

MMTC LIMITED
CIN : L51909DL1963GOI004033
(A Govt of India Enterprise)
Core - 1, Scope Complex
7, Institutional Area, Lodhi Road
New Delhi - 110 003.

PART I

Email : mmtc@mmtclimited.com Website : www.mmtclimited.gov.in

Statement of Standalone and Consolidated Audited Financial Results for the Quarter and Year ended on 31/03/2016

(₹ in Crores, except per share data)

	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from operations							
	(a) Net sales/income from operations (Net of excise duty)	1963.92	3579.96	5008.11	12460.47	18241.50	18745.34	23886.22
	(b) Other operating income	(8.56)	36.99	22.75	42.96	42.78	44.26	45.42
	Total income from operations	1955.36	3616.95	5030.86	12503.43	18284.28	18789.60	23931.64
2	Expenses							
	(a) Cost of materials consumed	8.04	25.16	23.61	60.24	122.20	60.24	122.21
	(b) Purchases of stock-in-trade	1681.67	3531.47	4316.64	11597.66	16976.06	17821.79	22526.84
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	131.03	(215.10)	336.36	(82.22)	(28.42)	(108.60)	(34.10)
	(d) Employee benefits expense	49.22	48.61	50.56	201.47	191.83	213.69	202.10
	(e) Depreciation and amortisation expense	1.27	1.12	1.12	4.63	17.82	10.61	23.73
	(f) Other expenses	127.11	231.78	356.33	851.66	1075.95	903.48	1114.78
	Total expenses	1998.34	3623.04	5084.62	12633.44	18355.44	18901.21	23955.56
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(42.98)	(6.09)	(53.76)	(130.01)	(71.16)	(111.61)	(23.92)
4	Other income	39.14	38.49	39.62	152.42	124.99	170.64	144.91
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(3.84)	32.40	(14.14)	22.41	53.83	59.03	120.99
6	Finance costs	6.02	7.83	4.54	29.90	17.02	50.31	39.10
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(9.86)	24.57	(18.68)	(7.49)	36.81	8.72	81.89
8	Exceptional items	(25.88)	(4.42)	(63.51)	(65.37)	(23.06)	(64.97)	(23.06)
9	Profit / (Loss) from ordinary activities before tax (7-8)	16.02	28.99	44.83	57.88	59.87	73.69	104.95
10	Tax expense	(7.08)	9.85	6.85	3.02	11.96	7.29	27.22
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	23.10	19.14	37.98	54.86	47.91	66.40	77.73
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11-12)	23.10	19.14	37.98	54.86	47.91	66.40	77.73
14	Share of Profit / (loss) of associates						(170.91)	(120.21)
15	Minority Interest						-	-
16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15)	23.10	19.14	37.98	54.86	47.91	(104.51)	(42.48)
17	Paid-up equity share capital (Face Value of the Share ₹ 1/-)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				1277.95	1259.20	1113.32	1264.31
19. i	Earnings per share (before extraordinary items) (of ₹1/- each) (not annualised):							
	(a) Basic	0.23	0.19	0.38	0.55	0.48	(1.05)	(0.42)
	(b) Diluted	0.23	0.19	0.38	0.55	0.48	(1.05)	(0.42)
19. ii	Earnings per share (after extraordinary items) (of ₹ 1/- each) (not annualised):							
	(a) Basic	0.23	0.19	0.38	0.55	0.48	(1.05)	(0.42)
	(b) Diluted	0.23	0.19	0.38	0.55	0.48	(1.05)	(0.42)
	see accompanying note to the financial results							



PART II
Information for the Quarter and Year ended on 31/03/2016

	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
A	PARTICULARS OF SHAREHOLDING							
1	Public shareholding							
	-Number of shares	100731238	100731238	100731238	100731238	100731238	100731238	100731238
	-Percentage of shareholding	10.07	10.07	10.07	10.07	10.07	10.07	10.07
2	Promoters and Promoter Group Shareholding							
a)	Pledged / Encumbered							
	-Number of shares							
	-Percentage of shares (as a % of the total shareholding of promoter and promoter group)							
	-Percentage of shares (as a % of the total share capital of the company)							
b)	Non - encumbered							
	-Number of shares	899268762	899268762	899268762	899268762	899268762	899268762	899268762
	-Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	-Percentage of shares (as a % of the total share capital of the company)	89.93	89.93	89.93	89.93	89.93	89.93	89.93

	Particulars	3 months ended 31-Mar-16
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	0
	Received during the quarter	2
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	1

PART III
Segmentwise Revenue, Results and Capital Employed (₹ in Crores)

	Particulars	Standalone					Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31-Mar-16	31-Dec-15	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
	Segment Revenue							
a)	Precious Metals	1157.44	2245.69	1470.41	7050.37	5145.77	13297.44	10687.95
b)	Metals	135.03	60.59	309.95	558.10	961.31	564.12	994.81
c)	Minerals	244.69	205.24	372.85	476.48	1620.99	489.24	1631.64
d)	Coal & Hydrocarbon	215.68	191.41	697.23	1123.01	2123.82	1145.21	2162.38
e)	Agro Products	134.14	150.80	9.93	356.51	299.74	355.71	326.96
f)	Fertilizers	71.83	724.49	2061.13	2884.40	7996.72	2882.03	7989.26
g)	General Trade/Others	5.10	1.74	86.61	11.60	93.15	11.59	93.15
	TOTAL	1963.91	3579.96	5008.11	12460.47	18241.50	18745.34	23886.15
	Less: Inter Segment revenue	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Net Sales	1963.91	3579.96	5008.11	12460.47	18241.50	18745.34	23886.15
	Segment Results							
	Profit/(Loss) before tax and interest from each segment							
a)	Precious Metals	(2.55)	5.55	(15.65)	2.32	58.48	48.46	145.67
b)	Metals	4.90	3.06	3.53	20.23	25.35	20.86	25.47
c)	Minerals & Ores	8.61	(1.66)	(5.72)	2.14	23.30	2.16	23.38
d)	Hydrocarbon	0.28	3.18	(1.63)	11.83	16.37	13.21	16.39
e)	Agro Products	72.01	23.38	18.61	94.50	23.04	94.84	23.31
f)	Fertilizers	(1.26)	0.53	(1.03)	(0.83)	(21.09)	(0.81)	(16.51)
g)	General Trade/Others	3.51	(0.89)	2.90	5.48	8.72	5.48	8.72
	TOTAL	85.50	33.15	1.01	135.67	134.17	184.20	226.43
	Less : i) Interest(Net)	(21.40)	(30.34)	(25.20)	(95.40)	(85.41)	(76.20)	(63.66)
	ii) Other un-allocable expenditure net off unallocable income	90.88	34.50	(18.62)	173.19	159.71	186.71	185.14
	Profit from ordinary activities before tax	16.02	28.99	44.83	57.88	59.87	73.69	104.95
	Capital Employed	740.28	840.62	794.34	740.28	794.34	974.10	1043.55
a)	Precious Metals	222.08	252.19	238.30	222.08	238.30	292.23	313.06
b)	Metals	111.05	126.09	119.15	111.05	119.15	146.12	156.53
c)	Minerals & Ores	7.40	8.41	7.95	7.40	7.95	9.74	10.44
d)	Hydrocarbon	148.06	168.12	159.87	148.06	158.87	194.82	208.72
e)	Agro Products	222.08	252.19	238.30	222.08	238.30	292.23	313.06
f)	Fertilizers	-	-	-	-	-	-	-
g)	General Trade/Others	29.61	33.62	31.77	29.61	31.77	38.96	41.74



