover of Rs. 95099 million to the highest ever turnover recorded by your company. The turnover contributed by the group included import of 117.44 lakh tonnes of steam coal valued at Rs.80405 million and 7.42 lakh tonnes of Coking Coal valued at Rs. 8824 million besides domestic trading of 3.06 lakh MT LAM Coke worth Rs.5345 million and 25502 MT Crude Tar amounting to Rs. 525 million.

With domestic production unable to meet the rapidly growing demand of non coking coal for power sector, steel, fertilizer and other heavy industries, the existence of big supply gap induces the country to depend upon sizable imports. Further the increase in demands of steam coal likely to increase considerably in future with many new coal fired generation plants being underway shall be opening up newer opportunities for this segment of your company. The coal & hydrocarbon group of your company shall be taping these emerging opportunities to import and serve the increased demand of coal & coke to power, steel, fertilizer, chemical, cement & sponge Iron units in future.

Mica

As reported in earlier years, the changed market requirement and technological developments in Mica processing technologies globally led to activities at Mica Division coming to a halt since 2002-03. The decision on the review petition filed with the appropriate authorities under the Industrial Disputes Act for closure of Mica division is yet to be pronounced by the Govt.

Others

The other products contributed Rs. 175 million to the turnover of the Company, which included import of PVC worth Rs.3.45 million, domestic trade of Engineering goods worth Rs.11.71 million, security equipment worth Rs. 8.67 million and PVC valued at Rs. 2.32 million besides sale of power amounting to Rs. 81 million, generated at the 15 MW wind power farms commissioned in March 2007 in Karnataka and sale of DEPB worth Rs. 67.57 million

During the year 2011-12, the company shall continue availing opportunities emerging in new markets/products for generating additional business revenues for the Company.

<u>Cautionary Statement</u>

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

CORPORATE GOVERNANCE IN MMTC

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

BOARD OF DIRECTORS

Composition

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

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

The composition of Board during the year 2010-11 was as under:

Sl. No.	Name of Director	Executive/ Non-Executive	Designation held	No. of Directorship in other Board as on 31.03.2011	No. of Board Committees of which Member/ Chairman*
1.	Mr. Sanjiv Batra (upto 30.9.2010)	Executive	Chairman & Managing Director	Chairman – 3 Director -1	Member – 1
2.	Mr S K Kar (upto 30.6.2010)	Executive	Director (Finance)	Director - 3	Member – 1
3.	Mr A. Mahapatra (upto 30.7.2010)	Executive	Director (Personnel)	Director - 1	-
4.	Mr H S Mann	Executive	Director (Marketing) (held additional charge as CMD w.e.f. 06.10.2010)	Chairman – 3 Director - 1	Member – 1
5.	Mr Sunir Khurana	Executive	Director (Marketing)	Director - 2	-
6.	Mr Ved Prakash	Executive	Director (Marketing)	Director - 4	
7.	Mr Rajeev Jaideva (w.e.f.03.12.2010)	Executive	Director (Personnel)	Director - 1	-
8.	Mr P K Chaudhery	Non-Executive	Govt-Nominee Director	Director - 1	-
9.	Mr Rajan Katoch (w.e.f. 07.12.2010)	Non-Executive	Govt-Nominee Director	Director - 2	Chairman -1 Member -2
10.	Dr S Behuria (upto 06.10.2010)	Non-Executive	Govt-Nominee Director	Director - 8	Chairman – 1 Member – 2

Sl. No.	Name of Director	Executive/ Non-Executive	Designation held	No. of Directorship in other Board as on 31.03.2011	No. of Board Committees of which Member/ Chairman*
11.	Mr Saurabh Chandra (w.e.f. 6.10.2010 to 7.12.2010)	Non-Executive	Govt-Nominee Director	Director - 4	Member -1
12.	Mr Anil Baijal	Non-Executive	Non-official (Independent) Director	Director - 8	Chairman – 2 Member - 1
13.	Ms. Aruna Makhan	Non-Executive	Non-official (Independent) Director	Director - 1	Member – 3
14.	Mr H L Zutshi	Non Executive	Non-official (Independent) Director	Director - 4	Chairman – 1

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

Changes in Board of Directors

Following are the changes in the Board of Directors of your company since 1st April 2010:-

- Shri S K Kar relinquished the charge of Whole Time Director (Finance) on 30th June 2010 on superannuation.
- Shri A Mahapatra relinquished the charge of Whole Time Director (Personnel) on 30th July 2010 on superannuation.
- Shri Sanjiv Batra relinquished the charge of Chairman & Managing Director on 30th September 2010 on superannuation.
- Shri H S Mann, Director (Marketing) assumed the additional charge of CMD w.e.f. 6th October, 2010 until 22nd July 2011
- Dr S Behuria, relinquished the charge of part-time Director on the Board of MMTC and Shri Saurabh Chandra AS&FA, DIP&P & Department of Commerce, Ministry of Commerce & Industry took over as part time Director on the Board of MMTC vice Dr S Behuria w.e.f. 6th October 2010.
- Shri Saurabh Chandra, relinquished the charge of part-time Director on the Board of MMTC and Dr. Rajan Katoch, AS& FA, Department of Commerce, Ministry of Commerce & Industry took over as part time Director on the Board of MMTC vice Shri Saurabh Chandra w.e.f.7th December 2010.
- Shri Rajeev Jaideva took over the charge of Whole Time Director (Personnel) on the Board of MMTC w.e.f. 3rd December 2010.
- Shri Anil Razdan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 13th July 2011.
- Shri S Krishnan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th July 2011.
- Shri G S Vedi took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 14th July 2011.
- Shri Arun Balakrishnan took over the charge of Part Time Non-official (Independent) Director on the Board of MMTC w.e.f. 16th July 2011.
- Shri H S Mann relinquished the charge of Director(Marketing) & additional charge of Chairman & Managing Director on 22nd July 2011.
- Smt Vijaylaxmi Joshi, Additional Secretary, Department of Commerce, MOC&I assumed the additional charge of Chairman-cum-Managing Director w.e.f. 22nd July 2011 vice Shri H S Mann.

Remuneration of Directors

MMTC is a Govt. of India Enterprise in which all members of the Board are appointed by the President of India through the administrative ministry, Department of Commerce, Ministry of Commerce & Industry, Govt. of India, which, *inter-alia*, fixes the remuneration of such whole time directors through their respective appointment orders/pay fixation orders. CMD and Whole-Time Directors of MMTC are generally appointed by the President of India with a service contract of five years or till the date of superannuation whichever is earlier. The directors so appointed by President of India are not entitled for any notice period /severance fees. Non-official part time independent directors are presently paid sitting fee @Rs.15,000/- for attending each meeting of the Board/ Board appointed Committees. None of the non-executive Directors had any pecuniary relationship or transaction with the company.

The details of remuneration paid/ due for the year 2010-11 to directors is summarized herein below:

Name of Director	Salary & benefits (Rs./lakhs)	Performance linked incentive for 2010-11 (Provision) (Rs./lakhs)	Bonus, Stock option, pension, severance fee	No of shares of MMTC held as on 31.3.2011
Executive Directors				
Mr Sanjiv Batra, Ex-CMD (upto 30.9.2010)	29.06	3.81	-	One
Mr S K Kar, Ex-Director (Finance) (upto 30.6.2010)	21.74	1.77	-	One
Mr A. Mahapatra, Ex-Director (Personnel) (upto 31.7.2010)	27.15	2.41	-	NIL
Mr H S Mann	47.11	7.29	-	NIL
Mr Sunir Khurana	28.64	7.06	-	One
Mr Ved Prakash	28.46	6.50	-	NIL
Mr Rajeev Jaideva (w.e.f. 03.12.2010)	6.29	2.16		
Non-Executive ex-officio Directors				
Dr S Behuria	NIL	NIL	NIL	One
Shri Saurabh Chandra	NIL	NIL	NIL	-
Dr. Rajan Katoch	NIL	NIL	NIL	-
Mr P K Chaudhery	NIL	NIL	NIL	One
Non-official Directors(Independent)				
Mr Anil Baijal	NIL	NIL	NIL	NIL
Mrs Aruna Makhan	NIL	NIL	NIL	NIL
Mr H L Zutshi	NIL	NIL	NIL	NIL

Meetings of the Board

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

During the year, the Board of Directors met nine times i.e. on 23rd April 2010, 29th June 2010, 28th July 2010, 19th August, 2010, 4th October, 2010, 11th November 2010, 22nd December 2010, 31st January 2011 and 7th March 2011. The attendance of the Directors at these Board Meetings and at the last AGM held on 21st September 2010 was as under:

Attendance of each Director at Board meetings and last AGM

	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
(a)	**Whole-time Functional Directors**			
	Mr. Sanjiv Batra, Ex-CMD (01.04.2010 to 30.09.2010)	4	4	YES
	Mr S K Kar (01.04.2010 to 30.06.2010)	2	2	NR
	Mr A Mahapatra (01.04.2010 to 30.07.2010)	3	3	NR
	Mr H S Mann (01.04.2010 to 31.03.2011)	9	9	YES
	Mr Sunir Khurana (01.04.2010 to 31.03.2011)	9	9	YES
	Mr Ved Prakash (01.04.2010 to 31.03.2011)	9	8	YES
	Mr Rajeev Jaideva (03.12.2010 to 31.03.2011)	3	3	YES
(b)	**Ex-officio Part Time Directors (Govt. Nominee)**			
	Dr S Behuria (01.04.2010 to 6.10.2010)	5	1	NO
	Mr Saurabh Chandra (06.10.2010 to 07.12.2010)	1	1	NR
	Mr P K Chaudhery (1.04.2010 to 31.3.2011)	9	7	NO
	Dr. Rajan Katoch (07.12.2010 to 31.3.2011)	3	2	NR
(c)	**Non-official Part Time (Independent) Directors**			
	Mr Anil Baijal (1.04.2010 to 31.3.2011)	9	7	YES
	Mrs Aruna Makhan (1.04.2010 to 31.3.2011)	9	7	NO
	Mr H L Zutshi (1.04.2010 to 31.3.2011))	9	9	NO

NR - Not Required

COMMITTEES OF THE BOARD

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

- (a) Audit Committee of Directors
- (b) Shareholders/Investors Grievance Committee
- (c) Remuneration Committee of Directors
- (d) Investment Committee of Directors
- (e) Sale/Purchase Committee of Directors
- (f) Committee of Directors
- (g) Committee of Directors on Personnel Policies

Audit Committee of Directors

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

During the year 2010-11, the Committee met six times as detailed hereunder:-

S.No	Date of Meeting	Members present	Chairperson
1.	23.04.2010	Mr Anil Baijal Ms Aruna Makhan	Mr Anil Baijal
2.	29.06.2010	Mr Anil Baijal Ms Aruna Makhan	Mr Anil Baijal
3.	28.07.2010	Mr Anil Baijal Ms Aruna Makhan	Mr Anil Baijal
4.	11.11.2010	Mr Anil Baijal Ms Aruna Makhan	Mr Anil Baijal
5.	31.01.2011	Mr Anil Baijal Dr. Rajan Katoch	Mr Anil Baijal
6.	07.03.2011	Mr Anil Baijal Ms Aruna Makhan	Mr Anil Baijal

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

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

Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee constituted by the Board of Directors, comprising of non-executive govt. nominee Director (Additional Secretary & Financial Advisor, Deptt. of Commerce, Govt. of India) as Chairperson and CMD, MMTC & Director (Finance), MMTC as its members to expeditiously consider and approve share transfers and resolution of all matters related to grievances of the Shareholders/other investors continued to discharge the functions assigned to it. Company Secretary continued to be the Secretary to the Committee.

Remuneration Committee of Directors

The Board of Directors has constituted Remuneration Committee of Directors comprising of Shri H L Zutshi, Independent Director as Chairman and both Non-Executive Govt. Nominee Directors as its Members to perform such functions and duties and exercise such powers as specified in Clause 49 of the Listing Agreement signed with Stock Exchanges and DPE Guidelines dated 26th November 2008. The Company Secretary is the Secretary of the Committee. During 2010-11, two meetings of the Remuneration Committee of Directors were held. The minutes of these meeting were submitted to Board of Directors for information.

Investment Committee of Directors

To facilitate expeditious consideration of investments upto Rs.3.00 crores in each case, deciding on issues relating to investments by MMTC and engagement of Consultants, the Board has also constituted an Investment Committee of Directors comprising of CMD as the Chairman of the Committee and all Functional Directors as members of the Committee. The Company Secretary is the Secretary of the Committee.

During 2010-11, twenty meetings of Investment Committee of Directors were held. The minutes of these meetings were regularly submitted to Board of Directors for information.

Sale/Purchase Committee of Directors

Recognizing that the pace of response is the key for achievement in international trading, the Board has constituted a Sale/Purchase Committee of Directors to facilitate quick deliberations and broad based consensus approval of various business proposals of value exceeding the powers delegated by the Board to CMD. The Committee comprises of CMD as the Chairman of the committee, all Functional Directors as its members and Company Secretary as the Secretary to the Committee.

During 2010-11, sixty three meetings of Sale/Purchase Committee were held. The minutes of these meetings were submitted to the Board for information on a regular basis.

Committee of Directors

The Board has constituted a Committee of Directors with CMD as the Chairman of the Committee, all Functional Directors as Members and Company Secretary as Secretary to the Committee. The Board has authorized the committee to consider and approve policy decisions related to MMTC's functioning as well as the matters related to MMTC promoted projects to the level beyond the powers delegated by the Board to CMD. During the year 2010-11, nineteen meetings of the Committee of Directors were held. The minutes of these meetings were submitted to the Board for information on a regular basis.

Committee of Directors on Personnel Policies

The Board has constituted a Committee of Directors on Personnel Policies comprising of Shri H L Zutshi, Independent Director as its Chairman and Mrs. Aruna Makhan (Independent Director), Director (Finance) & Director (Personnel) as its Members to consider and recommend approval of modification/formulation of service rules and other personnel policies, to the Board of Directors. The Company Secretary is the Secretary to the Committee and Chief General Manager (Personnel) & Chief General Manager (Finance) are to assist the Committee wherever required. During 2010-11, two meetings of this Committee were held. The minutes of these meetings were submitted to Board of Directors for information.

GENERAL BODY MEETINGS

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

Nature of meeting	Date & time	Special Resolutions passed
45^{th} Annual General Meeting	30.09.2008 at 1100 hrs	--
46^{th} Annual General Meeting	30.09.2009 at 1100 hrs	One
Extra ordinary General Meeting	20.07.2010 at 1100 hrs	Two
47^{th} Annual General Meeting	21.09.2010 at 1130 hrs	--

During the year, three special resolutions were passed with the consent of members through Postal Ballot held during October-December 2010, the results of the same were declared by the Chairman on 20^{th} December 2010.

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

Disclosures

(a) None of the members of the Board of Directors had any pecuniary relationship or transaction with the company.
(b) There have been no materially significant related party transactions i.e. transactions of the company of a material nature, with its promoters, the directors or the management, subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
(c) There were no cases of non-compliance by the Company and penalties, strictures being imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital markets during the last three years.

Means of communications

The quarterly, half-yearly and annual results of the Company are announced within a month of the end of respective period, which are normally published in leading national dailies. Besides putting them up on the website of the Company, the Company also issues news releases on significant corporate decisions and activities and posts them on its website www.mmtclimited.com

Shareholders' information

(a) Annual General Meeting

The **48th Annual General Meeting** of the Company is scheduled to be held on **30th September 2011** at 1200 Hrs at "SCOPE Complex"; 7 Institutional Area; Lodhi Road; New Delhi-110 003

(b) Financial Calendar for 2011-12

1st quarter results (unaudited) were declared on 02.8.2011.
2nd quarter results (unaudited) shall be declared on or before 15.11.2011
3rd quarter results (unaudited) shall be declared on or before 15.02.2012
4th quarter results (unaudited) shall be declared on or before 15.05.2012
Annual Audited Results for 2011-12 shall be declared on or before 30.09.2012.

(c) Dates of Book Closure

The Share Transfer Books and Register of Members shall remain closed from 16.9.2011 to 30.9.2011 (both days inclusive) for the purpose of AGM and declaration of final dividend at the Annual General Meeting.

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

Year	**2007-08**	**2008-09**	**2009-10**
Rate	90%*	80%**	45%***
Date	29.10.2008	27.10.2009	15.10.2010

Notes: *Includes Interim Dividend @35% on the equity capital of the company paid on 25.2.2008.
**Includes Interim Dividend @40% on the equity capital of the company paid on 25.3.2009.
*** On enhanced post bonus equity capital

(e) Listing on stock exchanges : The Shares of the company continue to be listed at Delhi, Mumbai, Kolkata & Chennai Stock Exchanges. Also National Stock Exchange has suo moto permitted trading of MMTC's equity shares on their share trading platform.

(f) Market Price Data : The month wise market price data of MMTC's scrips quoted/traded at Bombay Stock Exchange during the financial year 2009-10, is given below:

Month	**Low(Rs)**	**High(Rs)**		**Month**	**Low (Rs)**	**High(Rs)**
April 2010	30541.00	33900.00		October 2010	1160.00	1395.00
May 2010	28100.00	31600.00		November 2010	1008.25	1335.00
June 2010	27361.00	37999.00		December 2010	981.20	1219.00
July 2010*	1575.05	31224.00		January 2011	997.00	1275.00
August 2010	1306.10	1756.00		February 2011	905.00	1062.70
September 2010	1314.00	1488.00		March 2011	867.80	1006.95

*The equity shares of MMTC Ltd of face value of Rs.10/- each were split into 10 shares of face value of Re.1/- each for which Record Date was fixed as 30.7.2010.

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

(h) Dematerialisation of Shares : The shares of MMTC Ltd continue to be an eligible security for trading in dematerialized form by CDSL and NSDL with ISIN No: **INE123F01029.**
Presently, out of 100 crores equity shares of MMTC Ltd of face value of Re.1/- each, 99,33,11,880 shares are held by the President of India and 66,87,960 shares by others in dematerialized form leaving only 160 shares in physical form including 120 shares held by six nominees of the President of India.

(i) Share Transfer System: The shares of the Company are transferred within a maximum period of thirty days from the date of lodgment. The transfer of shares held in dematerialized form are processed and approved in electronic form by NSDL/CDSL through respective depository participants. No transfer was pending as on 31.03.2011. Shares transfer and all other investor related activities are attended to and processed at the office of RTA i.e. MCS Ltd. Shareholders may lodge the transfer deeds and any other documents, etc. either at the office of RTA or with Company Secretary of MMTC Limited at the registered office of the company.

(j) Distribution of shareholding as on 31.3.2011 pursuant to Clause 35 of the Listing Agreement with the Stock Exchange is tabulated here in below:

	Category	No. of shares held	Percentage of shareholding
1.	Promoters Holding - Indian Promoters - **President of India including his six nominees holding one share each**	99,33,12,000	99.3312
2.	Institutional Investors	52,26,346	0.5227
3.	Other Bodies Corporate	2,37,047	0.0237
4.	Individual holders having share capital upto Rs.1 lakh including Trust & Foundations/NRI shareholders	12,24,607	0.1224
	Total	100,00,00,000	100

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

(k) Shareholders/ other Investor's Grievances: Shareholders/ other Investors may also lodge their grievance(s) with Shri Manohar Balwani, Compliance Officer and Company Secretary at mbalwani@mmtclimited.com .

(l) Address for Correspondence:

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

N. K. BHARGAVA & CO.
CHARTERED ACCOUNTANTS

C-31, Acharya Niketan, Ist Floor,
Opp. Pocket-I, Below NIIT Centre,
Mayur Vihar Phase-I, Delhi – 91.
Phone : 22752376, 22793650
Fax : 22793650
E-mail: nkbhargavacompany@yahoo.co.in

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
MMTC Ltd.,

We have examined the compliance of conditions of Corporate Governance by MMTC Ltd. for the year ending 31st March 2011 as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing agreement except the condition stipulated under sub-para-A of paragraph- I of clause- 49 of the said Listing Agreement regarding strength of non-executive Directors at not less than fifty percent of Board of Directors. However, with the induction of four more independent directors on the Board of MMTC Ltd in the month of July 2011, the company has complied with the said condition stipulated under sub-para-A of paragraph-I of clause 49 of the said Listing Agreement as on date. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For N.K.Bhargava & Co.
Chartered Accountants
FRN-000429N

sd/-
(N.K.Bhargava)
Partner
M.No.080624

Place: New Delhi
Date: 18.08.2011

Annexure to Directors' Report

Conservation of Energy: Power and Fuel Consumption

Under section 217(1)(e) of the Companies Act 1956, statement containing particulars pursuant to Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the financial year ended 31.03.2011 for Disclosure of particulars with respect to Conservation of Energy:

Sl. No.			Current Year (2010-11)	Previous Year (2009-10)
1.	Electricity	Purchase (KWh) (At Annual Minimum Guarantee)	3,09,012	3,09,012
		Total cost (Rs. in lacs)	12.38	12.38
		Average Rate (Rs/kwh)	4.01	4.01
2.	Coal	Quantity (MT)	-	-
		Total cost (Rs. in lacs)	-	-
		Average Rate (Rs. per MT)	-	-
3.	Diesel Oil	Purchase (Lt.)	-	-
		Total Cost (Rs. in lacs)	-	-
		Average Rate(Rs. per Lt.)	-	-
4.	LDO	Purchase (Lt.)	-	-
		Total cost (Rs. in lacs)	-	-
		Average Rate (Rs.per Lt.)	-	-

N. K. BHARGAVA & CO.
Chartered Accountants

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Auditor's Report

To the Members of MMTC Limited

1. We have audited the attached Balance Sheet of MMTC Limited as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto in which are incorporated the accounts of Corporate Office, Mica Division, Jhandewalan Regional Office and Sub-Regional Offices which are under Jhandewalan Regional Office audited by us and the other Regional Offices and Sub-Regional Offices audited by the other Auditors; and
These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

   (i) Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer Note No. 5)

(ii) Balances under Sundry Debtors/claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities have not been confirmed in some cases by the parties. Adjustments, if any, required upon such confirmation are not ascertainable. (Refer Note No.31)

(iii) Certain observations in respect of the internal control procedures, as stated in para (iv) of annexure 'A' to main audit report, which may have consequential effect on the accounts for the year. (effect not ascertainable).

5. We further report that: -

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

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

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

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

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

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

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

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;

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

N.K. BHARGAVA & CO.
DELHI
Chartered Accountants

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

For N. K. Bhargava & Co.
Chartered Accountants
(F. R. No. 000429N)

(CA.N.K.BHARGAVA)
Partner
M.NO.080624

Place: New Delhi
Dated: 02.08.2011

ANNEXURE 'A' TO AUDITOR'S REPORT

Referred to in paragraph 3 of the Auditor's Report of even date to the members of MMTC Limited on the financial statements for the year ended 31st March 2011.

(i) In respect of fixed assets:

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

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

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

(ii) In respect of its inventories:

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

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

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

(iii) In respect of loans:

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

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Chartered Accountants

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

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.

However, the internal control mechanism needs to be strengthened in the following areas:

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

(b) Confirmation of outstanding balances and its periodic reconciliations.

(c) Expeditious follow up of old Sales Tax cases / Appeals pending with Courts /Appellate Authorities of CO, ROs and SROs including closed SROs to save on legal costs and interest payable on disputed additional demands.

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

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

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

(vii) The Company has an internal audit system, which in our opinion is commensurate with the size of the Company and nature of its business. However efforts should be made for further improvement.

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

(ix) (a) According to the information and explanations given to us and the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, Excise Duty, Cess and other material statutory dues as applicable with the appropriate authorities and that no undisputed amounts payable in respect of the same were in arrears as at 31-03-2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues of income tax / sales tax / wealth tax / service tax / custom duty / excise duty / cess (as applicable) as at March 31, 2011 which have not been deposited on account of any dispute, are referred to in Annexure-'B'

(ix) The Company does not have any accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

(xi) According to the records of the Company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.

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

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

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

(xv) In our opinion and according to the information and explanations given to us the terms & conditions of the guarantee given by the company for loans taken by NINL from banks or financial institutions during the year are not prima-facie prejudicial to the interest of the Company.

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

N.K. BHARGAVA & CO.
L
DELHI
Chartered Accountants

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

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

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

(xx) The Company has not raised any money by way of Public Issue during the year, therefore the provision of clause 4(xx) of the Companies (Auditor's Report) Order 2003 (as amended) is not applicable to the Company.

(xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on/or by the Company, noticed or reported during the year, nor we have been informed for such case by the Management *except at regional office Kolkata where an incidence of unauthorized lifting of hypothecated stock of 86,542 MT yellow peas covering value of ₹ 1285 million by two associates were reported .However the entire amount has been fully recovered towards full and final settlement of the total quantity sold to them on high seas basis.*

For N. K. Bhargava & Co.
Chartered Accountants
F. R. No. 000429N

N.K. BHARGAVA & CO. DELHI Chartered Accountants

(CA. N. K. BHARGAVA)
Partner
M. No. 080624

Place: New Delhi
Dated: 02.08.2011

ANNEXURE 'B' TO AUDITORS' REPORT

Referred to in paragraph 9(b) of Annexure –'A' a statement on the matters specified in the Companies (Auditors Report) Order, 2003 (as amended) of MMTC Limited for the year ended on 31st March 2011

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

CHENNAI REGIONAL OFFICE

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

MUMBAI REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
BST ACT	Sales Tax	3,08,644	1986-87	Joint Comm. of Sales Tax
BST ACT	Sales Tax	5,19,887	1987-88	Joint Comm. of Sales Tax
BST ACT	Sales Tax	1,33,907	1988-89	Joint Comm. of Sales Tax
BST ACT	Sales Tax	14,96,06,778	1989-90	MST Tribunal
BST ACT	Sales Tax	23,30,46,478	1990-91	Dy. Comm., Sales Tax
BST ACT	Sales Tax	28,98,738	1991-92	Dy. Comm., Sales Tax
BST ACT	Sales Tax	11,14,933	1992-93	MST Tribunal
BST ACT	Sales Tax	45,03,961	2001-02	Dy. Comm., Sales Tax
Central Excise Act	Service Tax	1,14,37,820	2008-09	Comm. Central Excise & Customs

DELHI REGIONAL OFFICE

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

HYDERABAD REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
APGST	Sales Tax	1,49,770	1989-90	STAT, Hyderabad
APGST	Sales Tax	29,61,551	1990-91	STAT, Hyderabad
APGST	Sales Tax	24,02,576	1991-92	STAT, Hyderabad
APGST	Sales Tax	13,96,269	1992-93	STAT, Hyderabad
APGST	Sales Tax	17,62,687	1992-93	STAT, Hyderabad
APGST	Sales Tax	6,30,615	1993-94	STAT, Hyderabad
CST	Central Sales Tax	4,41,446	1993-94	ADC (CT)
CST	Central Sales Tax	2,04,481	1994-95	ADC (CT)
CST	Central Sales Tax	5,97,266	1995-96	ADC (CT)
APGST	Sales Tax	38,03,875	1995-96	STAT, Hyderabad
APGST	Sales Tax	28,80,309	1995-96	STAT, Hyderabad
CST	Central Sales Tax	21,34,306	1996-97	STAT, Hyderabad
APGST	Sales Tax	58,43,100	1997-98	STAT, Hyderabad
CST	Central Sales Tax	6,35,504	1997-98	ADC (CT)
APGST	Sales Tax	55,65,147	1998-99	ADC, Hyderabad
APGST	Sales Tax	39,04,454	1999-2000	ADC, Hyderabad
APGST	Sales Tax	2,52,926	2000-2001	ADC, Hyderabad
APGST	Sales Tax	2,12,176	2001-02	AC (LTU)
APGST	Sales Tax	68,901	2002-03	AC (LTU)
APGST	Sales Tax	34,856	2003-04	AC (LTU)
APGST	Sales Tax	1,26,000	2004-05	AC (LTU)
CST	Sales Tax	6,76,058	2006-07	STAT, Hyderabad
VAT	Sales Tax	71,000	2007-08	Asst. Comm.(VAT Audit)
Central Excise & Customs	Custom Duty	10,66,52,009	2008-09	Commissioner of Customs & Central Excise

BHUBANESHWAR REGIONAL OFFICE

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

Orissa Sales Tax	Central Sales Tax	57,96,808	1984-85	-- do ---
Orissa Sales Tax	Interest	3,57,42,030	1978-79	-- do ---
Central Excise Act	Service Tax	6,57,63,346	2007-08	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act	Service Tax	11,74,12,737	2008-09	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act	Service Tax	2,58,25,626	2009-10	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
Central Excise Act	Service Tax	2,89,42,202	2010-11	Customs, Excise & Service Tax Appellate Tribunal, Kolkata

JAIPUR REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
R.S.T ACT	Sales Tax	1,28,87,058/-	2003-04	Rajasthan Tax Board (Rs 2987058 deposited under protest)
R.S.T ACT	Sales Tax	5,32,992/-	2003-04	Rajasthan Tax Board (Rs 53300 deposited under protest)
R.S.T ACT	Sales Tax	26,07,605/-	1999-00	Rajasthan Tax Board

VIZAG REGIONAL OFFICE

Name of the Statue	Nature of the dues	Amount (In Rs.)	Period	Forum of Dispute
A.P.G.S.T ACT	Sales Tax	18,56,325	1968-69	A.P. High Court
A.P.G.S.T ACT	Sales Tax	26,39,647	1981-82	ADC, Vizag
A.P.G.S.T ACT	Sales Tax	6,88,552	1982-83	ADC, Vizag
A.P.G.S.T ACT	Sales Tax	17,66,784	1983-84	ADC
A.P.G.S.T ACT	Sales Tax	30,00,436	1984-85	ADC
A.P.G.S.T ACT	Sales Tax	25,05,806	1985-86	STAT,HYD
A.P.G.S.T ACT	Sales Tax	2,70,83,841	1986-87	STAT, Hyderabad
A.P.G.S.T ACT	Sales Tax	36,45,076	1987-88	ADC
A.P.G.S.T ACT	Sales Tax	19,34,139	1991-92	STAT,HYD
A.P.G.S.T ACT	Sales Tax	4,79,000	1989-90	A.P. High Court
CST	Sales Tax	8,41,695	1994-95	STAT, Hyderabad
CST	Sales Tax	48,62,340	1995-96	STAT, Hyderabad
CST	Sales Tax	33,58,889	1996-97	STAT, Hyderabad
A.P.G.S.T ACT	Sales Tax	25,27,960	1997-98	STAT, Hyderabad
CST	Sales Tax	28,07,578	1997-98	STAT, Hyderabad
CST	Sales Tax	104,614	2007-08	STAT, Hyderabad
Central Excise & Customs	Service Tax	12,65,26,554	2003 - 2006	Customs, Excise & Service Tax Appellate Tribunal, Bangalore

KOLKATA REGIONAL OFFICE

Name of the Statue	**Nature of the dues**	**Amount (In Rs.)**	**Period**	**Forum of Dispute**
WBST ACT 1994	Sales Tax	40,15,000	1995-96	Sales Tax Tribunal
WBST ACT 1994	--do--	86,88,778	1996-97	Sales Tax Tribunal
WBST ACT 1994	--do--	33,74,028	1997-98	Appellate Board
WBST ACT 1994	--do--	37,11,769	1998-99	Sales Tax Tribunal
WBST ACT 1994	--do--	1,10,23,010	1999-2000	Sales Tax Tribunal
CST Act 1956	Sales Tax	11,30,858	2005-06	Appellate Board
CST Act 1956	Sales Tax	77,60,971	2006-07	DC Appeal

JHANDEWALAN REGIONAL OFFICE

Name of the Statue	**Nature of the dues**	**Amount (In Rs.)**	**Period**	**Forum of Dispute**
CST ACT	Central Sales Tax	4,17,65,555	1997-98	Addl. Commissioner-III New Delhi
LST ACT	Local Sales Tax	1,01,70,918	1997-98	Addl. Commissioner-III New Delhi
CST ACT	Central Sales Tax	37,45,290	2002-03	STO, New Delhi
NSEZ, NOIDA				
ST ACT	Sales Tax	9,21,383	1993-94	Allahabad High Court
ST ACT	Sales Tax	17,99,903	1994-95	Jt. Commissioner. of Appeals III, Noida
ST ACT	Sales Tax	2,94,481	1995-96	Jt. Commissioner. of Appeals III, Noida
ST ACT	Sales Tax, interest	32,14,026	1994-95	Jt. Commissioner. of Appeals III, Noida
ST ACT	Sales Tax, interest	4,59,095	1995-96	Jt. Commissioner. of Appeals III, Noida
ST ACT	Sales Tax	12,23,616	1996-97	Allahabad High Court
ST ACT	Sales Tax	2,49,828	2007-08	AC(Appeals), Noida

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INDIAN AUDIT & ACCOUNTS DEPARTMENT,
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT & EX. OFFICIO MEMBER, AUDIT BOARD-1

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF MMTC LIMITED FOR THE YEAR ENDED 31 MARCH 2011

The preparation of financial statements of **MMTC Limited** for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 2 August 2011.

I on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of **MMTC Limited** for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619 (4) of the Companies Act, 1956.

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

sd/-
(Ila Singh)
Principal Director of Commercial Audit
& ex-Officio Member, Audit Board-I,
New Delhi.

Place: New Delhi
Dated : 17 August 2011

ANNUAL ACCOUNTS

FOR THE

FINANCIAL YEAR ENDED 31ST MARCH 2011

ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

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

(c) **Statement of Compliance**

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

2. PURCHASES AND SALES

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

b) Gold/Silver sent by foreign suppliers on consignment basis:

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

ii) Purchase of Gold for domestic sale is accounted for on withdrawal from the consignment stock and fixation of price with the suppliers.

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

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

v) Consignment stocks held on behalf of foreign suppliers at the year end is suitably disclosed in the accounts. However, customs duty paid in respect of balance consignment stock is shown as prepaid expenses.

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

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

3. REVENUE RECOGNITION

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

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

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

c) Interest on overdue recoverables where realisability is uncertain.

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

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

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

4. PREPAID EXPENSES

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

5. FIXED ASSETS

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

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

6. DEPRECIATION

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

Name of Assets	**Rate of Depreciation as adopted by Company**	**Rate of Depreciation as provided in Sch.XIV**
A. General Assets		
Furniture & Fittings	10%	6.33%
Weigh bridges	10%	4.75%
Typewriters, Machines, Fans & Office Equipment & AC	12.5%	4.75%
Vehicles	20%	9.50%
Computers	20%	16.21%
Lease hold land	As per lease agreement	
Wagon Rakes	As per agreement/ Wagon Investment Scheme	
Electrical installations excluding fans	10%	1.63%
Water supply, sewerage and drainage	10%	1.63%
Road and Culverts	2.5%	1.63%
Building and flats	2.5%	1.63%
Residential flats(ready built)	5%	1.63%
Warehouses/Godown	4%	1.63%
B. Manufacturing Unit's Assets		
Factory Building	3.34%	3.34%
Electrical Installations	4.75%	4.75%
Water Supply	4.75%	4.75%
Plant & Machinery(General)		
Single Shift	4.75%	4.75%
Double Shift	7.42%	7.42%
Triple Shift	10.34%	10.34%
Plant & Machinery-Continuous Process(including Wind Mill)	5.28%	5.28%
C. " Fixed Assets created on Land and neither the the Fixed Assets nor the Land belongs to the Company "	Over useful life of asset or five years whichever is less.	
D. All movable assets up to Rs.20,000/-	100% for Movable assets costing Rs.20,000/- or less each	100% for assets costing Rs.5,000/- or less each

E. Mobile handsets are directly charged to revenue in the year of purchase.

7. INVESTMENTS

(i) Long term investments are valued at cost less provision for permanent diminution in value.

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

8. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

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

9. SEGMENT REPORTING

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

1. Minerals
2. Precious Metals

3. Metals
4. Agro Products
5. Coal & Hydrocarbon
6. Fertilizer
7. General Trade/others.

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

Secondary Segment: Secondary Segments have been identified based on the geographical location of the customer of the company i.e.
1. Outside India
2. Within India

10. EMPLOYEE BENEFITS

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

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

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

11. PHYSICAL VERIFICATION OF STOCKS

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

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

12. VALUATION OF STOCKS

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

a) EXPORTS

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

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

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

In case of cut & polished stones, medallions and jewellery (finished/semi finished) cost includes wastages and other direct manufacturing cost.

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

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

(d) STOCK ON LOAN/FABRICATION

Stocks with fabricators are taken as the stocks of the company, till adjustments.

13. PRIOR PERIOD ADJUSTMENTS

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

14. BORROWING COSTS

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

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

15. DEFERRED TAX

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

16. IMPAIRMENT OF ASSETS

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

17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) **Provisions**

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

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

(b) **Others**

Provision is recognized when

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

(ii)a probable outflow of resources is expected to settle the obligation and

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

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

Provisions are reviewed at each Balance Sheet date.

(II) **Contingent liabilities and contingent assets**

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

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

18. TREATEMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION / CONSTRUCTION PERIOD

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

For **N K Bhargava & Co.,**
Chartered Accountants
F.R. No.: 000429N

(CA. N.K. Bhargava)	**(Manohar Balwani)**	**(M.G. Gupta)**
Partner	**GM & Company Secretary**	**Chief General Manager (F&A)-Incharge**
M.No. 080624		

	(Sunir Khurana)	**(Vijay Laxmi Joshi)**
	Director	**Chairman-cum-Managing Director**

Date : 2nd August, 2011
Place: New Delhi

MMTC LIMITED

BALANCE SHEET AS AT 31-03-2011

(₹ in million)

SOURCES OF FUNDS	SCH NO.	AS AT 31-03-2011		AS AT 31-03-2010	
SHAREHOLDERS' FUNDS					
Share Capital	1	1000.00		500.00	
Reserves & Surplus	2	12797.35	13797.35	12371.47	12871.47
LOAN FUNDS	3				
Secured		50019.92		46143.61	
Unsecured		10814.75	60834.67	5504.35	51647.96
TOTAL :			**74632.02**		**64519.43**
APPLICATION OF FUNDS					
FIXED ASSETS	4				
Gross Block		2074.42		2064.14	
Less: Depreciation		965.91		846.74	
Net Block		1108.51		1217.40	
Capital Work-in-progress		32.83		34.85	
Less: Diminution in Capital work in progress		27.69		27.69	
Net Capital Work-in-progress		5.14	1113.65	7.16	1224.56
INVESTMENTS	5		2830.85		2729.09
DEFERRED TAX ASSETS			335.49		226.67
CURRENT ASSETS, LOANS & ADVANCES					
Stock in Trade	6	6479.73		21348.34	
Sundry Debtors	7	25397.35		15523.11	
Cash & Bank Balances	8	67482.35		60807.61	
Loans & Advances	9	23458.28		16534.66	
		122817.71		114213.72	
Less:					
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	10	48465.64		49971.96	
Provisions	11	4000.04		3902.65	
		52465.68		53874.61	
Net Current Assets			70352.03		60339.11
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	11a		-		-
Total :			**74632.02**		**64519.43**
Notes to the Accounts and Contingent Liabilities	21				

Schedule 1 to 21 and Accounting Policies form an integral part of the accounts.

As per our report of even date attached

For **N.K. Bhargava & Co.**
Chartered Accountants
F.R. No.: 000429N

(MANOHAR BALWANI)
GM & Company Secretary

(M.G. GUPTA)
Chief General Mananger - F&A- Incharge

(CA. N.K. BHARGAVA)
Partner
M.NO. 080624
Date : 2nd August, 2011
Place: NEW DELHI

(SUNIR KHURANA)
Director

(VIJAY LAXMI JOSHI)
Chairman-cum-Managing Director

MMTC LIMITED

PROFIT & LOSS A/C FOR THE YEAR ENDED 31 MARCH, 2011

(₹ in million)

	SCH NO.	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
INCOME					
Sales		**688544.88**		451241.88	
Other Trade Earnings		**2015.14**	**690560.02**	1397.17	452639.05
Less: -					
Cost of Sales	**12**	**682918.84**		445768.34	
Manufacturing Expenses	**13**	**4341.46**		3694.63	
Processing Charges		**0.02**	**687260.32**		449462.97
GROSS PROFIT			**3299.70**		**3176.08**
Other Income	**14**	**312.30**		487.04	
Provisions No Longer Required		**40.98**		409.96	
Interest Income	**15**	**4750.47**	**5103.75**	5741.91	6638.91
			8403.45		**9814.99**
EXPENDITURE					
Salaries & Allowances	**16**	**1837.59**		1683.59	
Administrative Expenses	**17**	**508.55**		414.41	
Interest Paid	**18**	**3718.59**		4126.18	
Depreciation		**124.66**		133.30	
Exhibition, Fairs & Sales Promotion Exp.		**45.13**		46.34	
Miscellaneous Expenditure Written Off		**-**		58.26	
Debts/Claims Etc. Written Off		**0.92**		3.32	
Provision for Bad & Doubtful Debts		**229.39**	**6464.83**	18.98	6484.38
			1938.62		**3330.61**
Prior Period Items	**19**		**(20.80)**		0.10
PROFIT BEFORE TAX			**1917.82**		**3330.71**
Provision for Taxation					
Current Tax		**774.00**		1085.40	
Deferred Tax (Assets)		**(108.82)**		76.56	
Adjustments Relating to Earlier Years		**36.21**	**701.39**	6.37	1168.33
PROFIT AFTER TAX			**1216.43**		**2162.38**
Surplus Brought Forward From Previous Years			**6119.65**		4702.01
AMOUNT AVAILABLE FOR APPROPRIATION			**7336.08**		**6864.39**
Proposed Dividend			**250.00**		450.00
Dividend Distribution Tax			**40.55**		74.74
Transferred To General Reserve			**130.00**		220.00
BALANCE C/F TO BALANCE SHEET			**6915.53**		**6119.65**

Earning Per Share (Basic & Diluted)	**1.22**	**43.25**

Schedule 1 to 21 and Accounting Policies form an integral part of the accounts.

As per our report of even date attached

For N.K. Bhargava & Co.
Chartered Accountants
F.R. No.: 000429N

(MANOHAR BALWANI)
GM & Company Secretary

(M.G. GUPTA)
Chief General Mananger - F&A

(CA. N.K. BHARGAVA)
Partner
M.NO. 080624
Date : 2nd August, 2011
Place: NEW DELHI

(SUNIR KHURANA)
Director

(VIJAY LAXMI JOSHI)
Chairman-cum-Managing Director

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 1. SHARE CAPITAL	**AS AT 31-03-2011**	**AS AT 31-03-2010**
AUTHORISED		
1,000,000,000 Equity Shares of ₹1/- each (P.Y. 100,000,000 Equity Shares of ₹ 10/- each)	**1000.00**	1000.00
ISSUED, SUBSCRIBED AND PAID -UP		
1,000,000,000 Equity Shares of ₹ 1/- each fully paid (P.Y.50,000,000 Equity Shares of ₹ 10/- each fully paid) Of the above, 970,000,000 Equity Shares of ₹ 1/- each) (P.Y. 47,000,000 Equity Shares of ₹ 10/- each) allotted as fully paid-up Bonus Shares by way of capitalisation of reserves	**1000.00**	500.00
TOTAL:	**1000.00**	**500.00**

(₹ in million)

Schedule 2. RESERVES & SURPLUS	**As at 01.04.2010**	**Additions**	**Deduction**	**As at 31.03.2011**
Capital Reserve	0.69	-	-	**0.69**
General Reserve	6251.13	130.00	500.00	**5881.13**
Balance Brought Forward From P&L A/c	6119.65	795.88	-	**6915.53**
TOTAL:	12371.47	925.88	500.00	**12797.35**

(₹ in million)

Schedule 3. LOAN FUNDS	**AS AT 31-03-2011**		**AS AT 31-03-2010**	
I. SECURED				
(against hypothecation of stocks, bookdebts and other current assets present and future)				
FROM BANKS				
(Cash Credit/Packing Credit Accounts/Others)				
(Repayable within one year)				
(1) State Bank of India	**27388.48**		15841.25	
(2) Canara Bank	**-**		145.03	
(3) H.D.F.C. Bank	**3748.43**		1302.70	
(4) Bank of India	**0.00**		0.00	
(5) Bank of Baroda	**-**		268.80	
(6) Indian Bank	**2972.38**		4370.62	
(7) Bank of Maharastra	**2702.03**		2784.42	
(8) State Bank of Hyderabad	**3968.68**		8262.70	
(9) Union Bank of India	**2000.00**		3698.77	
(10) Axis Bank	**752.83**		2508.81	
(11) Oriental Bank of Commerce	**98.06**		-	
(12) Dhanalakshmi Bank	**-**		250.00	
(13) IDBI Bank	**2128.96**		4389.00	
(14) ICICI Bank	**89.07**		-	
(15) ING Vyasa Bank	**164.84**		-	
(16) Yes Bank	**1221.90**		366.71	
(17) Indusind Bank	**2734.23**		1954.80	
(18) Tamilnadu Mercantile Bank	**50.03**	**50019.92**	-	46143.61
II. UNSECURED				
FROM BANKS				
(Repayable within one year)				
(1) BNP Paribas Bank	**464.60**		2031.85	
(2) Deutsche Bank	**1000.00**		1551.09	
(3) Bank of Tokyo	**5250.36**		228.95	
(4) DBS	**1882.06**		1692.46	
(5) ANZ Bank	**2217.04**		-	
(6) HDFC Bank	**0.69**	**10814.75**	-	5504.35
T O T A L		**60834.67**		**51647.96**

M M T C   L I M I T E D

SCHEDULES 1 to 21 ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE 4: FIXED ASSETS (₹ in million)

Particulars	GROSS BLOCK				PROVISION FOR DEPRECIATION				NET BLOCK	
	As at 1-4-10	Addition Purchase/ Transfer	Deduction Sale/ Transfer	**As at 31.3.11**	As at 1.4.10	Addition Purchase/ Transfer	Deduction Sale/ Transfer	**As at 31.3.11**	**As at 31.3.11**	As at 31.3.10
OFFICE BUILDING										
Land free-hold	3.66	-	-	**3.66**	-	-	-	**-**	**3.66**	3.66
Land Lease-hold	40.13	0.00	-	**40.13**	10.27	0.50	-	**10.77**	**29.36**	29.86
Building	174.70	3.23	-	**177.93**	55.86	4.51	-	**60.37**	**117.56**	118.84
Warehouse	34.11	0.00	-	**34.11**	13.95	1.36	-	**15.31**	**18.80**	20.17
Water Supply & Drainage	5.48	-	-	**5.48**	5.48	0.00	0.00	**5.48**	**0.00**	0.00
Electrical Installations	14.84	0.04	-	**14.88**	14.13	0.14	0.00	**14.27**	**0.61**	0.83
Audio/Fire/Airconditioning	9.86	-	-	**9.86**	9.86	-	-	**9.86**	**0.00**	0.00
Roads & Culverts	2.67	-	-	**2.67**	1.57	0.07	-	**1.64**	**1.03**	1.08
STAFF QUARTERS			-							
Land-Free-hold	1.33	-	-	**1.33**	-	-	-	**-**	**1.33**	1.33
Land-Lease-hold	2.67	-	-	**2.67**	1.01	0.03	-	**1.04**	**1.63**	1.66
Building/Residential Flats	65.66	-	-	**65.66**	48.00	1.28	-	**49.28**	**16.38**	17.66
Roads & Culverts	0.91	-	-	**0.91**	0.57	0.02	-	**0.59**	**0.32**	0.36
Water Supply,Sewerage & Drainage	3.96	0.00	-	**3.96**	3.73	0.04	-	**3.77**	**0.19**	0.23
Electrical Installations	3.60	0.01	-	**3.61**	1.98	0.19	-	**2.17**	**1.44**	1.50
Plant and Machinery	786.06	0.00	-	**786.06**	169.32	39.05	0.00	**208.38**	**577.68**	616.73
Furniture & Fixtures	71.71	1.51	0.50	**72.72**	65.60	2.76	0.50	**67.86**	**4.86**	6.11
Computer/Data Processors	170.63	5.58	0.55	**175.66**	150.31	11.17	0.55	**160.92**	**14.74**	20.32
Airconditioners, Fans, Typewriters & Other Machines	67.43	2.80	1.11	**69.12**	52.91	4.67	1.06	**56.52**	**12.60**	14.52
Vehicles	24.90	2.69	3.42	**24.17**	15.78	3.51	3.38	**15.91**	**8.26**	9.12
RAILWAY WAGON RAKE (WIS)	553.64	0.00	-	**553.64**	200.23	55.36	-	**255.59**	**298.05**	353.41
RAILWAY LOOP LINE AT BNHT	26.17	-	-	**26.17**	26.17	-	-	**26.17**	**0.00**	0.00
TOTAL(A)	2064.14	15.86	5.58	**2074.42**	846.74	124.66	5.49	**965.91**	**1108.51**	**1217.40**
CAPITAL WORK IN PROGRESS										
Building under Construction	8.88	0.71	2.88	**6.71**	6.71	-	-	**6.71**	**-**	2.17
Roads & Culverts	0.47	-	-	**0.47**	0.47	-	-	**0.47**	**-**	-
Electrical Installations	6.70	-	-	**6.70**	6.70	-	-	**6.70**	**-**	-
Plant & Machinery	13.80	-	-	**13.80**	13.80	-	-	**13.80**	**-**	-0.01
Gold Medallion unit	5.01	0.14	-	**5.15**	-	-	-	**-**	**5.15**	5.01
TOTAL (B)	34.87	0.85	2.88	**32.83**	27.69	-	-	**27.69**	**5.15**	**7.17**
GRAND TOTAL(A+B)	2099.00	16.71	8.46	**2107.25**	874.43	124.66	5.49	**993.60**	**1113.66**	**1224.57**
LAST YEAR	**2,075.26**	**55.38**	**31.64**	**2,099.00**	**757.31**	**133.30**	**16.18**	**874.43**	**1,224.57**	