Standalone and Consolidated Statement of Assets and Liabilities				
		(₹ in Crores)		
Particulars	Standalone		Consolidated	
	(Audited)		(Audited)	
	As at		As at	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
Share capital	100.00	100.00	100.00	100.00
Reserves and surplus	1277.95	1259.20	1113.32	1264.31
Sub-total - Shareholders' funds	1377.95	1359.20	1213.32	1364.31
2 Share Application Money Pending Allotment	-	-	4.00	-
	-	-	4.00	-
3 Non-current liabilities				
Long-term borrowings	-	-	13.57	50.17
Other long-term liabilities	18.67	26.46	26.13	33.92
Long-term provisions	178.96	177.12	179.27	177.42
Sub-total - Non-current liabilities	197.63	203.58	218.97	261.51
4 Current liabilities				
Short-term borrowings	271.82	286.65	453.02	386.29
Trade payables	921.46	3164.38	938.83	3301.77
Other current liabilities	921.46	837.60	948.01	868.93
Short-term provisions	110.00	99.49	113.23	117.35
Sub-total - Current liabilities	2224.74	4388.12	2453.08	4674.34
TOTAL - EQUITY AND LIABILITIES	3800.32	5950.90	3889.37	6300.16
B ASSETS				
1 Non-current assets				
Fixed assets	57.45	57.83	289.87	271.05
Goodwill on consolidation	-	-	0.02	4.41
Non-current investments	459.75	445.66	94.20	262.57
Deferred tax assets (net)	229.30	227.90	224.39	223.33
Long-term loans and advances	143.15	94.06	140.19	90.71
Other non-current assets	3.10	0.83	3.39	1.25
Sub-total - Non-current assets	892.75	826.28	752.06	853.32
2 Current assets				
Current investments	-	-	0.26	12.88
Inventories	401.51	319.40	443.06	333.82
Trade receivables	827.74	3035.08	832.06	3043.64
Cash and cash equivalents	78.45	163.77	188.88	418.15
Short-term loans and advances	1245.65	1287.89	1318.64	1317.97
Other current assets	354.22	318.48	354.41	320.38
Sub-total - Current assets	2907.57	5124.62	3137.31	5446.84
TOTAL - ASSETS	3800.32	5950.90	3889.37	6300.16

Note:

(1) The financial results are based on the accounts drawn in accordance with generally accepted accounting principles consistently followed in compliance with the mandatory Accounting Standards and are reported in the format prescribed by SEBI.

(2) The Subsidiary, Joint Venture Companies and Associate Companies considered in the Consolidated Financial results are as follows:

a) Subsidiary Company	Ownership	c) Associate Companies	Ownership
1 MMTC Transnational Pte. Ltd., Singapore	100%	1 Neelachal Ispat Nigam Ltd.	49.78%
b) Joint Venture Companies			
1 Free Trade Warehousing Pvt. Ltd.	26%	6 TM Mining Company Limited	26%
2 MMTC Pamp India Pvt. Ltd.	26%	7 Blue Water Iron Ore Terminal Pvt. Ltd. *	18%
3 MMTC Gitanjali Private Ltd.	26%		
4 Indian Commodity Exchange Ltd.	16%		
5 Sical Iron Ore Terminal Ltd.	26%		

* No investment has been made by company in equity of the JV Company till 31.03.2016.

(3) Final Dividend @ ₹ 0.30/- per Equity Share of ₹ 1/- each amounting to ₹ 30 crore (excluding dividend tax) during 2015-16 has been recommended subject to approval by shareholders in Annual General Meeting.

(4) Previous quarters/year's figures have been re-grouped /re-arranged accordingly to make them comparable, wherever necessary.

(5) The financial results for the Quarter ended 31st March 2016 are the balancing figures between audited figures in respect of the full financial year 2015-16 and the published year to date figures upto the third quarter of the current financial year.

(6) The above financial results have been reviewed by Audit Committee of Directors & approved by the Board of Directors at their meeting held on 27th May, 2016 and are subject to review by C&AG under section 143(6) of the Companies Act 2013.

Place: New Delhi
Dated: 27.05.2016

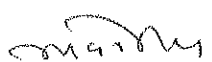


BY ORDER OF THE BOARD OF DIRECTORS

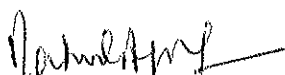
(Ved Prakash)
Chairman and Managing Director

FORM A
Covering letter of the annual audit report in respect of Consolidated Financial Statements to be filed with the stock exchanges

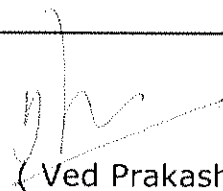
1.	Name of the Company:	MMTC Limited
2.	Annual financial statements for the year ended	31 st March 2016
3.	Type of Audit observation	Emphasis of Matter – There are total 5(five) observations under 'Emphasis of Matter' of the Audit Report, as referred to at Para 4 hereunder.
4.	Frequency of observation	
	Observation in audit report	Frequency
	Para (a) under Emphasis of Matter relating to write back of provision towards diminution in the value of shares of ICEX amounting to Rs. 241.10 million.	Appeared first time
	Para (b) under Emphasis of Matter relating to recognition of interest income amounting to Rs. 389.90 million out of export proceeds of wheat A/c - FCI	Appeared first time
	Para (c) under Emphasis of Matter relating to fund based and non fund based exposure of the company in Neelachal Ispat Nigam Limited.	Appeared second time
	Para (d) under Emphasis of Matter relating to outstanding GR-1 Forms	Repetitive since 1999-2000
	Para (e) under Emphasis of Matter relating to confirmation of balances	Repetitive since 1995-96



(M.G. Gupta)
Director (F)



(Rakesh Agarwal)
Partner
O. P. Tulsyan & Co.
Chartered Accountants



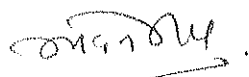
(Ved Prakash)
Chairman and Managing Director

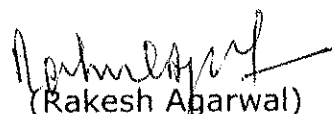


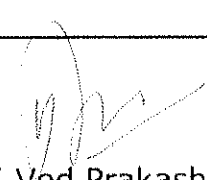
(J. K. Dadoo)
Audit Committee Chairman

FORM A
Covering letter of the annual audit report in respect of Standalone Financial Statements to be filed with the stock exchanges

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(M.G. Gupta)
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Partner
O. P. Tulsyan & Co.
Chartered Accountants


(Ved Prakash)
Chairman and Managing Director


(J. K. Dadoo)
Chairman
Audit Committee of Directors

INDEPENDENT AUDITORS' REPORT

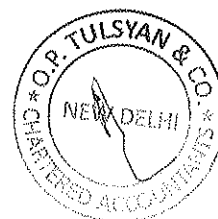
TO THE MEMBERS OF
MMTC LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MMTC LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



HO: B-27/5, (D.S.), Near Raja Garden Flyover, Ramesh Nagar, New Dlehi.

011 42288258

BRANCHES : VARANASI, CULCUTTA, LUCKNOW, RANCHI, GOBINDGARH

Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013 to the extent applicable.

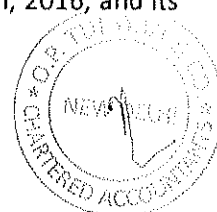
Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.



Emphasis of matter

- a. We draw attention to Note No. 6.2 (3) to the standalone financial statement in respect of write back of provision towards diminution in the value of shares in ICEX amounting to Rs. 241.10 million subsequent to sale of its investment on profit and subscription of right issue of the shares of ICEX.
- b. We draw attention to Note No. 16 (ii) (b) to the standalone financial statement in respect of recognition of interest income amounting to Rs. 389.90 million from the retained amount of Rs. 609.90 million. The amount was retained during 2014-15 out of export proceeds of "Wheat A/c- FCI".
- c. We draw attention to Note No. 19 (i) (c) and Note No. 21 to the standalone financial statement in respect of fund based and non-fund based exposure of the company in Neelachal Ispat Nigam Limited.
- d. We draw attention to Note No. 22 to the standalone financial statements in respect of non provision of liability, if any, in case of non-extension of time/waiver/write off of GR-1 forms
- e. We draw attention to Note No. 38 to the standalone financial statements in respect of Balances under Sundry Debtors/claims Recoverable/Loans & Advances/Sundry Creditors/Other Liabilities which, in many cases have not been confirmed and consequent reconciliation/adjustments if any, required upon such confirmation are not ascertainable.

Our opinion is not modified in respect of these matters.

Other Matters

We did not audit the financial statements/financial information of 10 regional offices included in the standalone financial statements of the company whose financial statements/financial information reflect total assets of INR 26,710.90 Million as at March 31, 2016 and total revenue of INR 89,060.21 Million for the year ended on that date, as considered in the standalone financial statements. The financial statements/financial information of these branches have been audited by the branch auditors whose reports have been furnished to us and our opinion in so far as it relates to the amount and disclosures included in respect of these branches, is based solely on the report of such branch auditors.



Report on Other Legal and Regulatory Requirements

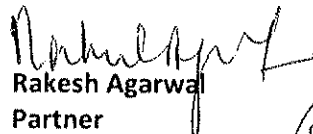
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the corporate office & branch auditors of the company, we give in the "Annexure-1" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The reports on the accounts of the branch offices of the Company audited under section 143 (8) of the Act by the Branch auditors have been sent to us and have been properly dealt with by us in preparing the report.
 - d) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement referred to in this report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

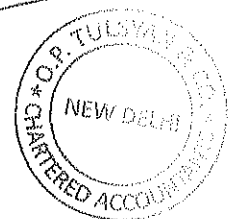


- I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19 ;
 - II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
 - III. There was no amount which was required to be transferred to the Investor Education & Protection Fund by the Company during the year ended March 31, 2016.
3. With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure-2"
 4. As required by C & AG of India through sub directions dated 22-01-2016, issued under Section 143 (5) of the Companies Act for the year 2015-16, we give our report in the attached "Annexure-3"

Place: New Delhi
Date: 27.05.2016

For O.P. Tulsyan & Company
Chartered Accountants
FRN: 500028N


Rakesh Agarwal
Partner
Mem. No.: 081808



**Annexure-1 to the Independent Auditors' Report on the Standalone Financial Statements
of MMTC LTD.**

(Referred to in Paragraph 1 under the "Other Legal & Regulatory Requirement")

We further report that:

1. In Respect of Its Fixed Assets

- i. The Company has maintained proper records in respect of its fixed assets showing full particulars including quantitative details and situation of fixed asset.
- ii. Based on the physical verification reports produced before us, in our opinion, the said assets have been physically verified by the management at reasonable intervals.
- iii. Title Deeds of immoveable property are held in the name of the company except in the cases mentioned below:

Region/Office	Asset Description	Gross Value	Remarks
Corporate Office	Land at Delhi	13,16,521	Lease Agreement is in Joint Name with State Trading Corporation
Corporate Office	Office Building at Delhi	3,26,37,459	Ownership Document not available
Corporate Office	Leasehold Land	1,10,71,815	Ownership Document not available
Bhubaneswar	Residential Building, Roads, Culverts & Electrical Installation	1,16,32,036	Lease deed expired in 2011

2. In Respect of Its Inventory

- i. As explained to us, the inventories have been physically verified during the year by the management.
- ii. As In our opinion and according to the information and explanation given to us, no material discrepancies were noticed during the course of physical verification.
- iii. In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management needs to be strengthened in relation to the size of the MMTC Limited and the nature of its business.



3. **Loans given to parties covered under section 189**

The company has granted unsecured loan to one of its associate companies, M/s Neelachal Ispat Nigam Limited.

- i. In our opinion and according to the information and explanation given to us, terms and conditions on which loan has been granted is not pre-judicial to the interest of the company.
- ii. According to the information and explanation given to us, there is no agreement entered with the company for granting loan, hence we are unable to comment upon.
- iii. Since there is no agreement between the company and the borrower, we are unable to comment upon overdue amount. However, out of the total loan amount of Rs.9,282.90 Million as on 31st March 2016, Rs. 1,300.00 Million was due on 31 March 2016, still remains due.

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

According to the information and explanations given to us, and as per the records verified by us, the company has complied the provisions of Section 185 and 186.

5. **Acceptance of Deposits**

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

6. **Maintenance of Cost Records**

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

7. **Undisputed & Disputed Statutory Dues**

- i. According to the information and explanations given to us and as per the records verified by us, the Company has been regular in depositing undisputed statutory dues including Income Tax, Provident Fund dues, Professional Tax, Value Added Tax and Service Tax with the appropriate authorities.
- ii. There were no undisputed amount payable in respect of Income Tax, Provident Fund dues, Professional Tax, Value Added Tax and Service Tax and other statutory dues in arrear as at 31st March 2016 for more than six months from the date they became payable.



iii. In case if dues of Income Tax or sales tax or service tax or duty of custom or duty of excise or value tax or cess have not been deposited on account of any dispute are attached as Annexure A:

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

According to the information and explanations given to us and as per the records verified by us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders.

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

According to the information and explanations given to us and as per the records verified by us, the Company has not raised any money during the year through initial/further public offer (including debt instruments). Also, the Company has not availed any term loans during the current or earlier years.

10. Frauds on or by the Company

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

11. Managerial Remuneration

According to the information and explanations given to us and as per the records verified by us, managerial remuneration has been paid/ provided for by the company during the year under review is within the purview of Section 197, read with Schedule V to the Act.

12. Nidhi Companies

The Company is not a Nidhi Company during the year under review and hence, the criteria as stipulated under Nidhi Rules 2014 are not applicable to the company.



13. Related Party Transactions

As per the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the company were in compliance with section 177 and 188 of the Act, to the extent applicable to the company during the year, the relevant details in respect of which have been appropriately disclosed in the financial statements.

14. Preferential Issue

During the year, the company has not made any preferential allotment or private placement of equity shares or convertible debentures and hence the requirements of Section 42 of the Act are not applicable.

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

As per the informations and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of section 192 of the Act are not applicable.