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

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

(c) Residential flats includes 41 shares (P.Y. 41 shares) of Cooperative Group Housing Society of the value of ₹ 0.002 million (PY ₹ 0.002 million).Conveyance of some of the flats of the original value as on 31.03.2011 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed

(d) Cost of Office Building on lands not owned by the Corporation is ₹.2.26 million (P.Y. Rs.2.26 million) and provision for depreciation is ₹1.69 million(P.Y. ₹.1.63 million)

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

(f) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million & acccumulated depreciation of ₹ 5.42 miilion constructed on the leasehold land at Paradip which expired on 20.11.10. Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 5. INVESTMENTS - LONG TERM (AT COST)

	AS AT 31-03-2011		AS AT 31-03-2010	
(A). CENTRAL GOVERNMENT SECURITIES				
9% Govt. Stock 2013 (P.Y. ₹ 0.03 million)		**0.03**		0.03
(B). INVESTMENTS IN SUBSIDIARY COMPANY (Unquoted)				
1,461,502 Equity Shares of S $ 1 each (P.Y. 1,461,502 Equity Shares) of S $ 1 each in MMTC TRANSNATIONAL PTE LTD SINGAPORE		**31.45**		31.45
(C) TRADE INVESTMENTS				
I. Shares in Companies (Un-Quoted)				
Fully paid 4,750,000, Equity Shares of ₹10 each (P.Y. 4,750,000, Equity Shares of ₹10 each) in INDO FRENCH BIOTECH LTD.	**47.50**		47.50	
Less : Provision for Diminution in Investment	**47.50**		47.50	
	0.00		0.00	
Fully paid 2,600 Equity Shares of ₹10 each (P.Y. 2,600 Equity Shares of ₹10 each) in Greater Noida Integrated Warehousing Pvt. Ltd.	**0.02**		0.02	
Fully paid 2,600 Equity Shares of ₹10 each (P.Y. 2,600 Equity Shares of ₹10 each) in Free Trade Warehousing Pvt. Ltd.	**0.03**		0.03	
Fully paid 15,600,000 Equity Shares of ₹10 each (P.Y. 12,480,000 Equity Shares of ₹10 each) in MMTC PAMP India Pvt. Ltd.	**156.00**		124.80	
Fully paid 33,800,000 Equity Shares of ₹10 each (P.Y. 28,600,000 Equity Shares of ₹10 each) in SICAL IRON ORE TERMINAL LTD	**338.00**		286.00	
Fully paid 2,506,400 Equity Shares of ₹10 each (P.Y. 663,000 Equity Shares of ₹10 each) in MMTC GITANJALI PRIVATE LIMITED	**25.06**		6.63	
Fully paid 3,000,000 Equity Shares of ₹10 each (P.Y. 3,000,000 Equity Shares of ₹10 each) in UNITED STOCK EXCHANGE LIMITED	**30.00**		30.00	
Fully paid 52,000,000 Equity Shares of ₹5 each (P.Y. 52,000,000 Equity Shares of ₹5 each) in INDIAN COMMODITY EXCHANGE LIMITED	**260.00**		260.00	
Fully paid 13,000 Equity Shares of ₹10 each (P.Y. Nil Equity Shares of ₹10 each) in TM MINING COMPANY LIMITED	**0.13**	**809.24**	-	707.48
II. Shares in Associates Companies (Un-Quoted)				
Fully paid up 199,000,000 Equity Shares of ₹10 each (P.Y. 199,000,000 Equity shares of ₹10 each) in Neelachal Ispat Nigam Limited	**1990.00**		1990.00	
Fully paid 13,000 Equity Shares of ₹ 10 each (P.Y. 13,000 Equity shares of ₹10 each) in DEVONA POWER & INFRASTRUCTURE LTD.	**0.13**	**1990.13**	0.13	1990.13
T O T A L		**2830.85**		**2729.09**

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 6. STOCK IN TRADE	**AS AT 31-03-2011**		**AS AT 31-03-2010**	
(As taken, valued and certified by the management) including with handling agents and Goods in transit				
a) Raw Material	**63.90**		41.66	
b) Finished goods *	**6415.25**		21306.11	
c) Packing Material	**0.58**	**6479.73**	0.57	21348.34
T O T A L		**6479.73**		**21348.34**

* includes Stock in transit of ₹ Nil million (P.Y. ₹ 12085.76 million) under lien of customers

Schedule 7. SUNDRY DEBTORS*				
(Unsecured)				
a) Debts outstanding for a period exceeding six months				
i. Considered good	**703.35**		802.15	
ii. Considered Doubtful	**752.44**		535.66	
	1455.79		1337.81	
Less: Provision for doubtful debts	**752.44**	**703.35**	535.66	802.15
(b) Other Debts - Considered good		**24694.00**		14720.96
T O T A L		**25397.35**		**15523.11**

*Debtors includes ₹ 367.91 million (P.Y. ₹ 212.19 million) due from Subsidiary Company.

(₹ in million)

Schedule 8. CASH & BANK BALANCES	**AS AT 31-03-2011**		**AS AT 31-03-2010**	
(a) Cash,Stamps & Cheques - in hand (Includes in transit)		**3.29**		551.28
(b) Bank Balance in India In Scheduled Banks				
i. In Current Account	**3017.12**		2372.00	
ii. In Cash Credit Account (Debit Balance)	**12.43**		442.34	
iii. In Current Account in Foreign Currency US$ 0.01 million (P.Y. US$ 0.01 million)	**0.27**		0.27	
iv. Fixed Deposit Account (Including lodged as security with Municipal Corporation, Delhi)	**0.27**		0.27	
v. Term Deposit with Banks *	**64448.64**	**67478.73**	57441.45	60256.33
(c) In Foreign Countries: Current Accounts: In Scheduled Banks		**0.33**		-
T O T A L		**67482.35**		**60807.61**

* Includes ₹11489.08 million (P.Y. ₹ 22253.85 million) being fixed deposit under lien of bankers as margin money against LCs

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 9. LOANS & ADVANCES (Unsecured considered good unless otherwise stated)	**AS AT 31-03-2011**		**AS AT 31-03-2010**	
(a) Bills Receivable	**200.04**		310.17	
Less : Bills Discounted	**34.91**	**165.13**	-	310.17
(b) Advances against equity pending allottment :				
Haldia Free Trade Warehousing Private Limited.	**160.00**		160.00	
Integrated Warehousing Kandla Projects Development Pvt. Ltd	**18.77**		30.98	
Neelachal Ispat Nigam Limited **	**1806.85**	**1985.62**	-	190.98
(c) Advance recoverable in cash or in kind or for value to be received :				
i) Considered good for which the company is fully secured(Secured against hypothecation of assets/ mortgage of title deeds and Bank Gurarantees)	**13044.28**		9862.34	
ii) Considered good for which the company holds no security other than personal security	**5194.75**		3284.06	
iii) Considered doubtful	**414.27**		385.57	
	18653.30		13531.97	
Less : Provisions	**414.27**	**18239.03**	385.57	13146.40
(d) Advances to Suppliers :				
i) Considered good in respect of which the company is fully secured(Secured against hypothecation of stocks)	**10.60**		106.13	
ii) Considered good in respect of which the company holds no security other than personal security	**609.68**		464.25	
iii) Considered doubtful	**139.48**		161.88	
	759.76		732.26	
Less : Provisions	**139.48**	**620.28**	161.88	570.38
(e) Income Tax (including Advance Income Tax TDS, Fringe Benefit Tax & Refund due)		**2037.23**		1952.36
(f) Inter Corporate Loans		**20.00**		20.00
(g) Deposits				
(i) Deposit with Customs, Port trust, Court etc.	**212.53**		47.46	
(ii) Other Deposits	**215.28**		333.73	
Total Deposits	**427.81**		381.19	
Considered Good	**390.99**		344.37	
Considered Doubtful	**36.82**		36.82	
	427.81		381.19	
Less : Provision	**36.82**	**390.99**	36.82	344.37
Total		**23458.28**		**16534.66**

(₹ in million)

Includes:	**Outstanding As on 31.3.2011**	**Maximum due at any time during year**	**Outstanding As on 31.3.2010**	**Maximum due at any time during year**
a) Due from Directors	**0.00**	**0.00**	0.00	0.02
b) Due from Officers *	**0.79**	**1.06**	2.02	2.12

* Chief General Managers and Company Secretary considered for the purpose of Officers.

** Includes ₹ 903.43 million (P.Y. ₹ Nil million) towards share premium @ ₹ 10 per share in respect of 90,342,744 equity shares of ₹ 10 each

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 10. CURRENT LIABILITIES

	AS AT 31-03-2011		AS AT 31-03-2010	
(a) Sundry Creditors				
(i) Other than MSME'S	**26509.75**		29328.93	
(ii) MSME'S	**-**	**26509.75**	-	29328.93
(b) Bills Payable		**9426.10**		5544.41
(c) Advance Payments from Customers		**7109.75**		10430.74
(d) Interest Accrued But not due on loan		**113.94**		58.15
(e) Other Liabilities		**5195.09**		4533.05
(f) Book Overdraft		**111.01**		76.68
(g) Goods Received on Consignment	**21584.98**		14299.04	
Less: Stock Held on Consignment	**21584.98**	**-**	14299.04	-
TOTAL		**48465.64**		**49971.96**

Schedule 11. PROVISIONS

	AS AT 31-03-2011	AS AT 31-03-2010
(a) Taxation	**1886.00**	1885.40
(b) Proposed Dividend	**250.00**	450.00
(c) Dividend Distribution Tax	**40.55**	74.74
(d) Bonus/PRP	**200.92**	190.55
(e) Destinational Weight & Analysis Risk	**5.32**	5.27
(f) Earned Leave	**230.87**	209.27
(g) Post Retirement Medical Benefit	**858.81**	707.80
(h) Half Pay Leave	**154.00**	147.97
(i) LTC/ALTC	**-**	35.94
(j) Fringe Benefit Tax	**26.54**	26.54
(k) Gratuity	**27.18**	9.17
(l) Superannuation Benefits	**220.57**	160.00
(m) Service Award	**53.53**	-
(n) Compassionate Gratuity	**2.88**	-
(o) Employees Family Benefit Scheme	**41.90**	-
(p) Corporate Social Responsibility	**0.97**	-
TOTAL	**4000.04**	**3902.65**

Schedule 11a. MISCELLANEOUS EXP.
(to the extent not written off or adjusted)

	AS AT 31-03-2011		AS AT 31-03-2010	
Deferred Revenue Expenditure	**-**		58.26	
Add: Additions During Year	**-**		-	
Less: Written Off during the year	**-**	**-**	58.26	-
TOTAL		**-**		**-**

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 12. COST OF SALES	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
(a) Opening Stock & Goods In Transit		**21306.11**		5784.72
(b) Purchases	**645827.48**		453347.93	
Add : Claims in Kind	**51.16**		71.73	
Stock Received on Loan	**-**	**645878.64**	35.11	453454.77
(c) Freight		**7902.86**		3111.09
(d) Demurrage (Net)		**13.89**		24.61
(e) Clearing, Handling, Discount & Other Charges (Net) *		**6335.65**		2499.21
(f) Commission to Other Selling Agents		**5.64**		1.89
(g) L/C Negotiation & Other Charges		**26.36**		65.62
(h) Difference in Exchange		**(228.54)**		(241.80)
(i) Custom Duty		**12088.14**		5832.02
(j) Insurance		**13.98**		11.14
(k) Godown Insurance		**11.50**		6.61
(l) Plot & Godown Rent (Net)		**54.24**		66.71
(m) Provision for Destinational Weight & Analysis Risks		**5.32**		8.72
(n) Premium on Forward Contract		**191.82**		152.63
		693605.61		470777.94
Less : Closing Stock & Goods in Transit	**6479.15**		21306.11	
Stock Issued in Kind	**4.88**		3.35	
Stock Given on Loan	**-**		24.10	
Transferred to MFG.	**4202.74**	**10686.77**	3676.04	25009.60
T O T A L		**682918.84**		**445768.34**

* Includes ₹ Nil million (P.Y. ₹ 134.46 million) towards penalty for import under Target Plus Scheme

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 13. MANUFACTURING EXPENSES	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
(i) Raw Material Consumed				
Opening Stock & Goods in Transit	**41.66**		-	
Stock Transferred from COGS	**4202.74**		3676.04	
Add : Processing Charges	**80.22**		47.79	
	4324.62		3723.83	
Less : Closing Stock & Goods in Transit	**-**	**4324.62**	41.66	3682.17
(ii) Packing Material Consumed				
Opening Stock & Goods in Transit	**0.58**		0.57	
Add: Purchases	**16.84**		12.47	
	17.42		13.04	
Less : Closing Stock & Goods in Transit	**0.58**	**16.84**	0.58	12.46
T O T A L		**4341.46**		**3694.63**

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 14. OTHER INCOME	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
(a) Staff Quarters Rent	**4.33**	4.51
(b) Profit on Sale of Assets	**0.79**	0.52
(c) Miscellaneous Receipts (including forfeiture of performance guarantee/bid bond)	**109.28**	114.76
(d) Dividend From Investments - MTPL, Singapore (including TDS ₹.Nil million (P.Y. ₹ Nil million)	**98.88**	141.99
(e) Liabilities Written Back	**94.18**	142.58
(f) Gain on Exchange	**4.84**	82.68
T O T A L	**312.30**	**487.04**

Schedule 15. INTEREST EARNED		
(a) Bank (Including TDS ₹ 4.16 million (P.Y. ₹ 1.64 million)	**2522.01**	4006.66
(b) Government (Including TDS ₹ Nil million (P.Y. ₹ NIL million)	**0.00**	0.00
(c) Others (Including TDS ₹ 0.24 million (P.Y. ₹ Nil million)	**2228.46**	1735.25
T O T A L	**4750.47**	**5741.91**

(₹ in million)

Schedule 16. SALARIES AND ALLOWANCES	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
D I R E C T O R S				
Salaries & Allowances *	**10.60**		11.48	
Residential Rent Contribution	**-**		0.11	
Provident Fund Contribution	**0.84**		1.38	
Gratuity	**0.26**		0.31	
Medical Expenses	**0.59**		0.27	
Superannuation Benefit	**0.63**		-	
Club Subscription	**0.18**		0.11	
Performance Related Pay	**2.17**	**15.27**	8.87	22.53
O T H E R S				
Salaries & Allowances **	**1117.53**		1101.43	
Foreign Service Contribution (Net)	**0.27**		0.26	
Residential Rent Contribution	**0.82**		0.83	
Provident Fund Contribution	**74.14**		97.57	
Superannuation Benefit	**59.94**		110.00	
Family Pension Contribution	**11.53**		12.01	
Group Insurance	**0.61**		0.57	
Staff Welfare Expenses	**107.34**		28.15	
Bonus, PRP etc.	**83.58**		121.66	
Contribution to D.L.I.S.	**1.04**		0.79	
Gratuity	**57.86**		38.11	
Medical Expenses	**307.66**	**1822.32**	149.68	1661.06
T O T A L		**1837.59**		**1683.59**

* Includes ₹ 0.80 million (P.Y.₹ 2.74 million) towards provision for Earned Leave & Sick Leave

** Includes ₹ 2.20 million (P.Y. ₹ 38.72 million) towards VRS expenses and ₹ 87.34 million (P.Y.₹ 128.54 million) towards provision for Earned Leave & Sick Leave

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(₹ in million)

Schedule 17. ADMINISTRATIVE EXPENSES	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
Rent	**39.12**	19.53
Rates & Taxes	**14.01**	12.95
Electricity & Water Charges	**20.16**	19.34
Insurance	**1.05**	3.05
Advertisement & Publicity	**35.30**	17.69
Printing & Stationery	**6.85**	6.79
Postage & Telegram	**2.17**	1.69
Telephone	**19.05**	19.39
Telecommunication	**9.12**	8.51
Travelling Expenses (Including expenditure incurred by Directors ₹ 7.61 million (P.Y. ₹ 5.50 million)	**42.82**	35.43
Vehicle Expenses	**17.23**	17.70
Entertainment (Incl. through Directors ₹ 1.54 million (P.Y. ₹1.81 million)	**8.63**	12.37
Legal Expenses	**19.37**	16.58
Auditors Remuneration *	**5.44**	4.89
Bank Charges	**11.24**	8.59
Books & Periodicals	**1.46**	2.84
Trade Expenses	**8.82**	5.67
Corporate Social Responsibility Expenses **	**43.25**	1.36
Repairs & Maintainance Exp. (Incl. on Building ₹ 38.57 million(P.Y. ₹ 35.61 million) and Plant & Machinery ₹ 1.27 million (P.Y. ₹ 1.40 million)	**61.26**	54.95
Computer Expenses	**0.62**	0.99
Subscription	**4.98**	3.66
Training, Seminar & Conferences (Including Directors ₹ Nil million (P.Y.₹ Nil million)	**5.69**	5.38
Loss on Sale of Assets	**0.03**	1.30
Miscellaneous Expenses	**60.51**	55.42
Professional / Consultancy Charges	**33.25**	12.09
Mesne Profit	**37.12**	66.25
T O T A L	**508.55**	**414.41**

* Includes Audit Fees ₹ 1.85 million (P.Y. ₹ 1.51 million), Tax Audit Fees ₹ 0.93 million (P.Y.₹ 0.75 million), Certification Fees ₹ 0.45 million (P.Y.₹ 0.27 million) and other services including TA/DA & out of pocket reimbursement ₹ 0.39 million (P.Y. ₹ 0.16 million) and Service Tax ₹ 0.28 million (P.Y. ₹ 0.24 million)

** Includes provision of ₹ 0.97 million (P.Y. ₹ Nil million) towards un-utilised budget as per DPE guidelines

(₹ in million)

Schedule 18. INTEREST PAID	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
(a) Bank	**1100.76**	1508.67
(b) Others	**2617.83**	2617.51
T O T A L	**3718.59**	**4126.18**

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Schedule 19. PRIOR PERIOD ITEMS

EXPENDITURE/PURCHASE		
Cost of Sales	**(50.30)**	1.71
Salaries & Allowances	**0.04**	0.01
Administrative Expenses	**2.12**	5.05
Interest	**1.51**	0.33
Depreciation	**0.00**	1.93
Others	**0.01**	0.14
T O T A L :	**(46.62)**	9.17
INCOME/SALES		
Sales	**(66.25)**	(3.02)
Interest	**(1.18)**	11.38
Other Receipts	**0.01**	0.91
T O T A L	**(67.42)**	9.27
T O T A L (NET)	**(20.80)**	**0.10**

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

20(A): STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

(₹ in million)

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details

Registration No.	554033	State Code	55
Balance Sheet Date	31 (Date) 03 (Month) 11 (Year)		

II. Capital Raised During the Year

Public Issue (Euro Isssue)	NIL	Rights Issue	NIL
Bonus Issue	500	Private Placement (Preference Shares)	NIL

III Position of Mobilisation and Deployment of Funds

Total Liabilities :	74632	Total Assets	74632
Sources of Funds		**Application of Funds**	
Paid-Up Capital	1000	Net Fixed Assets	1114
Reserves & Surplus	12797	Investments	2831
Secured Loans	50020	Net Current Assets	70352
Unsecured Loans	10815	Deffered Tax Assets	335

IV. Performance of Company

Turnover incl. Other Income	695664	Total Expenditure	693746
Profit before Tax	1918	Profit after tax	1216
Earning Per Share in Rs.	1.22	Dividend Rate (%)	25

V. Generic Names of Three Principal Products/ Services of Company
(As per monetary terms)

Item Code No.	Product Description
71.08	GOLD
27.03	COAL
26.01	IRON ORE

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Schedule 20 (B) : DETAILS OF INCOME & EXPENDITURE ON STAFF QUARTERS

(₹ in million)

EXPENDITURE	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
Rates Taxes & Electricity	**4.58**	4.61
Repairs & Renewals	**11.10**	12.82
Depreciation	**1.56**	1.56
Lease Rent	**0.25**	0.18
Miscellaneous Expenses	**8.65**	7.36
TOTAL	**26.14**	26.52
INCOME		
Water Charges Recovered	**0.04**	0.04
Miscellaneous Receipts	**1.69**	0.44
Rent Receipts	**3.81**	4.46
TOTAL	**5.54**	4.94
Excess of Expenditure over Income	**20.60**	**21.58**

SCHEDULE 20 (C) : FOREIGN EXCHANGE EARNINGS & OUTGO

(₹ in million)

	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
EXPENDITURE		
CIF/FOB Value of Imports	**0.00**	405703.64
Foreign Offices	**-**	-
Foreign Tours	**-**	12.09
Demurrage/Despatch	**-**	36.19
Load Port/Supervision Charges	**-**	10.68
Interest	**-**	362.63
Ocean Freight	**0.00**	811.74
Watchman Charges	**-**	
Destinational Weight & Analysis Risk	**-**	5.25
Agency Commission	**-**	-
Misc.Charges	**-**	1.08
TOTAL	**0.01**	406943.30
EARNINGS		
FOB/CIF Value of Goods Exported	**0.00**	32247.14
Depatch/Demurrage	**-**	41.97
Misc.Recipts	**-**	10.76
Dividend	**-**	141.99
Other Trade Earnings(Counter Trade)	**-**	31.44
TOTAL	**0.01**	32473.30
NET EARNINGS (OUTGO)	**0.00**	**(374470.00)**

MMTC LIMITED

SCHEDULES 1 to 21 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE - 20 (D) : PARTICULARS IN RESPECT OF GOODS MANUFACTURED

Goods Manufactured	Unit of Measurment	**FOR THE YEAR 2010-11**			**FOR THE YEAR 2009-10**		
		Licenced Capacity (if applicable) (Qty)	Installed Capacity (Qty)	Actual Production (Qty)	Licenced Capacity (if applicable) (Qty)	Installed Capacity (Qty)	Actual Production (Qty)
Silver Medallion	Nos.	**N.A**	**N.A**	**263,077**	N.A	N.A	206,279
Sanchi	Kgs	**N.A**	**N.A**	**10,416**	N.A	N.A	6,037,580
Gold Medallion	Nos.	**N.A**	**N.A**	**149,130**	N.A	N.A	170,219
Mica paper	MT.	**700**	**600**	**-**	700	600	-
Mica powder	MT.	**900**	**900**	**-**	900	900	-
IMP phase-I	MT.	**N.A**	**45**	**-**	N.A	45	-

SCHEDULE-20(E): CONSUMPTION OF RAW MATERIALS,COMPONENTS & SPARES

(₹ in million)

	FOR THE YEAR 2010-11		**FOR THE YEAR 2009-10**	
	Raw materials	**Compone**	**aw materials**	**Components**
Indigenous	**-**	-	-	-
As % Of total	**-**	-	-	-
Imported	**-**	-	-	-
As % Of total	**100.00**	-	100.00	-

SCHEDULE 20(F) : INFORMATION OF IMPORTS ON CIF BASIS FOR MANUFACTURING

(₹ in million)

	Year ended 31-03-2011	**ed 31-03-2010**
Raw materials	**-**	-
Components and spare parts	**-**	-
Other Traded Goods (CIF/FOB)	**-**	-

MMTC LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31.03.2011

21. CONTINGENT LIABILITIES & NOTES

1. Contingent Liabilities:

a) Guarantees issued by Banks on behalf of the Company ₹ 845.61 million (P.Y. ₹ 845.80 million). Corporate Guarantee amounting to ₹ 4506.69 million (P.Y. ₹ 4380.00 million) in favour of customer has been given towards performance of contract against which back up guarantees have been obtained from the associate suppliers.