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

According to the information and explanations given to us and as per the records verified by us, during the year, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi
Date: 27.05.2016

For O.P. Tulsyan & Company
Chartered Accountants
FRN:500028N


Rakesh Agrawal
Partner
Mem. No.:081808



Disputed Statutory Dues Which Have Not Been Deposited

**Annexure "A" to Clause 7 (iii) of Annexure 1 to Independent Auditors' Report on the Standalone Financial Statements of
MMTC Limited**

Mumbai Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Bombay Sales Tax Act	Sales Tax	1986-87	3,08,644	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	1989-90	14,96,06,778	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	1990-91	23,30,46,478	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	1991-92	28,98,738	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	2001-02	45,03,961	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2008-09	26,04,882	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2008-09	1,42,13,373	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2007-08	23,99,218	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2010-11	45,82,018	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2010-11	1,22,470	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2009-10	19,58,379	Jt. Comm. Of Sale tax
Central Sale Tax,1956	Sales Tax	2011-12	48,25,144	Jt. Comm. Of Sale tax
Central Sale Tax,1956	Sales Tax	2008-09	51,81,978	Jt. Comm. Of Sale tax
Central Sale Tax,1956	Sales Tax	2007-08	71,97,308	Jt. Comm. Of Sale tax
Custom Act,1962	Custom Act	2012-13	34,54,07,691	Commissioner of customs

Bengaluru Region

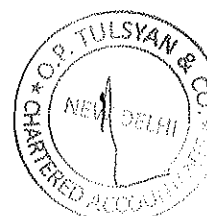
Nature of Statute	Nature of Dues	Year	Amount	Authority
Service Tax	Service Tax	Not Mention	10,26,502	

Chennai Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
TNGST Act	Sale Tax	1998-99	8,63,114	Madras High Court'
TNGST Act	Sale Tax	2000-01	4,43,416	Sales Tax Appeals Tribunal
TNGST Act	Sale Tax	1999-00	11,52,785	Madras High Court'
TNGST Act	Sale Tax	2001-02	1,78,566	Assistant Commissioner of Commercial Taxes
TNGST Act	Vat & Penalty	2008-09	3,55,08,765	Jt. Commissioner of Commercial Taxes Appeals

Delhi Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Central Sale Tax,1956	CST/LST/Interest Penalty	2002-03	37,45,290	Commissioner ,DVAT
LST	LST	1984-85	11,65,303	D.C. Appeal



Disputed Statutory Dues Which Have Not Been Deposited

LST/CST	LST/CST	1986-87	6,57,32,207	Additional Commissioner
LST/CST	LST/CST	1987-88	4,31,86,549	Additional Commissioner
LST/CST	LST/CST	1988-89	4,02,96,672	Additional Commissioner
LST	LST	1989-90	61,87,340	Additional Commissioner
LST	LST	1990-91	22,23,198	Additional Commissioner
UP-LST/CST	LST/CST	1990-91	6,17,588	Moradabad, Allahabad High Court
UP-LST	LST	1991-92	4,70,578	Moradabad, Allahabad High Court
UP-LST	LST	1992-93	2,64,037	Moradabad, Allahabad High Court
UP-LST	LST	1994-95	1,95,000	Sale Tax Authorities
UP-LST	LST	1993-94	1,85,100	Moradabad, Allahabad High Court
UP-VAT	VAT	1987-88	16,35,160	Kanpur, Joint Commissioner
UP-VAT	VAT	1993-94	9,21,383	Commissioner, UP-VAT
UP-VAT	VAT	1996-97	12,23,616	Commissioner, UP-VAT
UP-VAT	Interest Penalty	2007-08	2,49,828	Commissioner, UP-VAT
Haryana-VAT	LST	1992-93	4,24,587	Faridabad, Punjab & Haryana High Court, Chandigarh
MP-VAT	LST	1999-00	1,50,004	Sale Tax Authority, Indore
MP-VAT	LST	1998-99	47,30,692	Assessing Authority, Indore
Custom & Central Excise	Custom Duty & Interest	1999-2000	2,72,67,919	Pending before Hon'ble High Court as per Direction of Supreme Court
Custom & Central Excise	Custom Duty	2006-07	2,00,00,000	Dy. Commissioner of Customs
Custom & Central Excise	Custom Duty	2007-08	1,50,50,000	Dy. Commissioner of Customs
Custom & Central Excise	Custom Duty	2008-09	61,80,000	Dy. Commissioner of Customs
Custom & Central Excise	Custom Duty	2009-10	61,80,000	Dy. Commissioner of Customs
Custom & Central Excise	Excise Tax/Interest	2010-11	18,20,878	Commissioner of Central Excise
Custom & Central Excise	Excise Tax/Interest	2011-12	19,13,53,780	Commissioner of Central Excise

Hyderabad Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
CST	CST	1989-90	1,49,770	STAT
APGST	APGST	1993-94	6,30,615	STAT,VIZAG
CST	CST	1993-94	4,41,446	STAT,VIZAG
CST	CST	1994-95	2,04,481	AC LTU
APGST	APGST	1995-96	38,03,875	STAT,VIZAG
CST	CST	1995-96	5,97,266	STAT,VIZAG
APGST	APGST	1991-92	24,02,576	STAT,VIZAG
APGST	APGST	1992-93	13,96,269	STAT,VIZAG
APGST	APGST	1993-94	17,62,687	STAT,VIZAG



Disputed Statutory Dues Which Have Not Been Deposited

APGST	APGST	1996-97	28,80,309	STAT,VIZAG
CST	CST	1996-97	21,34,306	STAT,VIZAG
APGST	APGST	1997-98	58,43,100	STAT,VIZAG
APGST	APGST	1998-99	55,65,147	STAT,VIZAG
APGST	APGST	1999-00	39,04,454	STAT,VIZAG
APGST	APGST	2000-01	2,52,926	STAT,VIZAG
		2008-09	7,84,474	STAT
CST,VAT	CST,VAT	2004-05 CST,2006-07 VAT	6,76,058	AC LTU,STAT
VAT	VAT	2007-08	71,000	AC Audit
VAT	VAT	2010-11	3,38,97,216	CTO VIZAG

Kolkata Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Sale Tax Law	Sale Tax	2005-2006	11,31,000	Appellate Board
Sale Tax Law	Sale Tax	2006-07	77,61,000	Appellate Board
Sale Tax Law	Sale Tax	2012-13	78,62,000	Appellate Board
Sale Tax Law	West Bengal Vat	2012-13	4,000	Appellate Board

Jaipur Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Rajasthan Sale Tax Act	Sale Tax	2003-04	1,49,46,540	Rajasthan Kar Board, Ajmer
Rajasthan Sale Tax Act	Sale Tax	1999-2000	26,07,605	Rajasthan Kar Board, Ajmer.
Rajasthan Sale Tax Act	Sale Tax	2010-11	3,26,47,269	Rajasthan Kar Board
Central Sale Tax,1956	Central Sale Tax,1956	2010-11	59,92,494	Rajasthan Kar Board
Sale Tax	Turnover Tax	2003-04	5,32,992	High court
Rajasthan Value Added Tax	Value Added Tax	2012-13	68,16,652	Rajasthan Kar Board
Central Sale Tax,1956	Central Sale Tax,1956	2012-13	11,63,461	Rajasthan Kar Board

Vizag Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
APGST	APGST	1968-69	18,56,325	STAT, Hybd
APGST	APGST	1985-86	25,05,806	STAT,VIZAG
APGST	APGST	1986-87	2,70,83,841	STAT,VIZAG
APGST	APGST	1989-90	4,79,000	STAT
APGST	APGST	1991-92	19,34,139	AC LTU
CST	CST	1994-95	8,41,695	AC LTU
CST	CST	1995-96	48,62,340	STAT,VIZAG
CST	CST	1996-97	33,58,889	STAT,VIZAG
APGST	APGST	1997-98	25,27,960	STAT,VIZAG
CST	CST	2007-08	1,04,614	ADC



Disputed Statutory Dues Which Have Not Been Deposited

Service Tax	Service Tax	2003-06	12,65,26,554	CESTAT, Hyderabad
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Bhubaneswar Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Sale Tax	Interest Penalty	1978-79	26,50,388	High Court of Orissa
Sale Tax	Sale Tax	1978-79	34,00,919	High Court of Orissa
Sale Tax	Sale Tax	1978-79	1,70,046	High Court of Orissa
Sale Tax	Interest Penalty	1979-80	6,53,452	High Court of Orissa
Central Sale Tax,1956	Central Sale Tax,1956	1982-83	34,83,020	High Court of Orissa
Sale Tax	Interest Penalty	1978-79	3,57,42,030	High Court of Orissa
Sale Tax	DEPB	2006-09	14,98,22,308	Addl. Commissioner, Sale Tax, Odisha
Sale Tax	DEPB	2010-12	5,08,43,080	Addl. Commissioner, Sale Tax, Odisha
Value Added Tax	Value Added Tax	2013-14	14,28,18,841	Addl. Commissioner, Sale Tax, Odisha
Central Sale Tax,1956	Central Sale Tax,1956	2013-14	58,07,05,822	Addl. Commissioner, Sale Tax, Odisha
Excise Tax	Excise Tax	2013-14	52,63,10,091	Addl. Commissioner, Sale Tax, Odisha
Central Excise Act	Service Tax	2003-05	4,31,95,232	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2003-07	16,89,46,005	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2007-08	3,86,83,266	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2008-10	8,30,10,407	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2010-11	4,29,51,068	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2011-12	4,16,55,475	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2009-12	33,92,04,060	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2009-11	77,56,072	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2012-13	37,60,319	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2012-13	3,51,01,874	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2013-14	4,91,261	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Central Excise Act	2012-13	1,49,02,87,737	Ass. Comm. ,CE&C, Balasore Division, Balasore



Disputed Statutory Dues Which Have Not Been Deposited

Corporate Office

Nature of Statute	Nature of Dues	Year	Amount	Authority
Income tax Act	Income tax Act	2010-11	6,30,93,790	CIT(A)
Income tax Act	Income tax Act	1996-97	3,57,24,124	AO
Income tax Act	Income tax Act	2012-13	3,54,64,842	CIT(A)
Income tax Act	Income tax Act	2009-10	2,31,80,210	CIT(A)
Income tax Act	Income tax Act	1993-94	5,61,821	ITAT
Income tax Act	Income tax Act	1996-97	11,46,01,858	ITAT
Income tax Act	Income tax Act	1997-98	1,02,93,042	ITAT
Income tax Act	Income tax Act	1999-00	2,60,66,476	ITAT
Income tax Act	Income tax Act	2000-01	1,84,63,021	ITAT
Income tax Act	Income tax Act	2001-02	1,17,65,008	ITA/High Court
Income tax Act	Income tax Act	2002-03	73,04,915	ITAT
Income tax Act	Income tax Act	2003-04	11,16,907	ITAT
Income tax Act	Income tax Act	2004-05	4,19,85,746	ITAT
Income tax Act	Income tax Act	2005-06	7,81,432	AO
Income tax Act	Income tax Act	2006-07	42,08,767	AO
Income tax Act	Income tax Act	2007-08	73,50,191	AO
Income tax Act	Income tax Act	2008-09	22,10,119	AO
Income tax Act	Income tax Act	2009-10	1,19,38,236	ITAT
Income tax Act	Income tax Act	2010-11	9,08,20,808	CIT(A)
Income tax Act	Income tax Act	2011-12	10,60,88,129	CIT(A)



Annexure-2 to the Independent Auditors' Report of even date on the standalone financial statements of MMTC Ltd.

Report on the Internal Financial Controls over financial reporting under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **MMTC Ltd.** ("the Company") as of March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

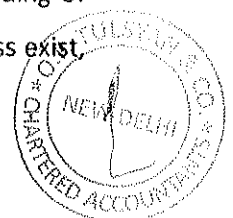
Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India (the ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist,



and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk . The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error.

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

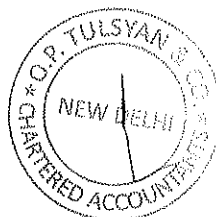
Meaning of Internal Financial Controls over Financial Reporting:

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

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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



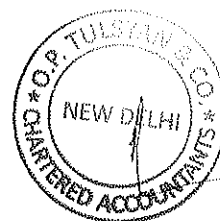
Opinion:

In our opinion, subject to a few areas in which improvement, as discussed and agreed with the management, is required, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: 27 May 2016

For O.P. Tulsyan & Company
Chartered Accountants
FRN.:500028N


Rakesh Agrawal
Partner
MRN.: 081808



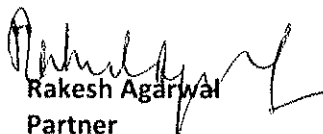
**REPORT ON THE DIRECTIONS ISSUED BY CAG UNDER Section 143 (5) of the Companies Act, 2013,
FOR THE FINANACIAL YEAR 2015-16**

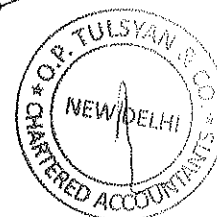
**As referred to at Para 4 of the Independent Auditor's Report on the standalone financial
statements of MMTC Ltd.**

Sl. No.	Description	Observation
1.	If the Company has been selected for disinvestment, a complete status report in terms of Valuation of Assets (Including Intangible assets and Land) and liabilities (Including Committed and General Reserve) may be examined including the mode and present stage of disinvestment process.	As reported to us, the company has not been selected for disinvestment.
2.	Please report whether there are any cases of waiver/write off debts/loans/interest etc., if yes, the reason there for and the amount involved	As per explanation and information given to us and records verified by us, an amount of Rs. 9,67,972.00 (Old Debit Balances) has been written off during the financial year for the reason of non recovery from the parties.
3.	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Governments or other authorities.	As per explanation and information given to us, proper records are maintained for inventories lying with third parties. It is informed to us, during the year, no assets received as gift from Government or other Authorities.