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

c) Claims against the Company not acknowledged as debts ₹ 1953.16 million (P.Y. ₹ 1961.07 million).

d) Letters of Credit opened by the Company remaining outstanding ₹ 12254.56 million (P.Y. ₹ 15919.74 million).

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

f) Sales Tax Demand of ₹ 839.17 million (P.Y. ₹ 851.97 million) in dispute against which ₹ 107.49 million (P.Y. ₹ 84.25 million) has been deposited and ₹ 7.25 million (P.Y. ₹ 2.30 million) covered by bank guarantees.

g) Service Tax demand in respect of business auxillary service amounting to ₹ 425.49 million (L.Y. ₹ 341.50 million) pending before Customs, Excise & Service Tax Department.

h) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 952.76 million (PY ₹ 1118.87 million).

i) A party has served a legal notice for non lifting of part quantity of coking coal in respect of supplies to M/s NINL, relating to delivery period 2008-09, claiming an amount of ₹ 3511 million ($ 78.72 million translated @ ₹ 44.60 being the closing rate of exchange as on 31.03.2011) (PY ₹ 3535.00 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, which has been refuted since the same is not tenable. MMTC has also put the party on notice to lodge counter claim for non supply of coking coal for the year 2009-10. The matter has been taken up at Govt. level as the supplier is also one of the major supplier of coking coal to other PSUs and all terms, conditions and prices are determined by an Empowered Joint Committee consisting of senior level nominees of Govt. and PSUs.

j) In one of the RO, auditors have observed for making liability towards CST transit sales of ₹ 644.32 million (PY ₹ 1947.58 million) on which in their view liability of CST amounting to ₹ 12.89 million (PY ₹ 38.95 million) may arise. On the basis of expert opinion and past experience, the company is of the view that no liability is likely to arise on this account. Accordingly no provision has been made. However, this will be suitably dealt with in the accounts after completion of assessment.

k) 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.

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

2. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil million (P.Y. ₹ 0.36 million).

3. Following stocks held by the Company on consignment basis not included in the inventory as on 31-3-2011:-

(value ₹ in million)

Items	31-03-2011		31-03-2010	
	Qty.(kgs)	Value	Qty.(kgs)	Value
Gold	8450	17422.33	8086	13629.48
Gold Jewellery		2.31		6.63
Silver	76561	4160.34	26178	662.93
		21584.98		14299.04

4. Loans and Advances and Sundry Creditors include ₹ 11846.15 million (P.Y. ₹ 8253.95 million) being notional value of 5695 Kgs. (P.Y. 5117 Kgs) of gold and 1992 Kgs. (P.Y. Nil) of silver belonging to foreign suppliers issued on loan basis to the Associates/ Customers of the Company.

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

6. The Company being the nominated agency for import of Gold and Silver has also imported Gold under usance L/Cs or availed buyer's credit. Money received towards sale value are put under Fixed Deposits with banks as

margin or otherwise. Interest earned thereon due to payment received from customers before due date of usance L/C or the buyer's credit is payable to the customers as a business policy.

7. Loans & Advances include ₹ 157.37 million (P.Y. ₹ 157.37 million) being the amount deposited with the High Court in respect of a case which is still pending. Necessary liability towards principal amount already exists and the provision, if any, towards interest of ₹ 22.50 million (P.Y. ₹ 22.50 million) will be made after final decision of the Court.

8. Income tax of ₹ 2037.23 million (P.Y. ₹ 1952.33 million) under the head "Loans and Advances" consists of Rs. 309.83 million (PY ₹ 303.52 million) paid to Income Tax Department against the disputed demands of ₹ 309.83 million (P.Y. ₹ 342.65 millions) for various assessment years and advance tax/TDS/FBT of Rs. 1727.39 million (PY ₹ 1648.81 million) towards income tax/fringe benefit tax liability for financial years 2009-10 & 2010-11. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.

9. The ERP package 'RAMCO" implemented by the Company has more or less stabilized. Systems audit has been conducted and its findings are under consideration of the management. Any further adjustments in processes and systems upon implementation of systems audit shall be incorporated in due course.

10. Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 210.87 million (P.Y ₹ 18.21 million) during the year.

11. An amount of ₹ 284.53 million (L.Y. ₹ 284.53 million) is outstanding against M/s AIPL in respect of Mint silver transaction against which full provision amounting to ₹ 284.53 million (L.Y. ₹ 284.53 million) has been made in the accounts pending adjustment, if any, of excess sale realization. The Company has filed a recovery suit of ₹ 314.02 million (L.Y. ₹ 314.02 million) which includes overdue interest of ₹ 29.49 million(L.Y. ₹ 29.49 million). M/s AIPL have also filed a suit against Government Mint/MMTC for damages of ₹ 1671.97 million (L.Y. ₹ 1671.97 million) which is not tenable as per legal opinion and is being contested.

12. During the year the company has imported pulses on the directives of the Govt. of India. The Government has allowed reimbursement of losses up to 15% of landed cost and trading margin @ 1.2% of CIF value, which works out to ₹ 132.36 million (L.Y. ₹ 311.77 million) on the import made by the company which has been credited to Profit & Loss Account as claims receivable from the Government on accrual basis. However, the reimbursement is released by the Govt. after the sale has been effected. The scheme has since been discontinued w.e.f. 2011-12.

13. During the year an amount of ₹ 228.54 million (L.Y. ₹ 241.80 million) towards difference in exchange (gain) has been shown under cost of sales which has arisen mainly due to adoption of notional exchange rate applicable

on the date of bills of lading for initial recognition in reporting currency in respect of import purchases / export sales denominated in foreign currency.

14. In case of coal imported for NTPC supply, sale in some cases have been booked provisionally pending issue of final invoices since final quality analysis at destination is yet to be received. This has no impact on the profitability since the difference, if any, on issuance of final invoice shall be to the account of the supplier.

15. Sale of canalized urea to Deptt. of Fertilisers(DOF), Government of India is made based on allocation letters issued by DOF and by transferring shipping documents. However, no separate agreement is signed with DOF.

16. The proportionate forward premium of ₹ 724.65 million (LY ₹ 226.26 million) for imports and ₹ Nil million (L.Y. ₹ Nil million) for exports to be recognized in the Profit & Loss Account of the subsequent accounting year in terms of the provisions of Accounting Standard – 11 issued by the Institute of Chartered Accountant of India.

17. In respect of forward exchange contracts outstanding as on 31.3.11 relating to firm commitments and highly probable forecast transactions, the loss of ₹ Nil million (P.Y. loss of ₹ 0.75 million) has been recognized in the Profit & Loss Account on the basis of changes in exchange rate as at the close of the year.

18. Liability of ₹ 60.57 million (P.Y. ₹ 110.00 million) towards superannuation benefit has been made during the year as per DPE guidelines for wage revision.

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

20. A claim for ₹ 20.62 million (LY ₹ 20.62 million) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 17.01 million (LY ₹ 15.54 million) created after taking into account the EMD and other payables amounting to ₹ 3.61 million (LY ₹ 5.08 million). The company has requested customs for abandonment which is pending for adjudication.

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

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

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

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

(iv) Long Service Benefits : Long Service Benefits payable to the employees are as under :

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

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

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

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

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

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Present value of projected benefit obligations as at 01/04/2010	627.64	209.27	147.97	707.80	
(ii)	Interest cost	50.09	16.74	11.84	56.62	
(iii)	Current service cost	18.55	10.24	6.43	9.85	
(iv)	Benefit paid	82.27	36.07	5.84	75.12	
(v)	Actuarial(gain)/loss	43.15	30.69	(6.40)	159.66	*98.31
(vi)	Present value of obligation as at 31st March,2011 (i+ii+iii-iv+v)	657.16	230.87	154.00	858.81	98.31

* Expense (Nett.) of ₹ 80.30 million has been charged to P&L A/c after adjusting liability of ₹ 18.02 million available under Benevolent Scheme, which has been withdrawn.

(b) Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2011:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Service cost	18.55	10.24	6.43	9.85	
(ii)	Interest cost	50.09	16.74	11.84	56.62	
(iii)	Expected return on plan assets	56.51				
(iv)	Net Actuarial (gain)/loss recognized in the period	43.15	30.69	(6.40)	159.66	80.30
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	55.28	57.67	11.87	226.14	80.30

(c) Changes in the fair value of planned assets

(₹ in million)

	GRATUITY
Fair value of plan assets as at 1.4.2010	618.47
Actual return on plan assets	56.51
Contribution by employer	37.28
Benefit paid	82.27
Actuarial gain/(loss)	
Fair value of plan assets as at 31.3.2011	629.99

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

(₹ in million)

Sl.No.	Particulars	One percentage Increase in inflation rate	One percentage decrease in inflation rate
i)	Effect on the aggregate of the service cost and interest cost	8.22	(7.06)
ii)	Effect on defined benefit obligation	88.53	(76.23)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2011
(i)	Discount rate (Per Annum)	8.00%
(ii)	Future cost increase	5.00%
(iii)	Retirement age	60 years
(iv)	Mortality table	LIC(1994-96) duly modified
(v)	Withdrawal rates	1% to 3% depending on Age

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

Name of the related parties and description of relationship:

a) Key Management Personnel

i.	Smt. Vijay Laxmi Joshi	Chairman-cum-Managing Director (w.e.f. 22.07.2011)
ii.	Shri H.S. Mann	Director & additional charge of Chairman and Managing Director (up to 22.07.2011)
iii.	Shri Sanjiv Batra	Chairman and Managing Director (up to 30.09.2010)
iv.	Shri S.K. Kar	Director (up to 30.06.2010)
v.	Shri A. Mahapatra	Director (up to 31.07.2010)
vi.	Shri Sunir Khurana	Director
vii.	Shri Ved Prakash	Director
viii.	Shri Rajeev Jaideva	Director (w.e.f. 03.12.2010)

b) Subsidiary
MMTC Transnational Pte. Ltd., Singapore

c) Associate
Neelachal Ispat Nigam Ltd. –
Devona Thermal Power & Infrastructure Ltd.

d) Joint Ventures:-
Free Trade Warehousing Pvt. Ltd
Haldia Free Trade Warehousing Pvt. Ltd.
Greater Noida Integrated Waresousing Pvt. Ltd.
Integrated Warehousing Kandla Project Development Pvt. Ltd.
MMTC Pamp India Pvt. Ltd.
MMTC Gitanjali Private Ltd.

Indian Commodity Exchange Ltd.
Sical Iron Ore Terminal Ltd.
TM Mining Company Limited

Details of transactions during the year 2010-11

(₹ in million)

Particulars	Subsidiary	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	19400.05	15587.78	40.12		35027.95
Sale of goods	7008.41	12936.59	30.55		19975.55
Sale of fixed assets					
Dividend Received	98.88				98.88
Finance including loans and equity contribution in cash or in kind		1806.85	89.55		1896.40
Corporate Guarantees					
Other payment Demurrage /Despatch					
Other receipt Demurrage /Despatch	3.14	17.18			20.32
Remuneration				24.07	24.07
Outstanding Balance					
Receivable	367.91	20286.39	2.84		20657.14
Payable	496.70	12977.28			13473.98

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

(₹ in million)

Sl. No.	Name of the Jt Venture Company	% of Company's ownership Interest	Assets	Liabilities	Income	Expen diture	Cont. Liabili ties	Capital Commit -ments
1.	Free Trade Warehousing Pvt. Ltd.	26	136.74	136.44	0.05	3.45	-	-
2.	Greater Noida Integrated Warehousing Pvt. Ltd.	26	0.01	0.01	-	0.01	-	-
3.	MMTC Pamp India Pvt. Ltd.	26	450.79	301.91	13.18	16.12		
4.	Sical Iron Ore Terminal Ltd.	26	973.71	635.77	-	-		
5.	MMTC Gitanjali Pvt. Ltd.	26	96.18	73.12	82.68	82.67		
6	Indian Commodity Exchange Ltd.	26	210.43	49.04	36.29	117.47	-	-
7	TM Mining Company Limited	26	0.13	0.06	-	-		

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

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

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

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.10	Adjustment during year	Addition during year	Closing Balance as on 31.03.11
Destinational Weight & Analysis Risk	5.27	5.27	5.32	5.32
Bonus/PRP	190.55	75.38	85.75	200.92
Superannuation Benefit	160.00	-	60.57	220.57
Taxation	1885.40	773.40	774.00	1886.00
Fringe Benefit Tax	26.54	-	-	26.54
Un-utilized budget for Corporate Social Responsibility	-	-	0.97	0.97
Proposed Dividend	450.00	450.00	250.00	250.00
Dividend Distribution Tax on Proposed Dividend	74.74	74.74	40.55	40.55

27. Deferred Tax:

The deferred tax liability as at 31st March 2011 comprises of the following:

(₹ in million)

Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2010	Credit / (Charge) during 2010-11	Deferred Tax asset / (Liability) as at 31.3.2011
Depreciation	(234.39)	17.81	(216.58)
Disallowance U/S-43 B	0.05	(0.05)	-
Prov. For Doubtful Debts	381.21	63.51	444.72
DWA Risk	1.75	(0.03)	1.72
VRS Expenses	24.90	(8.71)	16.19
Interest received from IT Deptt.	-	17.88	17.88
Others	53.15	18.41	71.56
TOTAL	226.67	108.82	335.49

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

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

(₹ in million)

Loanee	Balance as on 31.03.2011	Maximum outstanding during the year
Neelachal Ispat Nigam Ltd.	₹ 0.17	₹ 1.46
	(P.Y. ₹ 1.33)	(P.Y. ₹ 1.84)

B) Particulars of Investments by the Loanees: ₹ NIL (P.Y. ₹ NIL)

29. Earning per Share:

Particulars	10-11	09-10
Profit after Tax (₹ in million)	1216.43	2162.38
Total number of Equity Shares (million)	1000.00	50.00
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share) (P.Y. Face value ₹ 10/- per share)	1.22	43.25

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

(i) Changes in the wording of Accounting Policy No.12 :

(a) In the opening para " In case of back to back transactions, net realizable value is ascertained on the basis of cost plus profit margin" has been added to clarify the ascertainment of net realizable value in case of back to back transactions in line with accounting practice followed by the company.

(b) In first para of 12(b) " 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" has been added to clarify the determination of cost in respect of specific identifiable stocks to bring in line with the existing practices followed in such cases.

The above changes have no financial impact on the financials of the company.

(ii) Accounting Policy No. 10(i) relating to Employee Benefits :

ALTC/LTC scheme has been withdrawn and long service benefits i.e. service award, compassionate gratuity, employees' family benefit scheme has been incorporated based on actuarial valuation. Due to this change, the profit for the year has decreased by ₹ 55.10 million.

31. Letters have been issued to parties for confirmation of balances with the request to confirm or send comment by the stipulated date failing which balance as indicated in the letter would be taken as confirmed. Confirmation letters have not

been received in a few cases. However, no adverse communication received from any party.

32. The company has availed exemption from disclosing information for those goods which form less than ten percent of the total value of turnover, purchase, consumption of raw material etc. under paragraphs 3(i)(a), 3(ii)(a) and 3(ii)(b) of Part-II of Schedule VI of the Companies Act, 1956 as per notification No. 301(E) Dated 8th February, 2011 of the Ministry of Corporate Affairs.

33. There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2011.

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

35. Whole time Directors are allowed usage of staff cars for private purposes up to 12,000 km per annum as specified in the contractual terms of appointment on payment of Rs. 400 per month.

36. Figures for the previous year have been regrouped / recasted wherever considered necessary.

37. Accounting Policies, Schedules & Notes attached form an integral part of the Accounts.

For **N K Bhargava & Co.**
Chartered Accountants
F.R. No.: 000429N

(CA. N.K. Bhargava)	**(Manohar Balwani)**	**(M.G. Gupta)**
Partner	**GM & Company Secretary**	**Chief General Manager (F&A)-Incharge**
M.No. 080624		
	(Sunir Khurana)	**(Vijay Laxmi Joshi)**
	Director	**Chairman-cum-Managing Director**

Date: 2nd August, 2011
Place: New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF SEGMENTAL PERFORMANCE FOR THE YEAR 2010-11

(Primary Disclosures)

MMTC LTD

B U S I N E S S   S E G M E N T S

Particulars	PRECIOUS METAL		METALS		MINERALS & ORES		HYDROCARBON	
SEGMENT REVENUE	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10
External Sales								
- With in India	**506852.87**	321302.78	**12465.55**	15899.70	**2146.16**	1610.96	**95098.93**	39955.67
- Outside India			**8135.68**	4891.21	**28041.57**	26531.62		
Total (A)	**506852.87**	321302.78	**20601.23**	20790.91	**30187.73**	28142.58	**95098.93**	39955.67
Inter-Segment sales								
- With in India								
- Outside India								
Total (B)								
Total Segment Revenue (A+B))	**506852.87**	321302.78	**20601.23**	20790.91	**30187.73**	28142.58	**95098.93**	39955.67
Total revenue of each segment as a percentage of total revenue of all segments	**73.61%**	71.20%	**2.99%**	4.61%	**4.38%**	6.24%	**13.81%**	8.85%
Segemental Result								
- With in India	**749.35**	642.51	**223.54**	398.90	**60.67**	70.15	**817.72**	442.10
- Outside India			**246.42**	171.63	**1120.37**	1137.78		
Total Segmental Result	**749.35**	642.51	**469.96**	570.53	**1181.04**	1207.93	**817.72**	442.10
Unallocated Corporate expenses net of unallocated income								
Operating Profit								
Interest Expenses								
Interest Income								
Income taxes								
Profit from ordinary activities								
Extraordinary loss/Income								
Net Profit								
OTHER INFORMATION								
Segment assets	**61158.05**	42549.90	**1622.22**	1935.70	**3728.68**	2472.66	**14519.70**	16218.14
Unallocated Corporate assets								
Total assets								
Segment Liabilities	**43805.37**	37987.00	**2030.78**	1598.92	**4904.98**	6143.27	**12737.45**	13344.72
Unallocated Corporate liabilities								
Total liabilities								
Segment Capital expenditure	**0.35**	10.75						
Unallocated Capital Expenditure								
Total Capital Expenditure								
Segment Depreciation	**1.19**	1.87			**55.36**	55.57		
Unallocated Depreciation								
Total Depreciation								
Non-cash expenses other than depreciation								

STATEMENT OF SEGMENTAL PERFORMANCE FOR

(₹ in million)

Particulars	AGRO PRODUCTS		FERTILIZERS		OTHERS		TOTAL	
SEGMENT REVENUE	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10
External Sales								
- With in India	**16215.41**	15883.15	**18657.13**	24223.99	**174.75**	138.04	**651610.80**	419014.30
- Outside India	**20.24**		**736.59**	804.76			**36934.08**	32227.58
Total (A)	**16235.65**	15883.15	**19393.71**	25028.75	**174.75**	138.04	**688544.88**	451241.88
Inter-Segment sales								
- With in India								
- Outside India								
Total (B)								
Total Segment Revenue (A+B))	**16235.65**	15883.15	**19393.71**	25028.75	**174.75**	138.04	**688544.88**	451241.88
Total revenue of each segment as a percentage of total revenue of all segments	**2.36%**	3.52%	**2.82%**	5.55%	**0.03%**	0.03%	**100.00%**	100.00%
Segemental Result								
- With in India	**-102.13**	13.47	**92.97**	162.54	**84.94**	95.19	**1927.06**	1824.87
- Outside India	**0.59**		**5.25**	10.91		30.90	**1372.64**	1351.21
Total Segmental Result	**-101.54**	13.47	**98.22**	173.45	**84.94**	126.09	**3299.70**	3176.08
Unallocated Corporate expenses net of unallocated income							**2413.76**	1461.10
Operating Profit							**885.94**	1714.98
Interest Expenses							**3718.59**	4126.18
Interest Income							**4750.47**	5741.91
Income taxes							**701.39**	1168.33
Profit from ordinary activities							**1216.43**	2162.38
Extraordinary loss/Income								
Net Profit							**1216.43**	2162.38
OTHER INFORMATION								
Segment assets	**4540.93**	6966.19	**905.77**	2283.92	**559.73**	607.15	**87035.08**	73033.64
Unallocated Corporate assets							**40062.62**	45360.40
Total assets							**127097.70**	118394.04
Segment Liabilities	**7580.27**	6207.18	**1064.03**	1845.63	**318.35**	845.53	**72441.23**	67972.26
Unallocated Corporate liabilities							**40859.12**	37550.31
Total liabilities							**113300.35**	105522.57
Segment Capital expenditure							**0.35**	10.75
Unallocated Capital Expenditure							**13.48**	44.63
Total Capital Expenditure							**13.83**	55.38
Segment Depreciation					**36.36**	36.36	**92.92**	93.80
Unallocated Depreciation							**31.75**	39.50
Total Depreciation							**124.66**	133.30
Non-cash expenses other than depreciation							**231.28**	80.56

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED……

STATEMENT OF SEGMENTAL PERFORMANCE FOR 2010-11
(SECONDARY DISCLOSURE)

(₹ in million)

GEOGRAPHICAL SEGMENTS

	OUTSIDE INDIA		WITHIN INDIA		TOTAL	
	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10
SEGMENT REVENUE						
External Sales	**36,934.08**	32,227.58	**651,610.80**	419,014.30	**688,544.88**	451,241.88
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**36,934.08**	32,227.58	**651,610.80**	419,014.30	**688,544.88**	451,241.88
Segement Result	**1,372.64**	1,351.21	**1,927.06**	1,824.87	**3,299.70**	3,176.08
Segment assets	**3,578.31**	2,217.19	**83,456.77**	70,816.45	**87,035.08**	73,033.64
Capital expenditure	**-**	-	**0.35**	10.75	**0.35**	10.75

STATEMENT FORMING PART OF PROFIT & LOSS ACCOUNT INFORMATION IN PURSUANT TO PARA 3 PART -II OF SCH-VI OF THE COMPANIES ACT ,1956 ANNEXED TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH,2011

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

(Value in ₹ Million)

	OPENING STOCK		PURCHASES		SALES		CLOSING STOCK	
	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
IMPORTS								
GOLD (OGL) - KGS	122	198	243,632	461,114	241,386	465,102	209	432
GOLD (DTA) - KGS	-	-	2,730	5,121	2,728	5,132	2	4
STEAM COAL-MT	2,483,502	13,335	9,479,493	52,865	11,744,898	80,405	163,835	1,076
DOMESTIC								
GOLD JEWELLERY - GMS	18,776	53	13,036	359	105,275	887	7,345	53
GOLD MEDALLION - GMS	50,075	199	73,020	249	330,974	3,462	52,028	322
GOLD SCRAP, A&H & SHOP - GMS	-	2	-	-	-	-	-	2

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

(Amount In US$ Million)

1	Name of Subsidiary Company	**MMTC Transnational Pte. Limited Singapore**	
		2010-11	2009-10
2	The Financial year of the Subsidiary Company ended on	**31st March 2011**	31st March 2010
3	Shares of the Subsidiary Company held by MMTC Limited		
	i) Number	**1461502 shares of S$ 1 each**	1461502 shares of S$ 1 each
	ii) Extent of Holding	**100%**	100%
4	The Net aggregate of profit of the Subsidiary Company for the financial year so far as it concern the members of MMTC ltd.		
	i) Dealt with in the Accounts of MMTC Ltd. For the year ended 31st March	**Nil**	Nil
	ii) Not dealt with in the Accounts of MMTC Ltd. For the year ended . ($ in Million)	**2.3**	6.5
5	The net aggregate amount of profit of the Subsidiary Company for the previous financial year so far as they concern the members of MMTC Ltd.		
	i) Dealt with in the Accounts of MMTC Ltd. For the year ended 31st March	**Nil**	Nil
	ii) Not dealt with in the Accounts of MMTC Ltd. For the year ended. ($ in Million)	**6.5**	6.9

(MANOHAR BALWANI) **GM & Company Secretary**	**(M. G. GUPTA)** **Chief General Manager (F&A)- Incharge**
(SUNIR KHURANA) **Director**	**(VIJAY LAXMI JOSHI)** **Chairman-cum-Managing Director**

MMTC LIMITED

CASH FLOW STATEMENT

(₹ in Million)

	For the year 2010-11		For the year 2009-10	
A. Cash flow from operating activities				
Profit before Tax		**1,917.82**		**3,330.71**
Adjustment for :				
Depreciation	124.66		133.30	
Miscellaneous Expenses w/off	-		58.26	
Net Foreign Exchange (Gain) /Loss	(233.38)		(324.48)	
(Profit) /Loss on sale of Fixed Assets	(0.76)		0.78	
Interest received	(4,750.47)		(5,741.91)	
Dividend Received from Investments	(98.88)		(141.99)	
Interest Paid	3,718.59		4,126.18	
Provision for doubtful Debts /Loans & Advances	229.39		18.98	
Provision for unutilised budget for CSR	0.97		-	
Provision no longer Required	(40.98)		(409.96)	
Liabilities no longer Required	(94.18)		(142.58)	
Provision for DWA risk	5.32	(1,139.72)	8.72	(2,414.70)
Operating Profit before Working Capital Changes		**778.10**		**916.01**
Adjustment for :				
Trade & others Receivable	(15,101.93)		6,022.00	
Inventory	14,868.62		(15,563.06)	
Trade & other Payable	(1,183.60)		2,006.26	
Provisions	324.69		13.32	
		(1,092.22)		(7,521.48)
Cash Generated from operations		**(314.12)**		**(6,605.47)**
Taxes Paid		(894.48)		(741.27)
Net cash flow from operating activities		**(1,208.60)**		**(7,346.74)**
B. Cash flow from Investing Activities				
Purchase of Fixed assets	(13.83)		(40.42)	
Sale of Fixed Assets	0.85		(0.27)	
Purchase of investments	(101.76)		(413.66)	
Advance for purchase of shares	(1,794.64)		(90.98)	
Interest received	4,750.47		5,741.91	
Dividend Received from Investments				
- MTPL,Singapore	98.88		141.99	
Net cash flow from investing activities		**2,939.97**		**5,338.57**
C. Cash flow from financing activities				
Proceeds from bank borrowings/others	9,186.70		8,595.96	
Interest Paid	(3,718.59)		(4,126.18)	
Dividend (inclusive of tax) paid	(524.74)		(233.99)	
Net cash flow from Financing Activities		**4,943.37**		**4,235.79**
Net increase/(decrease) in Cash & Cash Equivalent		**6,674.74**		**2,227.62**
Opening Balance of Cash & Cash Equivalent	60,807.61		58,579.99	
Closing Balance of Cash & Cash Equivalent	67,482.35		60,807.61	

Note:

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

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

3. Cash and Cash equivalents includes all term deposits with banks.

4. Cash and Cash equivalents represent:-

	As on 2010-11	As on 2009-10
a) Cash, Stamps & Cheques in Hand	**3.29**	551.28
b) Bank Balances in India		
in Current Account	**3017.12**	2372.00
in Cash Credit Account (Debit Balance)	**12.43**	442.34
in Current Account in Foreign Currency	**0.27**	0.27
in Term Deposits (including under lien/ lodged as security)	**64448.91**	57441.72
c) In Foreign Countries		
Current Account		
in Scheduled Bank	**0.33**	-
Total	**67482.35**	60807.61

For N K Bhargava & CO.
Chartered Accountants
F. R. No: 000429N

(MANOHAR BALWANI)
G.M. & Company Secretary

(M. G. GUPTA)
Chief General Manager (F&A)-Incharge

(CA. N. K. BHARGAVA)
Partner
M.No.: 080624

(SUNIR KHURANA)
Director

(VIJAY LAXMI JOSHI)
Chairman -cum- Managing Director

Date : 2nd August,2011
Place: New Delhi

MMTC TRANSNATIONAL PTE LTD

(Incorporated in Singapore. Registration Number: 199407265M)

FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

The directors present their report to the shareholder together with the audited financial statements for the financial year ended 31 March 2011.

Directors

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

Hardip Singh Mann	(appointed on 6 October2010)
Sunir Khurana	
Ved Prakash	(appointed on 11 October 2010)
Rajeev Jaideva	(appointed on 11 October 2010)
Madan Gopal Gupta	(appointed on 16 November 2010)
Tapas Kumar Sengupta	(appointed on 18 May 2011)
Vijay Kumar Gupta	(appointed on 18 May 2011)
Joggavi Kishan	(resigned on 18 May 2011)
Vavadhan Kulaselralam	(resigned on 18 May 2011)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Holding registered, in name of a director, spouse or infant children	
	At 31 .3.2011 (par value of RS. 1 each)	At 1.4.2010 (par value of RS. 10 each)
MMTC Limited		
(Ordinary shares)	20	1
Sunir Khurana		

Directors' contractual benefits

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

Share options

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

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

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

Independent auditors

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

On behalf of the directors

TAPAS KUMAR SENGUPTA Director	VIJAY KUMAR GUPTA Director

STATEMENT BY DIRECTORS
For the financial year ended 31 March 2011

In the opinion of the directors,

(a) the financial statements as set out on pages 5 to 24 are drawn up so as to give a true and fair view of the state of affairs of the Company at 31 March 2011 and of the results of the business, changes in equity and cash flows of the Company for the financial year then ended; and

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

On behalf of the directors

TAPAS KUMAR SENGUPTA Director	VIJAY KUMAR GUPTA Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF MMTC TRANSNATIONAL PTE LTD

Report on the Financial Statements

We have audited the financial statements of MMTC Transnational Pte Ltd set out on pages 5 to 24, which comprise the balance sheet as at 31 March 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

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

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

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

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

Opinion
In our opinion, the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2011, and its results, changes in equity and cash flows for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

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

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore, 14 JUN 2011

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2011

	Note	**2011 US$**	2010 US$
Sale of goods		**710,292,097**	525,465,527
Other income - net	3	**1,219,886**	3,535,670
Purchases for resale		**(705,385,499)**	(519,856,611)
Employee compensation	4	**(1,047,254)**	(865,945)
Depreciation	10	**(35,650)**	(18,524)
Rental expense - operating lease		**(183,385)**	(130,332)
Net currency translation loss		**(34,210)**	(11,266)
Bank charges		**(277,657)**	(388,292)
Other expenses		**(257,523)**	(271,749)
Finance expense	5	**(1,344,696)**	(410,151)
Profit before income tax		**2,946,109**	7,048,327
Income tax expense	6	**(631,070)**	(505,450)
Profit after tax and total comprehensive income		**2,315,039**	6,542,877

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

MMTC TRANSNATIONAL PTE LTD

BALANCE SHEET
As at 31 March 2011

	Note	2011 US$	2010 US$
ASSETS			
Current assets			
Cash and bank deposits	7	**17,969,683**	18,803,367
Trade and other receivables	8	**30,713,513**	34,185,716
Other current assets	16	**84,028**	513,713
Inventories		**5,478**	5,478
		48,772,702	53,508,274
Non-current assets			
Investment in a subsidiary	9		
Property, plant and equipment	10	**90,639**	23,641
		90,639	23,641
Total assets		**48,863,341**	53,531,915
LIABILITIES			
Current liabilities			
Trade and other payables	11	**18,044,935**	34,598,880
Borrowings	12	**12,382,858**	400,000
Current income tax liabilities	6	**206,756**	500,812
Total liabilities		**30,634,549**	35,499,692
NET ASSETS		**18,228,792**	18,032,223
EQUITY			
Share capital	14	**1,000,000**	1,000,000
Retained profits		**17,228,792**	17,032,223
Total shareholder's equity		**18,228,792**	18,032,223

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

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 March 2011

	Note	Share capital US$	Retained profits US$	Total US$
2011				
Beginning of financial year		**1,000,000**	**17,032,223**	**18,032,223**
Total comprehensive income		-	2,315,039	2,315,039
Dividend paid	15	-	(2,118,470)	(2,118,470)
End of financial year		**1,000,000**	**17,228,792**	**18,228,792**
2010				
Beginning of financial year		1,000,000	13,576,228	14,576,228
Total comprehensive income		-	6,542,877	6,542,877
Dividend paid	15	-	(3,086,882)	(3,086,882)
End of financial year		1,000,000	17,032,223	18,032,223

MMTC TRANSNATIONAL PTE LTD

STATEMENT OF CASH FLOWS
For the financial year ended 31 March 2011

		2011 US$	2010 US$
Cash flows from operating activities			
Profit after tax		**2,315,039**	6,542,877
Adjustments for:			
Income tax expense		**631,070**	505,450
Depreciation		**35,650**	18,524
Loss on disposal of fixed assets		**5,520**	924
Interest income		**(225,704)**	(845,894)
Interest expense			410,151
		4,106,271	6,632,032
Change in working capital			
Trade and other receivables		**3,501,666**	(2,846,504)
Trade and other payables	Note	**(16,124,260)**	888,026
Inventories		**-**	2,358
Cash (used in)/generated by from operations		**(8,516,323)**	4,675,912
Income tax paid		**(925,126)**	(830,501)
Net cash (used in)/provided by operating activities		**(9,441,449)**	3,845,411
Cash flows from investing activities			
Purchase of property, plant and equipment		**(108,168)**	(13,652)
Interest received		**196,241**	808,708
Net cash provided by investing activities		**88,073**	795,056
Cash flows from financing activities			
Dividends paid		**(2,118,470)**	(3,086,882)
Interest paid		**(1,344,696)**	(410,151)
Proceeds from borrowings		**12,382,858**	-
Repayment of borrowings		**(400,000)**	(877,704)
Net cash provided by/(used in) financing activities	7	**8,519,692**	(4,374,737)
Net increase in cash and bank balances		**(833,684)**	265,730
Cash and bank balances at beginning of financial year		**18,803,367**	18,537,637
Cash and bank balances at end of financial year		**17,969,683**	18,803,367

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

1. General information

The Company is incorporated and domiciled in Singapore. The address of its registered office is 20 Cecil Street, #1 4-03/04 Equity Plaza, Singapore 049705.

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

Interpretations and amendments to published standards effective in 2010

On 1 April 2010, the Company adopted the new or amended FRS and interpretation to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

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

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

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

2.2 Revenue recognition

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

Revenue is recognised as follows:

(a) Sale of goods

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

(b) Interest income

Interest income is recognised using the effective interest method.

2.3 Currency translation

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

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

2 Significant accounting policies (continued)

2.4 Bank balances
Trade and other receivables
Deposits

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

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

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

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

2.5 Income taxes

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

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

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

2.6 Inventories

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

2. Significant accounting policies (continued)

2.7 Investments in subsidiaries

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

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

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

2.8 Property, plant and equipment

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

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

Depreciation on property, plant and equipment is calculated on a reducing balance basis so as to write off the cost of property, plant and equipment over their expected useful lives of 3 years.

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

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

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets

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

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

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

2.10 Trade and other payables

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

2.11 Operating lease payments

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

2.12 Provisions for other liabilities and charges

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

2. Significant accounting policies (continued)

2.13 Employee compensation

(a) Defined contribution plans

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

(b) Employee leave entitlement

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

2.14 Cash and cash equivalents

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

2.15 Borrowing costs

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

2.16 Fair value estimation of financial assets and liabilities

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

2.17 Borrowings

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

2.18 Dividends

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

3. Other income - net

	2011 **US$**	2010 US$
Interest income		
- short-term bank deposit	**225,704**	437,866
- customers	**589,783**	408,028
	815,487	845,894
Write-back of provision for trade claims	**1,128,601**	2,542,500
Sundry income	**383,839**	147,276
Loss on derivative contracts	**(1,108,041)**	-
	1,219,886	3,535,670

4. Employee compensation

	2011 **US$**	2010 US$
Wages and salaries	**823,127**	665,745
Employer's contribution to defined contribution plans such as Central Provident Fund	**65,040**	50,074
Other benefits	**159,087**	150,126
	1,047,254	865,945

Other benefits include the rental expenses for the residential premises provided to the employees which amounted to US$ 92,519 (2010: US$83,136).

5. Finance expenses

	2011 **US$**	2010 US$
Interest expense:		
- trust receipts	**107,316**	52,935
- discounted bills	**1,237,380**	357,216
	1,344,696	410,151

6. Income taxes

(a) Income tax expense

	2011 **US$**	2010 US$
Tax expense attributable to profit is made up of:		
Current income tax	**206,756**	500,812
Under provision in prior financial years:		
Current income tax	**424,314**	4,638
	631,070	505,450

The Company was granted Global Trader Programme ("GTP") status with effect from 1 April 2005, which then expired on 31 March 2010. During the financial year, the Company was granted extension for the GTP status from 1 April 2011 till 31 March 2016. Income covered by GTP status is taxed at a concessionary rate of 10%. Non-qualifying income is taxed at the standard rate of 17% (2010: 17%). The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before income tax due to the following:

	2011 **US$**	2010 US$
Profit before income tax	**2,946,109**	7,048,327
Tax calculated at a tax rate of 17%	**500,839**	1,198,216
Effects of:		
Singapore statutory stepped income exemption	**(19,483)**	(18,220)
Income subject to a lower tax rate	**(142,343)**	(429,200)
Expenses not deductible for tax purposes	**7,353**	6,054
Income not subject to tax	**(139,610)**	(256,038)
	206,756	500,812

(b) Movements in current income tax liabilities

	2011 **US$**	2010 US$
Beginning of financial year	**500,812**	825,863
Income tax paid	**(925,126)**	(830,501)
Tax payable on profit for current financial year	**206,756**	500,812
Under-provision in prior financial years	**424,314**	4,638
End of financial year	**206,756**	500,812

7. Cash and bank deposits

	2011	2010
	US$	US$
Cash and bank balances	**824,838**	996,226
Fixed deposits with banks	**17,144,845**	17,807,141
	17,969,683	18,803,367

Cash and bank deposits are denominated in the following currencies:

	2011	2010
	US$	US$
United States Dollar	**17,892,124**	18,759,135
Singapore Dollar	**77,559**	44,232
	17,969,683	18,803,367

At balance sheet date, the fixed deposits bear interest rates ranging from 1.15% to 3.00% (2010: 0.23% to 5.2%) per annum with the maturity dates ranging between 3 months to 24 months (2010: 1 day to 24 months).

8. Trade and other receivables

	2011	2010
	US$	US$
Trade receivables:		
- third parties	**20,047,787**	7,050,600
- holding corporation (note 13)	**10,583,729**	27,088,583
Interest receivable	**68,650**	39,187
Other receivables	**13,347**	7,346
	30,713,513	34,185,716

Trade and other receivables are denominated in the following currencies:

	2011	2010
	US$	US$
United States Dollar	**30,704,056**	34,174,733
Singapore Dollar	**9,457**	7,348
Others	**-**	3,635
	30,713,513	34,185,716

9. Investment in a subsidiary

	2011	2010
	US$	US$
Unquoted equity shares, at cost	**7,632**	7,632
Less: Allowance for impairment in value	**(7,632)**	(7,632)
	-	-

Details of the subsidiary are as follows:

Name of subsidiary	Principal activity	Country of incorporation and business	Equity holding	
			2011	2010
			%	%
MMTC Transnational (Moscow) Pte Ltd	Dormant	Russia	**100**	100

10. Property, plant and equipment

	Leasehold improvements	Furniture and fittings	Computer equipment	Office equipment	Total
	US$	US$	US$	US$	US$
2011					
Cost					
Beginning of financial year	33,070	21,509	27,030	16,808	98,417
Additions	71,910	20,627	10,353	5,278	108,168
Disposals	(33,070)	(2,479)	(2,377)	(2,386)	(40,312)
End of financial year	71,910	39,657	35,006	19,700	166,273
Accumulated depreciation					
Beginning of financial year	29,531	15,807	16,138	13,300	74,776
Depreciation charge	11,984	11,218	9,620	2,828	35,650
Disposals	(29,531)	(1,756)	(1,915)	(1,590)	(34,792)
End of financial year	11,984	25,269	23,843	14,538	75,634
Net book value					
End of financial year	**59,926**	**14,388**	**11,163**	**5,162**	**90,639**

10. Property, plant and equipment (continued)

	Leasehold improvements	Furniture and fittings	Computer equipment	Office equipment	Total
	US$	US$	US$	US$	US$
2010					
Cost					
Beginning of financial year	33,070	19,099	28,890	14,006	95,065
Additions	-	2,410	7,913	3,329	13,652
Disposals	-	-	(9,773)	(527)	(10,300)
End of financial year	33,070	21,509	27,030	16,808	98,417
Accumulated depreciation					
Beginning of financial year	26,945	10,397	17,625	10,660	65,627
Depreciation charge	2,586	5,410	7,698	2,830	18,524
Disposals	-	-	(9,185)	(190)	(9,375)
End of financial year	29,531	15,807	16,138	13,300	74,776
Net book value					
End of financial year	3,539	5,702	10,892	3,508	23,641

11. Trade and other payables

	2011	2010
	US$	US$
Trade payables:		
- third parties	**10,389,407**	26,601,961
- holding corporation	**7,513,724**	4,410,228
Accrued operating expenses	**141,804**	2,371,510
Provision for trade claims	**-**	1,215,181
	18,044,935	34,598,880

Trade and other payables are denominated in the following currencies:

	2011	2010
	US$	US$
United States Dollar	**17,896,235**	34,455,662
Singapore Dollar	**132,884**	122,045
Others	**15,816**	21,173
	18,044,935	34,598,880

12. Borrowings

	2011 US$	2010 US$
Short-term loan	**12,382,858**	400,000

The short term loan has a maturity of 6 days (2010: 6 days) from the balance sheet date.

The interest rate of the borrowings at the balance sheet date is 1.20% (2010: 1.23%) per annum.

13. Immediate and ultimate holding corporation

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

14. Share capital

The Company's share capital comprises fully paid-up 1,461,502 (2010: 1,461,502) ordinary shares with no par value, amounting to a total of US$1,000,000 (2010: US$1,000,000).

15. Dividends

	2011 US$	2010 US$
Ordinary dividend paid		
Final exempt (one-tier) dividend paid in respect of the previous financial year of US$Nil (2010: US$0.69) per share	**-**	1,007,932
Interim exempt (one-tier) dividend paid in respect of current financial year of US$1.45 (2010: US$1.42) per share	**2,118,470**	2,078,950
	2,118,470	3,086,882

16. Other current assets

	2011	2010
	US$	US$
Deposits	**84,028**	56,963
Prepayments	**-**	456,750
	84,028	513,713

Deposits are denominated mainly in Singapore Dollars.

17. Commitments

(a) Purchase and sales commitments

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

	2011	2010
	US$	US$
Purchase commitments	**18,754,565**	29,616,976
Sales commitments	**18,820,692**	30,737,206

(b) Operating lease commitments

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

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

	2011	2010
	US$	US$
Not later than one year	**117,158**	175,239
Later than one year but not later than five years	**57,374**	10,669
	174,532	185,908

18. Related party transactions

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

a) Sales and purchases of goods and services

	2011 US$	2010 US$
Sales to holding corporation	**426,029,281**	357,875,360
Purchases from holding corporation	**153,580,460**	110,719,110

B) Key management personnel compensation is as follows:

	2011 US$	2010 US$
Salaries and other short-term employee benefits	**357,015**	297,090
Post-employment benefits - contribution to defined contribution plans	**4,332**	6,173
	361,347	303,263

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

19. Financial risk management

Financial risk factors

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

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

(a) Market risk

(i) *Foreign currency exchange rate risk*

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

19. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

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

(iii) Price risk

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

(b) Credit risk

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

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

(c) Liquidity risk

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

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

19. Financial risk management (continued)

(d) Capital risk

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

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

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2011 and 2010.

20. New or revised accounting Standards and Interpretations

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 1 April 2011. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.

21. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of MMTC Transnational Pte Ltd on 14 JUN 2011

CONSOLIDATED FINANCIAL STATEMENTS
(FOR THE YEAR ENDED 31ST MARCH 2011)

N. K. BHARGAVA & CO.
CHARTERED ACCOUNTANTS

Tel: +91 11 22752376, 22793650
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C-31, I st Floor, Acharya Niketan
Phase – I, Mayur Vihar, Delhi - 110091
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Auditor's Report on Consolidated Financial Statements

To the Members of MMTC Limited

We have examined the attached consolidated Balance Sheet of MMTC Limited ("The Company") its Subsidiary, Associates and Joint Ventures as at 31st March, 2011, Consolidated Profit & Loss Account for the year ended on that date annexed thereto, and the consolidated Cash Flow statement for the year ended that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statement of subsidiary whose financial statements reflect total assets of Rs. 2186.78 Million as at 31st March, 2011 and total revenue of Rs.31934.09 Million for the year ended on that date, associates whose net carrying cost of investments is Rs.3188.11 Million and in Joint Ventures whose financial statements reflect total assets of Rs.1861.07 Million as at 31st March, 2011 and total revenue of Rs.127.10 Million for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these Subsidiary, Associates and Joint Ventures, is based solely on the report of other auditors.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statement' and AS-27 'Financial Reporting of Interests in Joint Ventures' issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its Subsidiary, Associates and Joint Ventures included in the consolidated financial statements.

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

(i) Non-provision of liability, if any, in case of extension of time / waiver / write off of GR-1 forms. (Refer Note No. 5).

(ii) Balances under Sundry Debtors / Claims Recoverable / Loans & Advances / Sundry Creditors / Other Liabilities have not been confirmed in some cases by the parties. Adjustments, if any, required upon such confirmation are not ascertainable.(Refer Note No.-34)

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

a) Active and prompt follow up of old debts, advances, claims, court cases and recoveries etc. arising out of execution of decrees / awards in favour of the company by respective commodity divisions.
b) Expeditious follow up of old sales tax cases / appeals pending with courts / Appellate Authorities of CO, ROs and SRo's including closed SRo's to save on legal costs and interest pyable on disputed additional demands.

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

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

We are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(A) In the case of the Consolidated Balance Sheet, of the state of affairs of the MMTC Group as at 31st March, 2011; and

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

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

For N. K. Bhargava & Co.
Chartered Accountants
F.R. No. 000429N

(N. K. BHARGAVA)
Partner
M. No. 080624

Place: New Delhi
Dated: 18th August, 2011

ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

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

(c) **Statement of Compliance**

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

2. PURCHASES AND SALES

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

b) Gold/Silver sent by foreign suppliers on consignment basis:

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

ii) Purchase of Gold for domestic sale is accounted for on withdrawal from the consignment stock and fixation of price with the suppliers.

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

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

v) Consignment stocks held on behalf of foreign suppliers at the year end is suitably disclosed in the accounts. However, customs duty paid in respect of balance consignment stock is shown as prepaid expenses.

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

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

3. REVENUE RECOGNITION

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

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

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

c) Interest on overdue recoverables where realisability is uncertain.

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

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

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

4. PREPAID EXPENSES

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

5. FIXED ASSETS

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

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

6. DEPRECIATION

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

Name of Assets	Rate of Depreciation as adopted by Company	Rate of Depreciation as provided in Sch.XIV
A. General Assets		
Furniture & Fittings	10%	6.33%
Weigh bridges	10%	4.75%
Typewriters, Machines, Fans & Office Equipment & AC	12.5%	4.75%
Vehicles	20%	9.50%
Computers	20%	16.21%
Lease hold land	As per lease agreement	
Wagon Rakes	As per agreement/ Wagon Investment Scheme	
Electrical installations excluding fans	10%	1.63%
Water supply, sewerage and drainage	10%	1.63%
Road and Culverts	2.5%	1.63%
Building and flats	2.5%	1.63%
Residential flats(ready built)	5%	1.63%
Warehouses/Godown	4%	1.63%
B. Manufacturing Unit's Assets		
Factory Building	3.34%	3.34%
Electrical Installations	4.75%	4.75%
Water Supply	4.75%	4.75%
Plant & Machinery(General)		
Single Shift	4.75%	4.75%
Double Shift	7.42%	7.42%
Triple Shift	10.34%	10.34%
Plant & Machinery-Continuous Process(including Wind Mill)	5.28%	5.28%

C. " Fixed Assets created on Land and neither the the Fixed Assets nor the Land belongs to the Company "	Over useful life of asset or five years whichever is less.	
D. All movable assets up to Rs.20,000/-	100% for Movable assets costing Rs.20,000/- or less each	100% for assets costing Rs.5,000/- or less each

E. Mobile handsets are directly charged to revenue in the year of purchase.

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

7. INVESTMENTS

(i) Long term investments are valued at cost less provision for permanent diminution in value.