Place: New Delhi
Date: 27.05.2016

For O.P. Tulsyan & Company
Chartered Accountants
FRN.: 500028N


Rakesh Agarwal
Partner
Mem. No.: Q81808



INDEPENDENT AUDITORS' REPORT

To,
The Members of MMTC Limited

Report on Consolidated Financial Statement

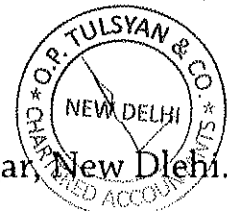
We have audited the accompanying consolidated financial statements of **MMTC Limited** (herein after referred to as "The Holding Company") its subsidiaries and (the Holding Company and its subsidiaries together referred to as "the Group"), associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March 2016, the consolidated statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these financial statements in terms of the requirements of the Companies Act 2013 (hereinafter referred to as the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated financial cash flows of the group in accordance with the accounting principles generally accepted in India., including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. The respective Board of Directors of the Company included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal and financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statements, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

HO: B-27/5, (D.S.), Near Raja Garden Flyover, Ramesh Nagar, New Delhi.

011 42288258



Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules thereunder.

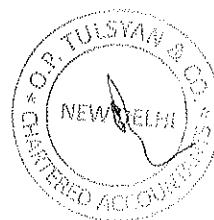
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entities as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.



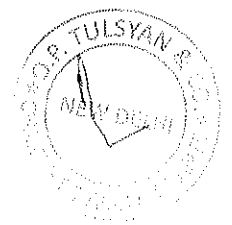
Emphasis of matter

- a. We draw attention to Note No. 30 to the consolidated financial statement in respect of write back of provision towards diminution in the value of shares in ICEX amounting to Rs. 241.10 million subsequent to sale of its investment on profit and subscription of right issue of the shares of ICEX.
- b. We draw attention to Note No. 16 (ii) (b) to the consolidated financial statement in respect of recognition of interest income amounting to Rs. 389.90 million from the retained amount of Rs. 609.90 million. The amount was retained during 2014-15 out of export proceeds of "Wheat A/c- FCI".
- c. We draw attention to Note No. 18 (i) (c) and Note No. 26 to the consolidated financial statement in respect of fund based and non-fund based exposure of the company in Neelachal Ispat Nigam Limited.
- d. We draw attention to Note No. 27 to the consolidated financial statements in respect of non provision of liability, if any, in case of non-extension of time/waiver/write off of GR-1 forms
- e. We draw attention to Note No. 33 to the consolidated financial statements in respect of Balances under Sundry Debtors/claims Recoverable/Loans & Advances/Sundry Creditors/Other Liabilities which, in many cases have not been confirmed and consequent reconciliation/adjustments if any, required upon such confirmation are not ascertainable.

Our opinion is not modified in respect of these matters.

Other Matters

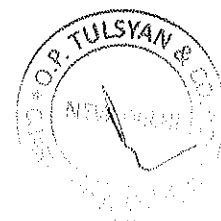
We did not audit the financial statements/financial information of one subsidiary and six jointly controlled entities, whose financial statements/financial information reflect total assets of INR 4,990.57 million as at March 31, 2016, total revenues of INR 71,216.29 Million and Net Cash Flow amounting to INR (1,483.25) Million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statement also includes the Group's share of net loss of INR 1,665.28 Million for the year ended 31st March 2016, as considered in the financial statements of 31st March 2016, in respect of one associate whose financial statements/financial information has not been audited by us. These financial statements/financial information have been audited by some other auditors whose reports have been furnished to us by the



Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, joint controlled entities and associates, and our report in terms of the sub section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the report of the other auditors.

Report on Other Legal and Regulatory Requirements

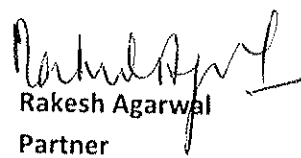
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, its subsidiaries and jointly controlled companies incorporated in India, we give in the Annexure-1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and jointly controlled companies incorporated in India, none of the directors of the Group companies, and its jointly controlled companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



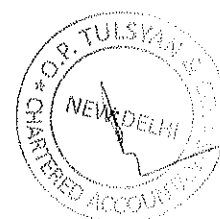
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigation on the consolidated financial statements of the group, its associated and jointly controlled entities in under note 18 to the Consolidated Financial Statement.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary and jointly controlled companies incorporated in India.
3. With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, refer to our separate report in "Annexure-2"

Place: New Delhi
Date: 27 May 2016

For O. P. Tulsyan & Co.
Chartered Accountants
FRN: 500028N


Rakesh Agarwal
Partner

Mem No. 081808



**Annexure-1 to the Independent Auditor's Report on the Consolidated Financial
Statements of MMTC LTD.**

(Referred to in Paragraph 1 under the "Other Legal & Regulatory Requirement")

We further report that:

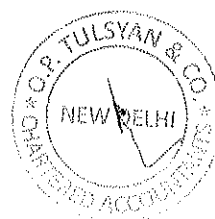
1. In Respect of Fixed Assets

- i. The Company has maintained proper records in respect of its fixed assets showing full particulars including quantitative details and situation of fixed asset.
- ii. Based on the physical verification reports produced before us, in our opinion, the said assets have been physically verified by the management at reasonable intervals.
- iii. Title Deeds of immoveable property are held in the name of the company except in the cases mentioned below:

Company	Asset Description	Gross Value	Remarks
MMTC Ltd.	Land at Delhi	13,16,521	Lease Agreement is in Joint Name with State Trading Corporation
MMTC Ltd.	Office Building at Delhi	3,26,37,459	Ownership Document not available
MMTC Ltd.	Leasehold Land	1,10,71,815	Ownership Document not available
MMTC Ltd.	Residential Building, Roads, Culverts & Electrical Installation	1,16,32,036	Lease deed expired in 2011

2. In Respect of Inventory

- i. As explained to us, the inventories have been physically verified during the year by the management.
- ii. As In our opinion and according to the information and explanation given to us, no material discrepancies were noticed during the course of physical verification.
- iii. In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management needs to be strengthened in relation to the size of the MMTC Limited and the nature of its business.



3. **Loans to parties given to parties covered under section 189**

1. The company has granted unsecured loan to one of its associate companies, M/s Neelachal Ispat Nigam Limited.
 - i. In our opinion and according to the information and explanation given to us, terms and conditions on which loan has been granted is not pre-judicial to the interest of the company.
 - ii. According to the information and explanation given to us, there is no agreement entered with the company for granting loan, hence we are unable to comment upon.
 - iii. Since there is no agreement between the company and the borrower, we are unable to comment upon overdue amount. However, out of the total loan amount of Rs.9,282.90 Million as on 31st March 2016, Rs. 1,300.00 Million was due on 31 March 2016, still remains due.

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

According to the information and explanations given to us, and as per the records verified by us, the company has complied the provisions of Section 185 and 186.

5. **Acceptance of Deposits**

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

6. **Maintenance of Cost Records**

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

7. **Undisputed & Disputed Statutory Dues**

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



- ii. There were no undisputed amount payable in respect of Income Tax, Provident Fund dues, Professional Tax, Value Added Tax and Service Tax and other statutory dues in arrear as at 31st March 2016 for more than six months from the date they became payable.
- iii. In case if dues of Income Tax or sales tax or service tax or duty of custom or duty of excise or value tax or cess have not been deposited on account of any dispute are attached as Annexure-A

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

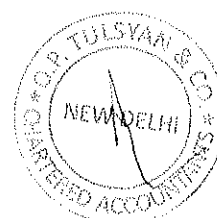
According to the information and explanations given to us and as per the records verified by us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or dues to debenture holders except in case of an associate as reported by the other auditors, as given below:

(Amount in Rs.)

Sl. No	Name of the Bank	Interest	Principle	Total
1	State Bank of India	4,76,75,715	2,44,01,000	7,20,76,715
2	Oriental Bank of Commerce	-	4,68,750	4,68,750
3	Union Bank of India	2,25,49,781	32,00,000	2,57,49,781
4	Indian Bank	-	12,50,000	12,50,000
5	Allahabad Bank	5,16,14,214	33,49,000	5,49,63,214
6	Central Bank of India	1,44,80,758	16,50,000	1,61,30,758
7	Dena Bank	2,01,95,556	30,66,667	2,32,62,223
8	State Bank of Hyderabad	44,18,871	4,90,570	49,09,441
9	State Bank of Mysore	6,32,000	3,69,624	1,001,624
	TOTAL	16,15,66,895	3,82,45,611	19,98,12,506

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

According to the information and explanations given to us and as per the records verified by us, the Company has not raised any money during the year through initial/further public offer (including debt instruments). Also, the Company has not availed any term loans during the current or earlier years.



10. Frauds on or by the Company

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

11. Managerial Remuneration

According to the information and explanations given to us and as per the records verified by us, managerial remuneration has been paid/ provided for by the company during the year under review is within the purview of Section 197, read with Schedule V to the Act.

12. Nidhi Companies

The Company is not a Nidhi Company during the year under review and hence, the criteria as stipulated under Nidhi Rules 2014 are not applicable to the company.

13. Related Party Transactions

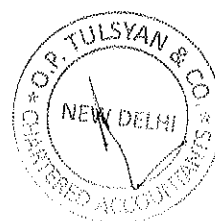
As per the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the company were in compliance with section 177 and 188 of the Act, to the extent applicable to the company during the year, the relevant details in respect of which have been appropriately disclosed in the financial statements.

14. Preferential Issue

During the year, the company has not made any preferential allotment or private placement of equity shares or convertible debentures and hence the requirements of Section 42 of the Act are not applicable.

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

As per the informations and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of section 192 of the Act are not applicable.

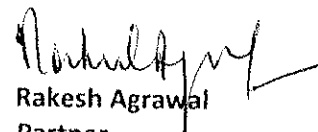


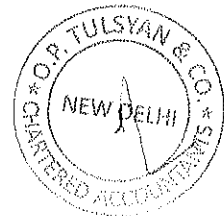
16. Provision of 45-IA of the Reserve Bank of India Act, 1934

According to the information and explanations given to us and as per the records verified by us, during the year, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi
Date: 27.05.2016

For O.P. Tulsyan & Company
Chartered Accountants
FRN:500028N


Rakesh Agrawal
Partner
Mem. No.:081808



Disputed Statutory Dues Which Have Not Been Deposited

Annexure "A" to Clause 7 (iii) of Annexure 1 to Independent Auditors' Report on the Consolidated Financial Statements of MMTC Limited

Mumbai Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Bombay Sales Tax Act	Sales Tax	1986-87	3,08,644	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	1989-90	14,96,06,778	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	1990-91	23,30,46,478	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	1991-92	28,98,738	Jt. Comm. Of Sale tax
Bombay Sales Tax Act	Sales Tax	2001-02	45,03,961	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2008-09	26,04,882	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2008-09	1,42,13,373	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2007-08	23,99,218	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2010-11	45,82,018	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2010-11	1,22,470	Jt. Comm. Of Sale tax
Maharashtra VAT Tax	Sales Tax	2009-10	19,58,379	Jt. Comm. Of Sale tax
Central Sale Tax, 1956	Sales Tax	2011-12	48,25,144	Jt. Comm. Of Sale tax
Central Sale Tax, 1956	Sales Tax	2008-09	51,81,978	Jt. Comm. Of Sale tax
Central Sale Tax, 1956	Sales Tax	2007-08	71,97,308	Jt. Comm. Of Sale tax
Custom Act, 1962	Custom Act	2012-13	34,54,07,691	Commissioner of customs

Bengaluru Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Service Tax	Service Tax	Not Mention	10,26,502	

Chennai Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
TNGST Act	Sale Tax	1998-99	8,63,114	Madras High Court'
TNGST Act	Sale Tax	2000-01	4,43,416	Sales Tax Appeals Tribunal
TNGST Act	Sale Tax	1999-00	11,52,785	Madras High Court'
TNGST Act	Sale Tax	2001-02	1,78,566	Assistant Commissioner of Commercial Taxes
TNGST Act	Vat & Penalty	2008-09	3,55,08,765	Jt. Commissioner of Commercial Taxes Appeals

Delhi Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Central Sale Tax, 1956	CST/LST/Interest Penalty	2002-03	37,45,290	Commissioner ,DVAT
LST	LST	1984-85	11,65,303	D.C. Appeal
LST/CST	LST/CST	1986-87	6,57,32,207	Additional Commissioner
LST/CST	LST/CST	1987-88	4,31,86,549	Additional Commissioner
LST/CST	LST/CST	1988-89	4,02,96,672	Additional Commissioner
LST	LST	1989-90	61,87,340	Additional Commissioner



Disputed Statutory Dues Which Have Not Been Deposited

LST	LST	1990-91	22,23,198	Additional Commissioner
UP-LST/CST	LST/CST	1990-91	6,17,588	Moradabad, Allahabad High Court
UP-LST	LST	1991-92	4,70,578	Moradabad, Allahabad High Court
UP-LST	LST	1992-93	2,64,037	Moradabad, Allahabad High Court
UP-LST	LST	1994-95	1,95,000	Sale Tax Authorities
UP-LST	LST	1993-94	1,85,100	Moradabad, Allahabad High Court
UP-VAT	VAT	1987-88	16,35,160	Kanpur, Joint Commissioner
UP-VAT	VAT	1993-94	9,21,383	Commissioner, UP-VAT
UP-VAT	VAT	1996-97	12,23,616	Commissioner, UP-VAT
UP-VAT	Interest Penalty	2007-08	2,49,828	Commissioner, UP-VAT
Haryana-VAT	LST	1992-93	4,24,587	Faridabad, Punjab & Haryana High Court, Chandigarh
MP-VAT	LST	1999-00	1,50,004	Sale Tax Authority, Indore
MP-VAT	LST	1998-99	47,30,692	Assessing Authority, Indore
Custom & Central Excise	Custom Duty & Interest	1999-2000	2,72,67,919	Pending before Hon'ble High Court as per Direction of Supreme Court
Custom & Central Excise	Custom Duty	2006-07	2,00,00,000	Dy. Commissioner of Customs
Custom & Central Excise	Custom Duty	2007-08	1,50,50,000	Dy. Commissioner of Customs
Custom & Central Excise	Custom Duty	2008-09	61,80,000	Dy. Commissioner of Customs
Custom & Central Excise	Custom Duty	2009-10	61,80,000	Dy. Commissioner of Customs
Custom & Central Excise	Excise Tax/Interest	2010-11	18,20,878	Commissioner of Central Excise
Custom & Central Excise	Excise Tax/Interest	2011-12	19,13,53,780	Commissioner of Central Excise