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

8. FOREIGN CURRENCY TRANSACTIONS

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

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

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

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

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

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

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

9. SEGMENT REPORTING

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

1. Minerals
2. Precious Metals
3. Metals
4. Agro Products
5. Coal & Hydrocarbon
6. Fertilizer
7. General Trade/others.

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

Secondary Segment: Secondary Segments have been identified based on the geographical location of the customer of the company i.e.

1. Outside India
2. Within India

10. EMPLOYEE BENEFITS

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

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

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

11. PHYSICAL VERIFICATION OF STOCKS

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

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

12. VALUATION OF STOCKS

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

a) EXPORTS

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

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

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

In case of cut & polished stones, medallions and jewellery (finished/semi finished) cost includes wastages and other direct manufacturing cost.

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

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

(d) STOCK ON LOAN/FABRICATION

Stocks with fabricators are taken as the stocks of the company, till adjustments.

13. PRIOR PERIOD ADJUSTMENTS

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

14. BORROWING COSTS

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

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

15. DEFERRED TAX

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

16. IMPAIRMENT OF ASSETS

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

17. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(I) **Provisions**

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

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

(b) **Others**

Provision is recognized when

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

(ii)a probable outflow of resources is expected to settle the obligation and

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

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

Provisions are reviewed at each Balance Sheet date.

(II) **Contingent liabilities and contingent assets**

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

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

18. TREATEMENT OF EXPENDITURE DURING PROJECT IMPLEMENTATION / CONSTRUCTION PERIOD

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

19. OPERATING LEASES

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

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

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

20. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to MMTC Limited, its subsidiary Company and the interest of the Company in joint ventures, in the form of jointly controlled entities.

(a) The financial statements of the Parent Company and its Subsidiary are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants on India.

(b) In translating the financial statements of non-integral foreign subsidiary for incorporation of its financial statements, the following procedures is adopted:-

i) the assets and liabilities, both monetary and non-monetary, of the non-integral foreign subsidiary translated at the closing rate as defined in the AS-11 issued by the Institute of Chartered Accountants of India;

ii) income and expense items of the non-integral foreign subsidiary are translated at average exchange rate and

iii) all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

(c) In case of Associates, where the Company, directly or indirectly through subsidiaries holds more than 20% of equity, have been accounted for using "Equity Method" of Accounting described by Accounting Standard (AS) 23 "Accounting for Investment in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

(d) The Company accounts for its share in the change in the net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the company and its associates to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserve for the balance, based on available information.

(e) The differences between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

(f) The Consolidated Financial Statements include the interest of the Company in Joint Venture Companies, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is considered as, separate line items in the Consolidated Financial Statements.

(g) As far as possible the Consolidated Financial Statement is prepared using uniform accounting policies for like transactions and other events in similar circumstances, and are presented in the same manner as the Company's Separate Financial Statements.

For N K Bhargava & CO.,
Chartered Accountants
F. R. No. : 000429N

(N K Bhargava)	**(Manohar Balwani)**	**(M. G. Gupta)**
Partner	G.M. & Company Secretary	Chief General Manager (F&A)-Incharge
M.No.080624		

(Sunir Khurana)	**(Vijaylaxmi Joshi)**
Director	Chairman cum Managing Director

Date: 18th August, 2011
Place: New Delhi

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31-03-2011

(` in million)

SOURCES OF FUNDS	SCH NO.	AS AT 31-03-2011		AS AT 31-03-2010	
SHAREHOLDERS' FUNDS					
Share Capital	1	**1000.00**		500.00	
Reserves & Surplus	2	**14665.95**	**15665.95**	15191.21	15691.21
MINORITY INTEREST			**-**		-
LOAN FUNDS	3				
Secured		**51430.26**		46161.67	
Unsecured		**10838.24**	**62268.50**	6241.42	52403.09
TOTAL :			**77934.45**		**68094.30**
APPLICATION OF FUNDS					
GOODWILL ON CONSOLIDATION			**15.28**		17.69
FIXED ASSETS	4				
Gross Block		**2277.03**		2256.55	
Less: Depreciation		**977.88**		851.87	
Net Block		**1299.15**		1404.68	
Capital Work-in-progress		**1371.19**		923.74	
Less: Diminution in Capital work in progress		**30.88**		27.69	
		1340.31	**2639.46**	896.05	2300.73
INVESTMENTS	5		**3205.70**		4404.20
DEFERRED TAX ASSETS			**335.20**		224.83
CURRENT ASSETS, LOANS & ADVANCES					
Stock in Trade	6	**6561.69**		21366.26	
Sundry Debtors	7	**25915.30**		15060.72	
Cash & Bank Balances	8	**68466.76**		61779.48	
Loans & Advances	9	**23463.85**		16611.95	
		124407.60		114818.41	
Less:					
CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	10	**48658.48**		49741.53	
Provisions	11	**4010.36**		3930.07	
		52668.84		53671.60	
Net Current Assets			**71738.76**		61146.81
MISCELLANEOUS EXPENDITURE	11a		**0.05**		0.04
(to the extent not written off or adjusted)					
Total :			**77934.45**		**68094.30**

Notes to the Accounts and Contingent Liabilities **20**

Schedule 1 to 20 and Accounting Policies form an integral part of the accounts.

As per our report of even date attached

For N K Bhargava & Co.,
Chartered Accountants
Firm Registration No.: 000429N

(MANOHAR BALWANI)
G.M. & Company Secretary

(M G GUPTA)
Chief General Mananger (F&A)- Incharge

(N K Bhargava)
Partner
M.No. 080624

Date : 18th August,2011
Place : New Delhi

(SUNIR KHURANA)
Director

(VIJAYLAXMI JOSHI)
Chairman cum Managing Director

CONSOLIDATED FINANCIAL STATEMENTS

PROFIT & LOSS A/C FOR THE YEAR ENDED 31 MARCH, 2011

(` in million)

	SCH NO.	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
INCOME					
SALES		694110.27		454594.74	
OTHER TRADE EARNINGS		2020.01	696130.28	1547.79	456142.53
LESS: -					
COST OF SALES	12	688241.22		449005.73	
MANUFACTURING EXPENSES	13	4341.46		3694.62	
PROCESSING CHARGES		0.03	692582.71	-	452700.35
GROSS PROFIT			3547.57		3442.18
OTHER INCOME	14	233.05		367.68	
PROVISIONS NO LONGER REQUIRED		58.20		530.59	
INTEREST INCOME	15	4796.09	5087.34	5788.69	6686.96
			8634.91		10129.14
EXPENDITURE					
SALARIES & ALLOWANCES	16	1908.91		1739.89	
ADMINISTRATIVE EXPENSES	17	646.65		469.73	
INTEREST PAID	18	3783.42		4146.66	
DEPRECIATION		133.13		137.29	
EXHIBITION ,FAIRS & SALES PROMOTION EXPENSES		45.13		46.34	
MISCELLANEOUS EXPENDITURE WRITTEN OFF		0.01		58.26	
DEBTS/CLAIMS WRITTEN OFF		0.91		3.32	
GOODWILL WRITTEN OFF		5.13		4.59	
PROVISION FOR DIMINUTION IN VALUE OF CWIP		3.19		-	
PROVISION FOR BAD & DOUBTFUL DEBTS		232.57	6759.05	18.97	6625.05
			1875.86		3504.09
SHARE OF INTEREST IN JOINT VENTURE-EXCEPTIONAL ITEMS			-		0.93
PRIOR PERIOD ITEMS	19		(22.00)		1.31
PROFIT BEFORE TAX			1853.86		3504.47
PROVISION FOR TAXATION					
CURRENT TAX		783.27		1109.16	
DEFERRED TAX (ASSETS)		(108.82)		76.56	
ADJUSTMENTS RELATING TO EARLIER YEARS		55.25		6.59	
SHARE OF INTEREST IN JOINT VENTURE		1.54	731.24	2.77	1195.08
PROFIT AFTER TAX			1122.62		2309.39
INTEREST & SHARE OF PROFIT FROM ASSOCIATE					
SHARE OF PROFIT FROM ASSOCIATES			(861.89)		188.83
Less: GOODWILL WRITTEN OFF (ASSOCIATES)			0.03		0.03
NET PROFIT FOR THE YEAR			260.70		2498.19
SURPLUS BROUGHT FORWARD FROM PREVIOUS YEARS			8899.52		7003.55
AMOUNT AVAILABLE FOR APPROPRIATION			9160.22		9501.74
PROPOSED DIVIDEND			250.00		308.01
DIVIDEND DISTRIBUTION TAX			40.55		74.74
TRANSFERRED TO GENERAL RESERVE			129.90		219.47
BALANCE C/F TO BALANCE SHEET			8739.77		8899.52
EARNING PER SHARE (` PER EQUITY SHARE OF `1/- EACH) **(BASIC & DILUTED)**			0.26		2.50
Notes to the Accounts and Contingent Liabilities	20				

Schedule 1 to 20 and Accounting Policies form an integral part of the accounts.

Total Income includes ` 127.10 million (P.Y. `74.04 million) towards share of interest in Joint Ventures

Total Expenditure includes ` 222.99 million (P.Y. ` 95.13 million) towards share of interest in Joint Ventures

As per our report of even date attached

For N K Bhargava & Co.,
Chartered Accountants
Firm Registration No.: 000429N

(MANOHAR BALWANI)
G.M. & Company Secretary

(M G GUPTA)
Chief General Mananger (F&A)- Incharge

(N K Bhargava)
Partner
M.No. 080624

Date : 18th August, 2011
Place : New Delhi

(SUNIR KHURANA)
Director

(VIJAYLAXMI JOSHI)
Chairman cum Managing Director

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES 1 to 20 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(` in million)

	AS AT 31-03-2011	AS AT 31-03-2010
Schedule 1. SHARE CAPITAL		
AUTHORISED		
1,000,000,000 Equity Shares of `1/- each		
(P.Y. 100,000,000 Equity Shares of ` 10/- each)	**1000.00**	**1000.00**
ISSUED, SUBSCRIBED AND PAID -UP		
1,000,000,000 Equity Shares of ` 1/- each fully paid	**1000.00**	500.00
(P.Y.50,000,000 Equity Shares of ` 10/- each fully paid)		
Of the above, 970,000,000 Equity Shares of ` 1/- each)		
(P.Y. 47,000,000 Equity Shares of ` 10/- each) allotted as		
fully paid-up Bonus Shares by way of capitalisation of reserves		
TOTAL:	**1000.00**	**500.00**

Schedule 2. RESERVES & SURPLUS

	CAPITAL RESERVE	GENERAL RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	BALANCE B/F FROM P&L A/C	TOTAL
As at 1st April,2010	**96.79**	**6429.58**	**(234.68)**	**8899.52**	**15191.21**
Additions during the year	-	129.90	4.59	(44.94)	**89.55**
Deduction during the year	0.00	500.00	-	-	**500.00**
	96.79	6059.48	(230.09)	8854.58	**14780.76**
Share of interest in Joint Ventures	-	-	-	(114.81)	**(114.81)**
TOTAL:	**96.79**	**6059.48**	**(230.09)**	**8739.77**	**14665.95**

CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULES 1 to 20 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(` in million)

	AS AT 31-03-2011		AS AT 31-03-2010	
Schedule 3. LOAN FUNDS				
I. SECURED				
(against hypothecation of stocks, book debts and other current assets present and future)				
FROM BANKS				
(Cash Credit/Packing Credit Accounts/Others)				
(Repayable with in one year)				
(1) State Bank of India	**27388.49**		15841.25	
(2) Canara Bank	**-**		145.03	
(3) H.D.F.C. Bank	**3748.42**		1302.70	
(4)Bank of India	**0.00**		-	
(5) Bank of Baroda	**-**		286.85	
(6)Indian Bank	**2972.38**		4370.62	
(7) Bank of Maharshtra	**2702.03**		2784.42	
(8) State Bank of Hyderabad	**3968.68**		8262.70	
(9) Union Bank of India	**2000.00**		3698.78	
(10) Axis Bank	**752.83**		2508.81	
(11)Oriental Bank of Commerce	**98.06**		-	
(12) Dhanlaxmi Bank	**-**		250.00	
(13) IDBI Bank	**2128.96**		4389.00	
(14) ICICI Bank	**89.07**		-	
(15) ING Vyasa Bank	**164.84**		-	
(16) Yes Bank	**1221.90**		366.71	
(17) Indusind Bank	**2734.23**		1954.80	
(18) Tamilnadu Mercantile Bank	**50.03**		-	
(19) ANZ Bank	**445.70**		-	
(20) HSBC Bank	**108.00**	**50573.62**	-	46161.67
II. UNSECURED				
FROM BANKS				
(Repayable with in one year)				
(1) BNP Paribas Bank	**464.60**		2031.85	
(2) Deutsche Bank	**1000.00**		1551.09	
(3) Bank of Tokyo	**5250.36**		228.96	
(4) DBS	**1882.06**		1692.46	
(5) ANZ Bank	**2217.04**		-	
(6) HDFC Bank	**0.69**	**10814.75**	-	5504.36
		61388.37		**51666.03**
Share of interest in Joint Ventures		**880.13**		737.06
		------------		------------
TOTAL		**62268.50**		**52403.09**
		===========		===========

SCHEDULE 4 : FIXED ASSETS

(₹ in Million)

Particulars	GROSS BLOCK								NET BLOCK	NET BLOCK
	As at 01-04-2010	Addition Purchase/ Transfer	Deduction Sale/ Transfer	As at 31-03-2011	As at 01-04-2010	Addition Purchase/ Transfer	Deduction Sale/ Transfer	As at 31-03-2011	As at 31-03-2011	As at 31-03-2010
OFFICE BUILDING										
Land free-hold	3.66			**3.66**					**3.66**	3.66
Land Lease-hold	40.14			**40.14**	10.27	0.50		**10.77**	**29.37**	29.87
Building	174.70	6.45		**181.15**	55.86	4.55		**60.41**	**120.74**	118.84
Warehouse	34.11			**34.11**	13.94	1.36		**15.30**	**18.81**	20.17
Water Supply & Drainage	5.48			**5.48**	5.48	0.00	0.00	**5.48**	**0.00**	0.00
Electrical Installations	15.06	0.03		**15.09**	14.23	0.14	0.00	**14.37**	**0.72**	0.83
Audio/Fire/Airconditioning	9.86			**9.86**	9.85			**9.85**	**0.01**	0.01
Roads & Culverts	2.63			**2.63**	1.56	0.07		**1.63**	**1.00**	1.07
STAFF QUARTERS										
Land-Free-hold	1.33			**1.33**					**1.33**	1.33
Land-Lease-hold	2.67			**2.67**	1.02	0.03		**1.05**	**1.62**	1.65
Building/Residential Flats	65.66			**65.66**	48.00	1.28		**49.28**	**16.38**	17.66
Roads & Culverts	0.95			**0.95**	0.58	0.02		**0.60**	**0.35**	0.37
Water Supply,Sewerage & Drainage	3.96			**3.96**	3.73	0.04		**3.77**	**0.19**	0.23
Electrical Installations	3.39	0.01		**3.40**	1.88	0.19		**2.07**	**1.33**	1.51
Plant and Machinery	786.06			**786.06**	169.32	39.05	0.00	**208.37**	**577.69**	616.74
Furniture & Fixtures	74.05	2.43	2.04	**74.44**	66.51	3.71	2.03	**68.19**	**6.25**	7.54
Computer/Data Processors	171.93	5.92	0.69	**177.16**	150.83	11.47	0.68	**161.62**	**15.54**	21.10
Airconditioners, Fans, Typewriters & Other Machines	68.23	3.04	1.27	**70.00**	53.22	4.77	1.11	**56.88**	**13.12**	15.01
Vehicles	24.90	2.69	3.42	**24.17**	15.79	3.51	3.38	**15.92**	**8.25**	9.11
RAILWAY WAGON RAKE (WIS)	553.64			**553.64**	200.23	55.36		**255.59**	**298.05**	353.41
FIXED ASSETS CREATED ON LAND AND NEITHER THE FIXED ASSETS NOR THE LAND BELONG TO COMPNY										
RAILWAY LOOP LINE AT BNHT	26.17			**26.17**	26.17			**26.17**	**0.00**	0.00
	2068.58	20.57	7.42	**2081.73**	848.47	126.05	7.21	**967.31**	**1114.42**	1220.11
Share of interest in Joint Ventures	187.97	7.33		**195.30**	3.40	7.17		**10.57**	**184.73**	184.57
TOTAL	2256.55	27.90	7.42	**2277.03**	851.87	133.22	7.21	**977.88**	**1299.15**	1404.68
CAPITAL WORK IN PROGRESS										
Building under Construction	8.88	0.71	2.88	**6.71**	6.72			**6.72**	**0.00**	2.16
Roads & Culverts	0.47			**0.47**	0.47			**0.47**		
Electrical Installations	6.70			**6.70**	6.70			**6.70**		
Plant & Machinery	13.80			**13.80**	13.80			**13.80**		
MMTC Retail Website										
FURNITURE &FITTINGPARTITION WORK										
Gold Medallion Units	5.00	0.14		**5.14**					**5.14**	5.00
	34.85	0.85	2.88	**32.82**	27.69			**27.69**	**5.14**	7.16
Share of interest in Joint Ventures	888.89	449.48		**1338.37**		3.19		**3.19**	**1335.18**	888.89
TOTAL	923.74	450.33	2.88	**1371.19**	27.69	3.19		**30.88**	**1340.31**	896.05
GRAND TOTAL	**3180.29**	**478.23**	**10.30**	**3648.22**	**879.56**	**136.41**	**7.21**	**1008.76**	**2639.46**	**2300.73**
TOTAL 2009-10	2080.11	55.98	32.66	**2103.43**	758.90	133.91	16.66	**876.16**	**1227.27**	
Share of interest in Joint Ventures	305.92	772.17	1.23	**1076.86**	0.02	3.38		**3.40**	**1073.46**	
GRAND TOTAL 2009-10	**2386.03**	**828.15**	**33.89**	**3180.29**	**758.92**	**137.29**	**16.66**	**879.56**	**2300.73**	

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

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

(c) Residential flats includes 41 shares (P.Y. 41 shares) of Cooperative Group Housing Society of the value of ₹ 0.002 million (PY ₹ 0.002 million).Conveyance of some of the flats of the original value as on 31.03.2011 amounting to ₹ 4.89 million (P.Y. ₹ 4.89 million) is pending to be executed

(d) Cost of Office Building on lands not owned by the Corporation is ₹.2.26 million (P.Y. ₹ 2.26 million) and provision for depreciation is ₹1.69 million(P.Y. ₹.1.63 million)

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

(f) Cost of residential building, roads & culverts and electrical installations amounting to ₹ 11.63 million & acccumulated depreciation of ₹ 5.42 miilion constructed on the leasehold land at Paradip which expired on 20.11.10. Paradip Port Trust has approved its renewal for 15 years. However, final approval of Government is awaited.

CONSOLIDATED FINANCIAL STATEMENTS
SCHEDULES 1 to 20 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Schedule 5. INVESTMENTS - LONG TERM (AT COST) (` in million)

	AS AT 31-03-2011		AS AT 31-03-2010	
(A) CENTRAL GOVERNMENT SECURITIES				
9% Govt. Stock 2013 (P.Y. ` 0.03 million)		**0.03**		0.03
(B) TRADE INVESTMENTS				
I Shares in Companies (Un-quoted)				
Fully paid 4,750,000, Equity Shares of `10 each ( P.Y. 4,750,000, Equity Shares of `10 each) in INDO FRENCH BIOTECH LTD.	**47.50**		47.50	
Less: Provision for diminution in value of Investment	**47.50**		47.50	
	0.00		-	
Fully paid 3,000,000 Equity Shares of `10 each ( P.Y. 3,000,000 Equity Shares of `10 each) in UNITED STOCK EXCHANGE LIMITED	**30.00**	**30.00**	30.00	30.00
II Shares in Associate Companies (Un-quoted)				
Fully paid up 199,000,000 Equity Shares of `10 each (P.Y. 199,000,000 Equity shares of `10 each) in Neelachal Ispat Nigam Limited	**1990.00**		1990.00	
Add; Capital Reserve	**96.10**		96.10	
Add: INCOME FROM ASSOCIATES TILL DATE	**1102.01**		1963.89	
	3188.11		4049.99	
Fully paid 13,000 Equity Shares of ` 10 each (P.Y. 13,000 Equity shares of `10 each) in DEVONA POWER & INFRASTRUCTURE LTD.	**0.13**		0.13	
Less: Goodwill	**0.13**		0.13	
Add: Income from associates till date	**-**		-	
	-	**3188.11**	-	4049.99
		3218.14		**4080.02**
Share of interest in Joint Ventures- Un-quoted		**(12.44)**		324.18
T O T A L		**3205.70**		**4404.20**

Schedule 6. STOCK IN TRADE

(As taken, valued and certified by the management)
Including with handling agents and Goods in transit

	AS AT 31-03-2011		AS AT 31-03-2010	
a) Raw Material	**63.90**		41.66	
b) Finished goods *	**6415.40**		21305.83	
c) Packing Material	**0.58**	**6479.88**	0.58	21348.07
		6479.88		**21348.07**
Share of interest in Joint Ventures		**81.81**		18.19
T O T A L		**6561.69**		**21366.26**

* includes Stock in transit of ` Nil million ( P.Y. ` 12085.76 million) under lien of customers

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES 1 to 20 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(` in million)

	AS AT 31-03-2011		AS AT 31-03-2010	
Schedule 7 SUNDRY DEBTORS				
(Unsecured)				
a) Debts outstanding for a period exceeding six months				
i. Considered good	**660.75**		803.11	
ii. Considered Doubtful	**752.44**		535.66	
	1413.19		1338.77	
Less: Provision for doubtful debts	**752.44**	**660.75**	535.66	803.11
(b) Other Debts - Considered good		**25241.68**		14247.90
		25902.43		**15051.01**
Share of interest in Joint Ventures		**12.87**		9.71
TOTAL		**25915.30**		**15060.72**
Schedule 8. CASH & BANK BALANCES				
(a) Cash,Stamps & Cheques - in hand (Includes in transit)		**3.29**		551.36
(b) Bank Balance in India				
1. In Scheduled Banks				
i. In Current Account	**3017.12**		2372.01	
ii. In Cash Credit Account (Debit Balance)	**12.43**		442.34	
iii. In Current Account in Foreign Currency US $ 0.01 Million (P. Y US $ 0.01 Million)	**0.27**		0.27	
iv. Fixed Deposit Account (including lodged as security with Municipal Corporation, Delhi)	**0.27**		0.27	
v. Term- Deposit with Banks *	**64448.64**	**67478.73**	57441.45	60256.34
(c) In Foreign Countries:				
In Scheduled Banks:				
i Current Account	**37.22**		44.87	
ii Term Deposit	**766.63**	**803.85**	803.55	848.42
		68285.87		**61656.12**
Share of interest in Joint Ventures		**180.89**		123.36
TOTAL		**68466.76**		**61779.48**

* Includes `11489.08 million (P.Y. ` 22253.85 million) being fixed deposit under lien of bankers as margin money against LCs

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES 1 to 20 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(` in million)

	AS AT 31-03-2011		AS AT 31-03-2010	
Schedule 9. LOANS & ADVANCES				
(Unsecured considered good unless otherwise stated)				
(a) Bills Receivable	**200.04**		310.17	
Less : Bills Discounted	**34.91**	**165.13**	-	310.17
(b) Advances against equity pending allotment:				
Haldia Free Trade Warehousing Private Limited	**118.40**		160.00	
Integrated Warehousing Kandla Projects Development Pvt Ltd	**13.89**		30.98	
Neelachal Ispat Nigam Limited **	**1806.85**	**1939.14**	-	190.98
(c) Advance recoverable in cash or in kind or for value to be received :				
i) Considered good for which the company is fully secured(Secured against hypothecation of assets/ mortgage of title deeds and Bank Gurarantees)	**13047.35**		9883.32	
ii) Considered good for which the company holds no security other than personal security	**5182.17**		3282.40	
iii) Considered doubtful	**414.27**		385.57	
	18643.79		13551.29	
Less : Provisions	**414.27**	**18229.52**	385.57	13165.72
(d) Advances to Suppliers :				
i) Considered good in respect of which the company is fully secured(Secured against hypothecation of stocks)	**10.60**		106.12	
ii) Considered good in respect of which the company holds no security other than personal security	**609.68**		464.25	
iii) Considered doubtful	**139.48**		161.88	
	759.76		732.25	
Less : Provisions	**139.48**	**620.28**	161.88	570.37
(e) Income Tax (including Advance Income Tax TDS, Fringe Benefit Tax & Refund dues)		**2037.23**		1952.36
(f) Inter Corporate Loans				
Considered good	**14.80**		20.00	
Considered Doubtful	**-**		-	
	14.80		20.00	
Less : Provision	**-**	**14.80**	-	20.00
(g) Deposits				
(i)Deposits with Custom, Port Trust , Court etc.	**212.53**		47.46	
(ii) Other Deposits	**219.04**		336.30	
Total Deposits	**431.57**		383.76	
Considered Good	**394.75**		346.94	
Considered Doubtful	**36.82**		36.82	
	431.57		383.76	
Less : Provision	**36.82**	**394.75**	36.82	346.94
		23400.85		**16556.54**
Share of interest in Joint Ventures		**63.00**		55.41
Total		**23463.85**		**16611.95**

(` in million)

Includes:

	Outstanding As on 31.3.2011	Maximum due at any time during year	Outstanding As on 31.3.20[illegible]	Maximum due at any time during year
a) Due from Directors	-	-	-	0.02
b) Due from Officers *	0.79	1.06	2.02	2.12

* Chief General Managers and Company Secretary considered for the purpose of Officers.

** Includes ` 903.43 million (P.Y. ` Nil million) towards share premium @ ` 10 per share in respect of 90,342,744 equity shares of ` 10 each

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES 1 to 20 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(` in million)

Schedule 10. CURRENT LIABILITIES

	AS AT 31-03-2011		AS AT 31-03-2010	
(a) Sundry Creditors				
(i) Other than MSMEs	**26444.38**		28806.76	
(ii) MSMEs	**-**	**26444.38**	-	28806.76
(b) Bills Payable		**9426.10**		5544.41
(c) Advance Payments from Customers		**7109.93**		10431.78
(d) Interest Accrued But not due on loan		**113.94**		58.15
(e) Book Overdraft		**111.01**		76.68
(f) Other Liabilities		**5202.54**		4598.76
(g) Goods Received on Consignment	**2158.50**		14299.04	
LESS: Stock Held on Consignment	**2158.50**	**-**	14299.04	-
		48407.90		**49516.54**
Share of interest in Joint Ventures		**250.58**		224.99
T O T A L		**48658.48**		**49741.53**

Schedule 11. PROVISIONS

	AS AT 31-03-2011	AS AT 31-03-2010
(a) Taxation	**1895.24**	1908.00
(b) Proposed Dividend	**250.00**	450.00
(c) Dividend Distribution Tax	**40.56**	74.74
(d) Bonus/PRP	**200.92**	193.68
(e) Destinational Weight & Analysis Risk	**5.32**	5.27
(f) Earned Leave	**230.87**	209.83
(g) Post Retirement Medical Benefit	**858.81**	707.80
(h) Half Pay Leave	**154.00**	147.97
(i) LTC/ALTC	**-**	35.94
(j) Fringe Benefit Tax	**26.54**	26.54
(k) Gratuity	**27.18**	9.57
(l) Superannuation Benefits	**220.57**	160.00
(m) Service Award	**53.53**	-
(n) Compassionate Gratuity	**2.88**	-
(o) Employee Family Benefit Scheme	**41.90**	-
(p) Corporate Social Responsibility	**0.97**	-
	4009.29	**3929.34**
Share of interest in Joint Ventures	**1.07**	0.73
T O T A L	**4010.36**	**3930.07**

(` in million)

		AS AT 31-03-2011		AS AT 31-03-2010
Schedule 11a. MISCELLANEOUS EXP.				
(to the extent not written off or adjusted)				
Deferred Revenue Expenditure	-		58.26	
Add: Additions During Year	-		-	
Less: Written off during the year	-	-	58.26	-
		-		-
Share of interest in Joint Ventures		0.05		0.04
TOTAL		**0.05**		**0.04**

(` in million)

		FOR THE YEAR 2010-11		FOR THE YEAR 2009-10
Schedule 12. COST OF SALES				
(a) OPENING STOCK & GOODS IN TRANSIT		21306.35		5785.11
(b) PURCHASES	650889.41		456154.38	
ADD : CLAIMS IN KIND	51.16		71.73	
STOCK RECEIVED ON LOAN	-		35.12	
STOCK RECD FROM MFG. UNITS	-	650940.57	-	456261.23
(c) FREIGHT		8072.35		3480.48
(d) DEMURRAGE (NET)		13.89		25.75
(e) CLEARING, HANDLING,DISCOUNT & OTHER CHARGES (NET) *		6335.64		2499.21
(f) COMMISSION TO OTHER SELLING AGENTS		5.65		1.89
(g) L/C NEGOTIATION & OTHER CHARGES		26.36		84.04
(h) DIFFERENCE IN EXCHANGE		(228.54)		(241.80)
(i) CUSTOMS DUTY		12088.14		5832.02
(j) INSURANCE		19.15		12.35
(k) GODOWN INSURANCE		11.50		6.61
(l) PLOT AND GODOWN RENT (NET)		54.24		66.71
(m) PROVISION FOR DESTINATIONAL WEIGHT AND ANALYSIS RISKS		5.32		8.72
(n) PREMIUM ON FORWARD CONTRACT		191.82		152.63
		698842.44		473974.95
LESS : CLOSING STOCK & GOODS IN TRANSIT	6479.30		21305.83	
STOCK ISSUED IN KIND	4.88		3.35	
STOCK GIVEN ON LOAN	-		24.10	
TRANS. TO MGF.	4202.74		3676.04	
STOCK RETURNED	-	10686.92	-	25009.32
		688155.52		448965.63
Share of interest in Joint Ventures		85.70		40.10
T O T A L		**688241.22**		**449005.73**

* Includes ` Nil million (P.Y. ` 134.46 million) towards penalty for import under Target Plus Scheme

(` in million)

	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
Schedule 13. MANUFACTURING EXPENSES				
(i) Raw Material Consumed				
OPENING STOCK AND GOODS IN TRANSIT	**41.66**		-	
STOCK TRNS FROM COGS	**4202.74**		3676.03	
ADD : PURCHASES	**-**		-	
ADD : PROCESSING CHARGES	**80.22**		47.79	
	4324.62		3723.82	
LESS : CLOSING STOCK & GOODS IN TRANSIT	**-**		41.66	
LESS: TRANSFER	**-**	**4324.62**	-	3682.16
(ii) Processing & Other Charges		**-**		-
(iii) Packing Material Consumed				
OPENING STOCK AND GOODS IN TRANSIT	**0.58**		0.57	
ADD: PURCHASES	**16.84**		12.47	
	17.42		13.04	
LESS : CLOSING STOCK & GOODS IN TRANSIT	**0.58**	**16.84**	0.58	12.46
		4341.46		**3694.62**
Share of interest in Joint Ventures		**-**		-
TOTAL		**4341.46**		**3694.62**

	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
Schedule 14. OTHER INCOME		
(a) STAFF QUARTERS RENT	**4.33**	4.51
(b) PROFIT ON SALE OF ASSETS	**0.79**	0.52
(c) MISCELLANEOUS RECEIPTS (including forfeiture of performance guarantee/bid bond)	**125.00**	130.76
(d) LIABILITIES WRITTEN BACK	**94.18**	142.58
(e) GAIN ON EXCHANGE	**3.31**	82.15
	227.61	360.52
Share of interest in Joint Ventures	**5.44**	7.16
TOTAL	**233.05**	**367.68**

	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
Schedule 15. INTEREST EARNED		
(a) BANK (Including TDS ` 4.16 million (P.Y. ` 1.04 million)	**2532.13**	4027.43
(b) GOVERNMENT (Including TDS ` Nil million (P.Y. ` NIL million)	**0.00**	-
(c) OTHERS (Including TDS ` 0.24 million (P.Y. ` 0.75 million)	**2254.93**	1754.61
	4787.06	**5782.04**
Share of interest in Joint Ventures	**9.03**	6.65
TOTAL	**4796.09**	**5788.69**

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES 1 to 20 ANNEXED TO & FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(` in million)

	FOR THE YEAR 2010-11		FOR THE YEAR 2009-10	
Schedule 16. SALARIES AND ALLOWANCES				
DIRECTORS				
SALARIES & ALLOWANCES *	**18.25**		11.49	
RESIDENTIAL RENT CONTRIBUTION	**-**		0.11	
PROVIDENT FUND CONTN.	**1.04**		1.38	
GRATUITY	**0.26**		0.31	
MEDICAL EXP.	**0.58**		0.27	
SUPERANNUATION BENEFITS	**0.63**		-	
CLUB SUBSCRIPTION	**0.18**		0.11	
PERFORMANCE LINKED INCENTIVE/PRP	**5.17**	**26.11**	8.86	22.53
OTHERS				
SALARIES & ALLOWANCES **	**1139.85**		1124.75	
FOREIGN SERVICE CONTRIBUTION (Net)	**0.27**		0.26	
RESIDENTIAL RENT CONTRIBUTION	**4.97**		4.78	
PROVIDENT FUND CONTN.	**76.87**		99.94	
SUPERANNUATION BENEFITS	**59.94**		110.00	
FAMILY PENSION CONTN.	**11.53**		12.01	
GROUP INSURANCE	**0.61**		0.57	
STAFF WELFARE EXP.	**108.48**		30.89	
BONUS PLI/PRP ETC.	**89.00**		129.78	
CONTRIBUTION TO D.L.I.S.	**1.03**		0.79	
GRATUITY	**58.00**		38.26	
MEDICAL EXP.	**307.90**	**1858.45**	150.11	1702.14
		1884.56		**1724.67**
Share of interest in Joint Ventures		**24.35**		15.22
TOTAL		**1908.91**		**1739.89**

*** Includes ` 0.80 million (P.Y.` 2.74 million) towards provision for Earned Leave & Sick Leave**

**** Includes ` 2.20 million (P.Y. ` 38.72 million) towards VRS expenses and ` 87.34 million (P.Y.` 128.54 million) towards provision for Earned Leave & Sick Leave**

(` in million)

	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
Schedule 17. ADMINISTRATIVE EXPENSES		
RENT (Net)	**47.35**	25.71
RATES & TAXES (Net)	**14.01**	12.95
ELECTRICITY & WATER CHARGES	**20.32**	19.50
INSURANCE	**1.08**	3.08
ADVERTISEMENT & PUBLICITY	**35.38**	18.64
PRINTING & STATIONERY	**7.24**	7.21
POSTAGE & TELEGRAMS	**2.43**	1.94
TELEPHONE	**19.05**	19.40
TELECOMMUNICATION	**10.84**	10.40
TRAVELLING (Net) (Including expenditure incurred by Directors ` 7.61 million (P.Y. ` 5.50 million)	**43.55**	37.00
VEHICLE EXPENSES	**17.23**	17.71
ENTERTAINMENT (Incl. through Directors ` 1.54 million (P.Y. `1.81 million)	**9.91**	13.26
LEGAL EXPENSES	**20.24**	17.88
AUDITORS' REMUNERATION *	**6.90**	6.45
BANK CHARGES	**23.70**	8.59
BOOKS & PERIODICALS	**1.47**	2.84
TRADE EXPENSES	**24.73**	13.53
CORPORATE SOCIAL RESPONSIBILITY EXPENSES**	**43.25**	1.36
REPAIRS &RENEWALS (Incl. on Building ` 38.57 million(P.Y. ` 35.61 million) and Plant & Machinery ` 1.35 million (P.Y. ` 1.40 million)	**61.34**	55.28
COMPUTER EXPENSES	**0.74**	0.99
SUBSCRIPTION	**5.21**	3.91
TRAINING SEM. & CONF. (Including Directors ` Nil million (P.Y.` Nil million)	**5.69**	5.76
LOSS ON SALE OF ASSETS	**0.09**	1.37
MISCELLANEOUS EXPENSES	**63.15**	57.09
PROFESSIONAL FEES/CONSULTANCY CHARGES	**34.42**	13.28
MESNE PROFIT	**37.12**	66.25
	556.44	**441.38**
Share of interest in Joint Ventures	**90.21**	28.35
T O T A L	**646.65**	**469.73**

* Includes Audit Fees ` 3.31 million (P.Y. ` 3.07 million), Tax Audit Fees ` 0.93 million (P.Y.` 0.75 million), Certification Fees ` 0.45 million (P.Y.` 0.27 million) and other services including TA/DA & out of pocket reimbursement ` 0.39 million (P.Y. ` 0.16 million) and Service Tax ` 0.28 million (P.Y. ` 0.24 million)

** Includes provision of ` 0.97 million (P.Y. ` Nil million) towards un-utilised budget as per DPE guidelines

(` in million)

	FOR THE YEAR 2010-11	FOR THE YEAR 2009-10
Schedule 18. INTEREST PAID		
(a) BANK	**1161.09**	1528.13
(b) OTHERS	**2617.83**	2617.51
	3778.92	**4145.64**
Share of interest in Joint Ventures	**4.50**	1.02
T O T A L	**3783.42**	**4146.66**
Schedule 19. PRIOR PERIOD ITEMS		
EXPENDITURE/PURCHASE		
COST OF SALES	**(50.30)**	1.71
SALARY & ALLOWANCES	**0.04**	0.01
ADMINISTRATRIVE EXPENSES	**2.12**	5.06
INTEREST	**1.52**	0.32
DEPRECIATION	**(0.00)**	1.93
OTHERS	**0.01**	0.14
T O T A L :	**(46.61)**	9.17
INCOME/SALES		
SALES	**(66.25)**	(3.02)
INTEREST	**(1.17)**	11.38
OTHER RECEIPTS	**0.01**	0.91
T O T A L	**(67.41)**	9.27
Share of interest in Joint Ventures	**(1.20)**	**1.21**
T O T A L (NET)	**(22.00)**	**1.31**

MMTC LIMITED

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31.03.2011

20. CONTINGENT LIABILITIES & NOTES

1. Contingent Liabilities:
   a) Guarantees issued by Banks on behalf of the Company ₹ 863.79 million (P.Y. ₹ 845.80 million). Corporate Guarantee amounting to ₹ 4506.69 million (P.Y. ₹ 4380.00 million) in favour of customer has been given towards performance of contract against which back up guarantees have been obtained from the associate suppliers.

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

   c) Claims against the Company not acknowledged as debts ₹ 1953.16 million (P.Y. ₹ 1961.07 million).

   d) Letters of Credit opened by the Company remaining outstanding ₹ 13496.41 million (P.Y. ₹ 17756.37 million).

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

   f) Sales Tax Demand of ₹ 839.17 million (P.Y. ₹ 851.97 million) in dispute against which ₹ 107.49 million (P.Y. ₹ 84.25 million) has been deposited and ₹ 7.25 million (P.Y. ₹ 2.30 million) covered by bank guarantees.

   g) Income Tax Demand of ₹ 28.22 million (P.Y. ₹ 22.81 million) in dispute against the subsidiary company MTPL.

   h) Service Tax demand in respect of business auxillary service amounting to ₹ 425.49 million (L.Y. ₹ 341.50 million) pending before Customs, Excise & Service Tax Department.

   i) Bonds have been furnished to Customs Authorities for performance, submission of original documents, etc, some of which are still outstanding. The amount of un-expired Bonds is ₹ 952.76 million (PY ₹ 1118.87 million).

   j) A party has served a legal notice for non lifting of part quantity of coking coal in respect of supplies to M/s NINL, relating to delivery period 2008-09, claiming an amount of ₹ 3511 million ($ 78.72 million translated @ ₹ 44.60 being the closing rate of exchange as on 31.03.2011) (PY ₹ 3535.00 million) along with interest @ 12% p.a. w.e.f. 30th September 2009, which has been refuted since the same is not tenable. MMTC has also put the party on notice to lodge counter claim for non supply of coking coal for the year 2009-10. The matter has been taken up at Govt. level as the supplier is also one of the major supplier of coking coal to other PSUs and all terms, conditions and prices are determined by an Empowered Joint Committee consisting of senior level nominees of Govt. and PSUs.

k) In one of the MMTC's Regional Office, auditors have observed for making liability towards CST transit sales of ₹ 644.32 million (PY ₹ 1947.58 million) on which in their view liability of CST amounting to ₹ 12.89 million (PY ₹ 38.95 million) may arise. On the basis of expert opinion and past experience, the company is of the view that no liability is likely to arise on this account. Accordingly no provision has been made. However, this will be suitably dealt with in the accounts after completion of assessment.

l) 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.

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

n) Share in Contingent Liabilities of Joint Ventures based on their audited statement of accounts ₹122.69 million (P.Y. ₹ 53.22 million)

o) Share in Contingent Liabilities of Associates based on their audited statement of accounts ₹ 2306.36 million (P.Y. ₹ 1435.20 million)

2. a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil million (P.Y. ₹ 0.36 million).

   b) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Joint ventures based on their audited statement of accounts ₹ 174.00 million (P.Y. ₹ 416.37 million).

   c) Share in estimated amount of contracts remaining to be executed on capital account and not provided for of Associates based on their audited statement of accounts ₹ 2512.22 million (P.Y. ₹ 2764.40 million).

3. Following stocks held by the Company on consignment basis not included in the inventory as on 31-3-2011:-

(value ₹ in million)

Items	31-03-2011		31-03-2010	
	Qty.(kgs)	Value	Qty.(kgs)	Value
Gold	8450	17422.33	8086	13629.48
Gold Jewellery		2.31		6.63
Silver	76561	4160.34	26178	662.93
		21584.98		14299.04

4. Loans and Advances and Sundry Creditors include ₹ 11846.15 million (P.Y. ₹ 8253.95 million) being notional value of 5695 Kgs. (P.Y. 5117 Kgs) of gold and

1992 Kgs. (P.Y. Nil) of silver belonging to foreign suppliers issued on loan basis to the Associates/ Customers of the Company.

5. In respect of GR-1 forms outstanding beyond due date the Company has filed application with the authorized dealers for extension of time/waiver/ write off. Pending decision on the application, the liability, if any, that may arise is unascertainable. Enforcement Directorate has imposed penalty for ₹ 19.53 million (P.Y. ₹ 19.53 million) which are being contested. Against this, an amount of ₹ 1.60 million (P.Y. ₹ Nil million) has been deposited and bank guarantee of ₹ 7.30 million (P.Y. ₹ 7.30 million) furnished.
6. The Company being the nominated agency for import of Gold and Silver has also imported Gold under usance L/Cs or availed buyer's credit. Money received towards sale value are put under Fixed Deposits with banks as margin or otherwise. Interest earned thereon due to payment received from customers before due date of usance L/C or the buyer's credit is payable to the customers as a business policy.
7. Loans & Advances include ₹ 157.37 million (P.Y. ₹ 157.37 million) being the amount deposited with the High Court in respect of a case which is still pending. Necessary liability towards principal amount already exists and the provision, if any, towards interest of ₹ 22.50 million (P.Y. ₹ 22.50 million) will be made after final decision of the Court.
8. Income tax of ₹ 2037.23 million (P.Y. ₹ 1952.33 million) under the head "Loans and Advances" consists of Rs. 309.83 million (PY ₹ 303.52 million) paid to Income Tax Department against the disputed demands of ₹ 309.83 million (P.Y. ₹ 342.65 millions) for various assessment years and advance tax/TDS/FBT of Rs. 1727.39 million (PY ₹ 1648.81 million) towards income tax/fringe benefit tax liability for financial years 2009-10 & 2010-11. Provision for additional demand, if any, will be made on completion of the Appellate Proceedings.
9. The ERP package 'RAMCO" implemented by the Company has more or less stabilized. Systems audit has been conducted and its findings are under consideration of the management. Any further adjustments in processes and systems upon implementation of systems audit shall be incorporated in due course.
10. Valuation of closing stock at market price being lower than cost, has resulted in a loss of ₹ 210.87 million (P.Y ₹ 18.21 million) during the year.
11. An amount of ₹ 284.53 million (L.Y. ₹ 284.53 million) is outstanding against M/s AIPL in respect of Mint silver transaction against which full provision amounting to ₹ 284.53 million (L.Y. ₹ 284.53 million) has been made in the accounts pending adjustment, if any, of excess sale realization. The Company has filed a recovery suit of ₹ 314.02 million (L.Y. ₹ 314.02 million) which includes overdue interest of ₹ 29.49 million(L.Y. ₹ 29.49 million). M/s AIPL have also filed a suit against Government Mint/MMTC for damages of ₹ 1671.97 million (L.Y. ₹ 1671.97 million) which is not tenable as per legal opinion and is being contested.
12. During the year the company has imported pulses on the directives of the Govt. of India. The Government has allowed reimbursement of losses up to 15% of landed cost and trading margin @ 1.2% of CIF value, which works out to ₹ 132.36 million (L.Y. ₹ 311.77 million) on the import made by the company which has been credited to Profit & Loss Account as claims receivable from the Government on

accrual basis. However, the reimbursement is released by the Govt. after the sale has been effected. The scheme has since been discontinued w.e.f. 2011-12.

13. During the year an amount of ₹ 228.54 million (L.Y. ₹ 241.80 million) towards difference in exchange (gain) has been shown under cost of sales which has arisen mainly due to adoption of notional exchange rate applicable on the date of bills of lading for initial recognition in reporting currency in respect of import purchases / export sales denominated in foreign currency.

14. In case of coal imported for NTPC supply, sale in some cases have been booked provisionally pending issue of final invoices since final quality analysis at destination is yet to be received. This has no impact on the profitability since the difference, if any, on issuance of final invoice shall be to the account of the supplier.

15. Sale of canalized urea to Deptt. of Fertilisers(DOF), Government of India is made based on allocation letters issued by DOF and by transferring shipping documents. However, no separate agreement is signed with DOF.

16. The proportionate forward premium of ₹ 724.65 million (LY ₹ 226.26 million) for imports and ₹ Nil million (L.Y. ₹ Nil million) for exports to be recognized in the Profit & Loss Account of the subsequent accounting year in terms of the provisions of Accounting Standard – 11 issued by the Institute of Chartered Accountant of India.

17. In respect of forward exchange contracts outstanding as on 31.3.11 relating to firm commitments and highly probable forecast transactions, the loss of ₹ Nil million (P.Y. loss of ₹ 0.75 million) has been recognized in the Profit & Loss Account on the basis of changes in exchange rate as at the close of the year.

18. Liability of ₹ 60.57 million (P.Y. ₹ 110.00 million) towards superannuation benefit has been made during the year as per DPE guidelines for wage revision.

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

20. A claim for ₹ 20.62 million (LY ₹ 20.62 million) against an associate on account of damaged imported Polyester is pending for which a provision of ₹ 17.01 million (LY ₹ 15.54 million) created after taking into account the EMD and other payables amounting to ₹ 3.61 million (LY ₹ 5.08 million). The company has requested customs for abandonment which is pending for adjudication.

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

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

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

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

(iv) Long Service Benefits : Long Service Benefits payable to the employees are as under :

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

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

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

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

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

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Present value of projected benefit obligations as at 01/04/2010	627.64	209.27	147.97	707.80	
(ii)	Interest cost	50.09	16.74	11.84	56.62	
(iii)	Current service cost	18.55	10.24	6.43	9.85	
(iv)	Benefit paid	82.27	36.07	5.84	75.12	
(v)	Actuarial(gain)/loss	43.15	30.69	(6.40)	159.66	*98.31
(vi)	Present value of obligation as at 31st March,2011 (i+ii+iii-iv+v)	657.16	230.87	154.00	858.81	98.31

* Expense (Nett.) of ₹ 80.30 million has been charged to P&L A/c after adjusting liability of ₹ 18.02 million available under Benevolent Scheme, which has been withdrawn.

(b) Expenses recognized in the statement of Profit & Loss A/c for the year ended 31st March, 2011:

(₹ in million)

Sl.No.	Particulars	Gratuity	Earned Leave Encashment	Sick Leave Encashment	Post Retirement Medical Benefit	Long Service Benefits
(i)	Service cost	18.55	10.24	6.43	9.85	
(ii)	Interest cost	50.09	16.74	11.84	56.62	
(iii)	Expected return on plan assets	56.51				
(iv)	Net Actuarial (gain)/loss recognized in the period	43.15	30.69	(6.40)	159.66	80.30
(v)	Expenses recognized in the Profit & Loss A/c (i+ii-iii+iv)	55.28	57.67	11.87	226.14	80.30

(c) Changes in the fair value of planned assets

(₹ in million)

	GRATUITY
Fair value of plan assets as at 1.4.2010	618.47
Actual return on plan assets	56.51
Contribution by employer	37.28
Benefit paid	82.27
Actuarial gain/(loss)	
Fair value of plan assets as at 31.3.2011	629.99

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

(₹ in million)

Sl.No.	Particulars	One percentage Increase in inflation rate	One percentage decrease in inflation rate
i)	Effect on the aggregate of the service cost and interest cost	8.22	(7.06)
ii)	Effect on defined benefit obligation	88.53	(76.23)

(e) Actuarial assumptions:

Sl.No.	Description	As at 31/3/2011
(i)	Discount rate (Per Annum)	8.00%
(ii)	Future cost increase	5.00%
(iii)	Retirement age	60 years
(iv)	Mortality table	LIC(1994-96) duly modified
(v)	Withdrawal rates	1% to 3% depending on Age

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

Name of the related parties and description of relationship:

a) Key Management Personnel

i.	Smt. Vijaylaxmi Joshi	Chairman-cum-Managing Director (w.e.f. 22.07.2011)
ii.	Shri H.S. Mann	Director & additional charge of Chairman and Managing Director (up to 22.07.2011)
iii.	Shri Sanjiv Batra	Chairman and Managing Director (up to 30.09.2010)
iv.	Shri S.K. Kar	Director (up to 30.06.2010)
v.	Shri A. Mahapatra	Director (up to 31.07.2010)
vi.	Shri Sunir Khurana	Director
vii.	Shri Ved Prakash	Director
viii.	Shri Rajeev Jaideva	Director (w.e.f. 03.12.2010)
ix.	Shri Joggari Kishan	Managing Director (up to 18.05.2011)
x.	Shri Varadhan Kulasekaran	Director (up to 18.05.2011)
xi	Shri Tapas Kumar Sengupta	Managing Director (w.e.f. 18.05.2011)
xii.	Shri Vijay Kumar Gupta	Director (w.e.f. 18.05.2011)

b) Subsidiary

MMTC Transnational Pte. Ltd., Singapore

c) Associate

Neelachal Ispat Nigam Ltd. –

Devona Thermal Power & Infrastructure Ltd.

d) Joint Ventures:-

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

Details of transactions during the year 2010-11

(₹ in million)

Particulars	Associates	Joint Ventures	Key management personnel	Total
Purchase of goods	15587.78	29.68		15617.46
Sale of goods	12936.59	22.61		12959.20
Sale of fixed assets				
Dividend Received				
Finance including loans and equity contribution in cash or in kind	1806.85	66.27		1873.12
Corporate Guarantees				
Other payment Demurrage /Despatch				
Other receipt Demurrage /Despatch	17.18			17.18
Remuneration			34.92	34.92
Outstanding Balance				
Receivable	20286.39	2.10		20288.49
Payable	12977.28			12977.28

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

(₹ in million)

Sl. No.	Name of the Jt Venture Company	% of Company's ownership Interest	Assets	Liabilities	Income	Expen diture	Cont. Liabili ties	Capital Commit -ments
1.	Free Trade Warehousing Pvt. Ltd.	26	136.74	136.44	0.05	3.45	-	-
2.	Greater Noida Integrated Warehousing Pvt. Ltd.	26	0.01	0.01	-	0.01	-	-
3.	MMTC Pamp India Pvt. Ltd.	26	450.79	301.91	13.18	16.12		
4.	Sical Iron Ore Terminal Ltd.	26	973.71	635.77	-	-		
5.	MMTC Gitanjali Pvt. Ltd.	26	96.18	73.12	82.68	82.67		
6	Indian Commodity Exchange Ltd.	26	210.43	49.04	36.29	117.47	-	-
7	TM Mining Company Limited	26	0.13	0.06	-	-		

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

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

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

(₹ in million)

Particulars of Provision	Opening Balance as on 01.04.10	Adjustment during year	Addition during year	Closing Balance as on 31.03.11
Destinational Weight & Analysis Risk	5.27	5.27	5.32	5.32
Bonus/PRP	190.55	75.38	85.75	200.92
Superannuation Benefit	160.00	-	60.57	220.57
Taxation	1885.40	773.40	783.24	1895.24
Fringe Benefit Tax	26.54	-	-	26.54
Un-utilized budget for Corporate Social Responsibility	-	-	0.97	0.97
Proposed Dividend	450.00	450.00	250.00	250.00
Dividend Distribution Tax on Proposed Dividend	74.74	74.74	40.55	40.55

27. Deferred Tax:

The deferred tax liability as at 31st March 2011 comprises of the following:

(₹ in million)

Particulars	Deferred Tax Asset/ (Liability) as at 1.4.2010	Credit / (Charge) during 2010-11	Deferred Tax asset / (Liability) as at 31.3.2011
Depreciation	(234.39)	17.81	(216.58)
Disallowance U/S-43 B	0.05	(0.05)	-
Prov. For Doubtful Debts	381.21	63.51	444.72
DWA Risk	1.75	(0.03)	1.72
VRS Expenses	24.90	(8.71)	16.19
Interest received from IT Deptt.	-	17.88	17.88
Others	53.15	18.12	71.27
TOTAL	226.67	108.82	335.20

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

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

(₹ in million)

Loanee	Balance as on 31.03.2011	Maximum outstanding during the year
Neelachal Ispat Nigam Ltd.	₹ 0.17	₹ 1.46
	(P.Y. ₹ 1.33)	(P.Y. ₹ 1.84)

B) Particulars of Investments by the Loanees: ₹ NIL (P.Y. ₹ NIL)

29. Earning per Share:

Particulars	10-11	09-10
Profit after Tax (₹ in million)	260.70	2498.19
Total number of Equity Shares (million)	1000.00	1000.00*
Basic and diluted earnings per share (₹) (Face value ₹ 1/- per share)	0.26	2.50*

* Adjusted based on the increase in number of shares consequent upon bonus issue at 1:1 and split of Equity share of face value of Rs.10/- each into 10 shares of face value of Re.1/- each during the year.

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

(i) Changes in the wording of Accounting Policy No.12 :

(a) In the opening para " In case of back to back transactions, net realizable value is ascertained on the basis of cost plus profit margin" has been added to clarify the ascertainment of net realizable value in case of back to back transactions in line with accounting practice followed by the company.

(b) In first para of 12(b) " 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" has been added to clarify the determination of cost in respect of specific identifiable stocks to bring in line with the existing practices followed in such cases.

The above changes have no financial impact on the financials of the company.

(ii) Accounting Policy No. 10(i) relating to Employee Benefits :

ALTC/LTC scheme has been withdrawn and long service benefits i.e. service award, compassionate gratuity, employees' family benefit scheme has been incorporated based on actuarial valuation. Due to this change, the profit for the year has decreased by ₹ 55.10 million.

31. The list of Subsidiaries, Associates and Joint Ventures included in the Consolidated Financial Statements are as under:

NAME OF SUBSIDIARY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31 MARCH,2011
MMTC Transnational Pte Ltd.	Singapore	100%

NAME OF ASSOCIATES	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31 MARCH,2011
Neelachal Ispat Nigam Limited	India	49.78%
Devona Power & Infrastructure Limited	India	26.00%

NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST AS ON 31 MARCH,2011
Greater Noida Integrated Warehousing Pvt. Ltd.	India	26.00%
Free Trade Warehousing Pvt. Ltd.	India	26.00%
MMTC PAMP India Pvt. Ltd.	India	26.00%
SICAL Iron Ore Terminal Ltd.	India	26.00%
MMTC Gitanjali Pvt. Ltd.	India	26.00%
Indian Commodity Exchange Limited	India	26.00%

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

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

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

33. In view, of different sets of environment in which the Joint Ventures/Associates/Subsidiary are operating, the accounting policies followed by the Joint Ventures/Associates/Subsidiary are different from the accounting policies of the company. The details are given as under:-

(Rs. in Million)

Particulars	Name of Joint Ventures/Associates/ Subsidiary	Accounting Policies		Proportion of MMTC's share (Gross Amount)
		MMTC Limited	Joint Venture/ Associates/Subsidiary	
Provision for LTC/ALTC	Neelachal Ispat Nigam Limited	On the basis of actuary valuation	On cash basis	Not Quantifiable
Depreciation	Neelachal Ispat Nigam Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Sical Iron ore Terminals Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Indian Commodity Exchange Limited	Rates are equal to or higher than those provided under schedule XIV of the Companies Act,1956	At the rates specified in Schedule XIV to the Companies Act,1956	Not Quantifiable
	Greater Noida Integrated Warehousing	Rates are equal to or higher than those provided	At the rates specified in Schedule XIV to the	Not Quantifiable

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

Basis of preparation of Financial Statment	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Singapore Financial Reporting Standards	Not Quantifiable
Revenue Recognition	MMTC Transnational Pte. Ltd, Singapore	Interest income recognized on accrual basis	Interest income recognized on effective interest method	Not Quantifiable
	Sical Iron ore Terminals Limited	Dividend income recognized on cash basis	Dividend income recognized on time proportion basis	Not Quantifiable
Trade and other receivable	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Trade and other payables	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Terminal Benefits	MMTC Transnational Pte. Ltd, Singapore	Defined Benefit Plan	Defined Contribution Plan	Not Quantifiable
Financial Assets and Liabilites	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised Cost	Not Quantifiable
Borrowings	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Amortised cost using the effective interest method	Not Quantifiable
Dividend	MMTC Transnational Pte. Ltd, Singapore	Indian GAAP	Recognized when approved for payment	Not Quantifiable

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

35. The company has availed exemption from disclosing information for those goods which form less than ten percent of the total value of turnover, purchase, consumption of raw material etc. under paragraphs 3(i)(a), 3(ii)(a) and 3(ii)(b) of Part-II of Schedule VI of the Companies Act, 1956 as per notification No. 301(E) Dated 8th February, 2011 of the Ministry of Corporate Affairs.
36. There are no micro, small or medium enterprises to whom the Company owes dues which are outstanding for more than 45 days as at 31st March, 2011.
37. Compliance of the Companies (Accounting Standard) Rules 2006 has been made. The Company has large number of transactions and diversified activities, which may have put operational constraints in strictly following the said rules. The deviation if any, have been stated in the accounting policies of the Company.
38. Whole time Directors are allowed usage of staff cars for private purposes up to 12,000 km per annum as specified in the contractual terms of appointment on payment of Rs. 400 per month.
39. Figures for the previous year have been regrouped / recasted wherever considered necessary.
40. Accounting Policies, Schedules & Notes attached form an integral part of the Accounts.

For **N K Bhargava & Co.**
Chartered Accountants
F.R. No.: 000429N

(N.K. Bhargava) **Partner** **M.No. 080624**	**(Manohar Balwani)** **GM & Company Secretary**	**(M.G. Gupta)** **Chief General Manager (F&A)-Incharge**
	(Sunir Khurana) **Director**	**(Vijaylaxmi Joshi)** **Chairman cum Managing Director**

Date: 18th August, 2011
Place: New Delhi

ANNEXURE - 'A' TO NOTES TO ACCOUNTS

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR THE YEAR 2010-11

(Primary Disclosures)

	BUSINESS SEGMENTS							
Particulars	PRECIOUS METAL		METALS		MINERALS & ORES		HYDROCARBON	
SEGMENT REVENUE	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10
External Sales								
- With in India	506938.84	321345.18	9768.95	14887.34	2146.16	1610.96	89907.96	34544.46
- Outside India			11856.89	6777.16	28892.69	26725.56	6280.69	6879.35
Total (A)	506938.84	321345.18	21625.84	21664.50	31038.85	28336.52	96188.65	41423.81
Inter-Segment sales								
- With in India								
- Outside India								
Total (B)								
Total Segment Revenue (A+B))	506938.84	321345.18	21625.84	21664.50	31038.85	28336.52	96188.65	41423.81
Total revenue of each segment as a percentage of total revenue of all segments	73.03%	70.69%	3.12%	4.77%	4.47%	6.23%	13.86%	9.11%
Segemental Result								
- With in India	766.48	651.93	223.54	398.90	60.67	70.15	817.72	442.10
- Outside India			338.52	189.11	1133.34	1228.03	8.80	5.77
Total Segmental Result	766.48	651.93	562.06	588.01	1194.01	1298.18	826.52	447.87
Unallocated Corporate expenses net of unallocated income								
Operating Profit								
Interest Expenses								
Interest Income								
Income taxes								
Profit from ordinary activities								
Extraordinary loss/Income								
Net Profit								
OTHER INFORMATION								
Segment assets	61158.05	42823.07	2046.22	2262.11	3485.40	3212.82	14409.56	15517.57
Unallocated Corporate assets								
Total assets								
Segment Liabilities	43805.37	38135.10	2336.73	1742.57	4632.64	6755.64	12547.26	13156.77
Unallocated Corporate liabilities								
Total liabilities								
Segment Capital expenditure	0.35	215.80				536.21		
Unallocated Capital Expenditure								
Total Capital Expenditure								
Segment Depreciation	1.19	2.24			55.36	55.57		
Unallocated Depreciation								
Total Depreciation								
Non-cash expenses other than depreciation								

STATEMENT OF CONSOLIDATED SEGMENTAL PERI

(` in million)

Particulars	AGRO PRODUCTS		FERTILIZERS		OTHERS		TOTAL	
SEGMENT REVENUE	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10
External Sales								
- With in India	8537.11	14955.03	14822.97	14832.62	197.45	155.86	632319.44	402331.46
- Outside India	10165.83	1518.20	4594.73	10363.02			61790.83	52263.28
Total (A)	18702.94	16473.23	19417.69	25195.64	197.45	155.86	694110.27	454594.74
Inter-Segment sales								
- With in India								
- Outside India								
Total (B)								
Total Segment Revenue (A+B))	18702.94	16473.23	19417.69	25195.64	197.45	155.86	694110.27	454594.74
Total revenue of each segment as a percentage of total revenue of all segments	2.69%	3.62%	2.80%	5.54%	0.03%	0.03%	100.00%	100.00%
Segemental Result								
- With in India	-102.13	13.47	92.97	162.54	94.72	105.89	1953.97	1844.99
- Outside India	34.01	5.25	78.92	138.14		30.90	1593.60	1597.19
Total Segmental Result	-68.12	18.72	171.89	300.68	94.72	136.79	3547.57	3442.18
Unallocated Corporate expenses net of unallocated income							3568.30	1390.94
Operating Profit							-20.73	2051.24
Interest Expenses							3783.42	4146.66
Interest Income							4796.09	5788.69
Income taxes							731.24	1195.08
Profit from ordinary activities							260.70	2498.19
Extraordinary loss/Income								
Net Profit							260.70	2498.19
OTHER INFORMATION								
Segment assets	5053.04	7075.67	1098.90	2524.05	558.31	695.84	87809.48	74111.13
Unallocated Corporate assets							42793.81	47654.77
Total assets							130603.29	121765.90
Segment Liabilities	7963.16	6275.23	1207.99	1400.76	316.92	900.76	72810.07	68366.84
Unallocated Corporate liabilities							42127.27	37707.85
Total liabilities							114937.34	106074.69
Segment Capital expenditure						32.12	0.35	784.13
Unallocated Capital Expenditure							475.00	44.02
Total Capital Expenditure							475.35	828.15
Segment Depreciation					36.36	39.35	92.92	97.16
Unallocated Depreciation							40.22	40.13
Total Depreciation							133.13	137.29
Non-cash expenses other than depreciation							242.81	85.17

ANNEXURE 'A' TO NOTES TO ACCOUNTS CONTINUED……

STATEMENT OF CONSOLIDATED SEGMENTAL PERFORMANCE FOR 2010-11
(SECONDARY DISCLOSURE)

(` in million)

GEOGRAPHICAL SEGMENTS

	OUTSIDE INDIA		WITHIN INDIA		TOTAL	
	31st March 11	31st March 10	31st March 11	31st March 10	31st March 11	31st March 10
SEGMENT REVENUE						
External Sales	**61,790.83**	52,263.28	**632,319.44**	402,331.46	**694,110.27**	454,594.74
Inter-Segment sales	**-**	-	**-**	-	**-**	-
Total Revenue	**61,790.83**	52,263.28	**632,319.44**	402,331.46	**694,110.27**	454,594.74
Segement Result	**1,593.61**	1,597.19	**1,953.96**	1,844.99	**3,547.57**	3,442.18
Segment assets	**4,849.21**	4,028.96	**82,960.27**	70,082.17	**87,809.48**	74,111.13
Capital expenditure	**-**	-	**0.35**	784.13	**0.35**	784.13

CONSOLIDATED CASH FLOW STATEMENT

(` in Million)

	2010-11		2009-10	
A. Cash flow from operating activities				
Profit before Tax		**1,853.86**		3,504.47
Adjustment for :				
Depreciation	**133.22**		137.29	
Miscellaneous Expenses w/off	**0.01**		58.26	
Goodwill w/off	**5.16**		4.62	
Net Foreign Exchange (Gain) /Loss	**(227.27)**		(323.94)	
(Profit) /Loss on sale of Fixed Assets	**(0.70)**		0.85	
Interest received	**(4,796.09)**		(5,788.69)	
Interest Paid	**3,783.42**		4,146.66	
Provision for dimniution in value of CWIP	**3.19**		-	
Provision for doubtful Debts /Loans & Advances	**232.57**		18.97	
Provision for unutilised budget for CSR	**0.97**		-	
Provision no longer Required	**(58.20)**		(530.59)	
Liabilities no longer Required	**(94.18)**		(142.58)	
Deferred Revenue Expenditure	**(0.02)**		-	
Provision for DWA risk	**5.32**	**(1,012.60)**	8.72	(2,410.43)
Operating Profit before Working Capital Changes		**841.26**		1,094.04
Adjustment for :				
Trade & others Receivable	**(16,044.50)**		4,242.84	
Project Development Expenses	**-**		1.44	
Inventory	**14,804.57**		(15,584.45)	
Trade & other Payable	**(760.33)**		3,889.30	
Provisions	**320.90**		25.19	
		(1,679.36)		(7,425.68)
Cash Generated from operations		**(838.10)**		(6,331.64)
Taxes Paid		**(939.24)**		(787.52)
Net cash flow from operating activities		**(1,777.34)**		(7,119.16)
B. Cash flow from Investing Activities				
Purchase of Fixed assets	**(475.35)**		(828.15)	
Sale of Fixed Assets	**0.91**		1.26	
Advance for Purchase of Shares	**(1,748.16)**		(90.98)	
Sale of Investment	**336.62**		-	
Purchase of Investments	**-**		(339.39)	
Interest received	**4,796.09**		5,788.69	
Goodwill on consolidation	**(2.75)**		(19.48)	
Net cash flow from investing activities		**2,907.36**		4,511.95
C. Cash flow from financing activities				
Proceeds from bank borrowings/others	**9,865.42**		9,132.53	
Share application money	**-**		(12.30)	
Interest Paid	**(3,783.42)**		(4,146.66)	
Dividend (inclusive of tax) paid	**(524.74)**		(233.99)	
Net cash flow from Financing Activities		**5,557.26**		4,739.58
Net increase/(decrease) in Cash & Cash Equivalent		**6,687.28**		**2,132.37**
Opening Balance of Cash & Cash Equivalent	**61,779.48**		**59,647.11**	
Closing Balance of Cash & Cash Equivalent	**68,466.76**		**61,779.48**	

Note:

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

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

3. Cash and Cash equivalets includes all term deposits with bank

4. Cash and Cash equivalents represent:-

	2010-11		2009-10	
a) Cash, Stamps & Cheques in Hand	**3.29**		551.36	
b) Bank Balances in India				
in Current Account	**3017.12**		2372.01	
in Cash Credit Account (Debit Balance)	**12.43**		442.34	
in Current Account in Foreign Currency	**0.27**		0.27	
in Term Deposits (including under lien/ lodged as security)	**64448.90**		57441.72	
c) Bank Balances outside India				
in Current Account	**37.22**		44.87	
in Term Deposits	**766.63**		803.55	
	68285.86		**61656.12**	
d) Share of interest in Joint Ventures	**180.90**		123.36	
Total	**68466.76**		**61779.48**	

For N K BHARGAVA & Co.
Chartered Accountants
F.R. No.: 000429N

(Manohar Balwani)
G.M. & Company Secretary

(M G Gupta)
Chief General Manager (F&A)-Incharge

(N K BHARGAVA)
Partner
M.No. 080624

(Sunir Khurana)
Director

(Vijaylaxmi Joshi)
Chairman cum Managing Director

Date : 18th August, 2011
Place: New Delhi

AUDITORS

Office of the Comptroller & Auditor General of India vide their letter No. CA. V/COY/CENTRAL GOVERNMENT, MMTC (13) / 44 dated 12th July, 2010 have communicated the appointment of Auditors of the company under section 619(2) of the Companies Act, 1956 for the financial year 2010-11. The details are given below:-

Statutory Auditors	**Region**
N K Bhargava & Co. New Delhi	-RO Jhandewalan including SROs -CO, New Delhi (Including foreign offices) Office of Mica Division Consolidation and merger of all branches
Branch Auditors	
Bagrecha & Singhvi Bellary	-Bellary Regional Office including Sub-Offices/ distribution centers
Das Mohanty & Associates Cuttack	-Bhubneshwar Regional Office including Sub-Offices/ distribution centers
Suketu Trivedi & Co. Ahmedabad	-Ahmedabad Regional Office including Sub-Offices/ distribution centers
Jayaprabhu & Co. Bangalore	-Bangalore Regional Office including Sub-Offices/ distribution centers
U G Devi & Co. Mumbai	-Mumbai Regional Office including Sub-Offices/ distribution centers
Kulkarni & Bhat Goa	-Goa Regional Office including Sub-Offices/ distribution centers
Mitra Kundu & Basu Kolkata	-Kolkata Regional Office including Sub-Offices/ distribution centers -Mica Division at Kolkata, Abhraknagar, Jhumritalaya & Giridih
Satyanarayana & Co. Hyderabad	-Hyderabad Regional Office including Sub-Offices/ distribution centers
Amit Goyal & Co. Jaipur	-Jaipur Regional Office
B Purushottam & Co. Chennai	-Chennai Regional Office including Sub-Offices/ distribution centers - MICA Division at Gudur
Hari & Associates Ghaziabad	-Delhi Regional Office (Including SROs)
Ambika & Isha Visakhapatnam	-Visakhapatnam Regional Office including Sub-Offices/ distribution centers

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

PROXY

DP.Id*	
Client Id*	

Master Folio No.	

I/We, ___________________________ of ______________, being a Member/ Members of the above named Company, hereby appoint Shri/Smt/Ms. ___________________ of _____________ or failing him/her ________________ of __________________________ as my/our Proxy to attend and vote for me/us and on my/our behalf at the 48th Annual General Meeting of MMTC Limited, to be held on 30th September 2011 and at any adjournment(s) thereof.

As witness my/our hand(s) this ____ day of___________ 2011.

Signed by the said ________________

Affix Revenue Stamp

*Applicable for investors holding shares in electronic form.
Notes:-

1. The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the company.
2. Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

Registered Office: Core #1, Scope Complex, 7, Institutional Area Lodhi Road, New Delhi-110003.

Attendance Slip

RECORD OF ATTENDANCE AT THE 48th ANNUAL GENERAL MEETING BEING HELD ON FRIDAY, THE 30th SEPTEMBER, 2011 AT 1200 hrs

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

NAME OF THE SHARE HOLDER OR PROXY OR REPRESENTATIVE ATTENDING THE MEETING.

Mr./Ms/Miss ______________________________
(in capitals)

DP.Id	Client Id/Folio No.

Signature ....

TO BE USED ONLY WHEN SHARE HOLDER FIRST NAMED IS NOT ATTENDING

PLEASE GIVE NAME OF THE FIRST NAMED SHARE HOLDER

Mr./Ms./Miss ____

DP.Id	Client Id/Folio No.

No. of Share(s) held: _____________