Hyderabad Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
CST	CST	1989-90	1,49,770	STAT
APGST	APGST	1993-94	6,30,615	STAT,VIZAG
CST	CST	1993-94	4,41,446	STAT,VIZAG
CST	CST	1994-95	2,04,481	AC LTU
APGST	APGST	1995-96	38,03,875	STAT,VIZAG
CST	CST	1995-96	5,97,266	STAT,VIZAG
APGST	APGST	1991-92	24,02,576	STAT,VIZAG
APGST	APGST	1992-93	13,96,269	STAT,VIZAG
APGST	APGST	1993-94	17,62,687	STAT,VIZAG
APGST	APGST	1996-97	28,80,309	STAT,VIZAG
CST	CST	1996-97	21,34,306	STAT,VIZAG
APGST	APGST	1997-98	58,43,100	STAT,VIZAG
APGST	APGST	1998-99	55,65,147	STAT,VIZAG
APGST	APGST	1999-00	39,04,454	STAT,VIZAG



Disputed Statutory Dues Which Have Not Been Deposited

APGST	APGST	2000-01	2,52,926	STAT,VIZAG
		2008-09	7,84,474	STAT
CST,VAT	CST,VAT	2004-05 CST,2006-07 VAT	6,76,058	AC LTU,STAT
VAT	VAT	2007-08	71,000	AC Audit
VAT	VAT	2010-11	3,38,97,216	CTO VIZAG

Kolkata Region

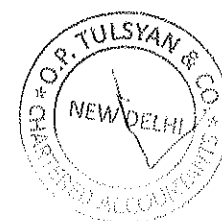
Nature of Statute	Nature of Dues	Year	Amount	Authority
Sale Tax Law	Sale Tax	2005-2006	11,31,000	Appellate Board
Sale Tax Law	Sale Tax	2006-07	77,61,000	Appellate Board
Sale Tax Law	Sale Tax	2012-13	78,62,000	Appellate Board
Sale Tax Law	West Bengal Vat	2012-13	4,000	Appellate Board

Jaipur Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Rajasthan Sale Tax Act	Sale Tax	2003-04	1,49,46,540	Rajasthan Kar Board, Ajmer
Rajasthan Sale Tax Act	Sale Tax	1999-2000	26,07,605	Rajasthan Kar Board, Ajmer.
Rajasthan Sale Tax Act	Sale Tax	2010-11	3,26,47,269	Rajasthan Kar Board
Central Sale Tax,1956	Central Sale Tax,1956	2010-11	59,92,494	Rajasthan Kar Board
Sale Tax	Turnover Tax	2003-04	5,32,992	High court
Rajasthan Value Added Tax	Value Added Tax	2012-13	68,16,652	Rajasthan Kar Board
Central Sale Tax,1956	Central Sale Tax,1956	2012-13	11,63,461	Rajasthan Kar Board

Vizag Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
APGST	APGST	1968-69	18,56,325	STAT, Hybd
APGST	APGST	1985-86	25,05,806	STAT,VIZAG
APGST	APGST	1986-87	2,70,83,841	STAT,VIZAG
APGST	APGST	1989-90	4,79,000	STAT
APGST	APGST	1991-92	19,34,139	AC LTU
CST	CST	1994-95	8,41,695	AC LTU
CST	CST	1995-96	48,62,340	STAT,VIZAG
CST	CST	1996-97	33,58,889	STAT,VIZAG
APGST	APGST	1997-98	25,27,960	STAT,VIZAG
CST	CST	2007-08	1,04,614	ADC
Service Tax	Service Tax	2003-06	12,65,26,554	CESTAT, Hyderabad



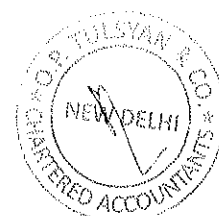
Disputed Statutory Dues Which Have Not Been Deposited

Bhubaneswar Region

Nature of Statute	Nature of Dues	Year	Amount	Authority
Sale Tax	Interest Penalty	1978-79	26,50,388	High Court of Orissa
Sale Tax	Sale Tax	1978-79	34,00,919	High Court of Orissa
Sale Tax	Sale Tax	1978-79	1,70,046	High Court of Orissa
Sale Tax	Interest Penalty	1979-80	6,53,452	High Court of Orissa
Central Sale Tax,1956	Central Sale Tax,1956	1982-83	34,83,020	High Court of Orissa
Sale Tax	Interest Penalty	1978-79	3,57,42,030	High Court of Orissa
Sale Tax	DEPB	2006-09	14,98,22,308	Addl. Commissioner, Sale Tax, Odisha
Sale Tax	DEPB	2010-12	5,08,43,080	Addl. Commissioner, Sale Tax, Odisha
Value Added Tax	Value Added Tax	2013-14	14,28,18,841	Addl. Commissioner, Sale Tax, Odisha
Central Sale Tax,1956	Central Sale Tax,1956	2013-14	58,07,05,822	Addl. Commissioner, Sale Tax, Odisha
Excise Tax	Excise Tax	2013-14	52,63,10,091	Addl. Commissioner, Sale Tax, Odisha
Central Excise Act	Service Tax	2003-05	4,31,95,232	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2003-07	16,89,46,005	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2007-08	3,86,83,266	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2008-10	8,30,10,407	Customs Excise & Service Appellate Tribunal
Central Excise Act	Service Tax	2010-11	4,29,51,068	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2011-12	4,16,55,475	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2009-12	33,92,04,060	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2009-11	77,56,072	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2012-13	37,60,319	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2012-13	3,51,01,874	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Service Tax	2013-14	4,91,261	Commissioner of customs Excise & Service Tax ,Bhubaneswar
Central Excise Act	Central Excise Act	2012-13	1,49,02,87,737	Ass. Comm. ,CE&C, Balasore Division, Balasore

Corporate Office

Nature of Statute	Nature of Dues	Year	Amount	Authority
Income tax Act	Income tax Act	2010-11	6,30,93,790	CIT(A)
Income tax Act	Income tax Act	1996-97	3,57,24,124	AO
Income tax Act	Income tax Act	2012-13	3,54,64,842	CIT(A)
Income tax Act	Income tax Act	2009-10	2,31,80,210	CIT(A)
Income tax Act	Income tax Act	1993-94	5,61,821	ITAT



Disputed Statutory Dues Which Have Not Been Deposited

Income tax Act	Income tax Act	1996-97	11,46,01,858	ITAT
Income tax Act	Income tax Act	1997-98	1,02,93,042	ITAT
Income tax Act	Income tax Act	1999-00	2,60,66,476	ITAT
Income tax Act	Income tax Act	2000-01	1,84,63,021	ITAT
Income tax Act	Income tax Act	2001-02	1,17,65,008	ITA/High Court
Income tax Act	Income tax Act	2002-03	73,04,915	ITAT
Income tax Act	Income tax Act	2003-04	11,16,907	ITAT
Income tax Act	Income tax Act	2004-05	4,19,85,746	ITAT
Income tax Act	Income tax Act	2005-06	7,81,432	AO
Income tax Act	Income tax Act	2006-07	42,08,767	AO
Income tax Act	Income tax Act	2007-08	73,50,191	AO
Income tax Act	Income tax Act	2008-09	22,10,119	AO
Income tax Act	Income tax Act	2009-10	1,19,38,236	ITAT
Income tax Act	Income tax Act	2010-11	9,08,20,808	CIT(A)
Income tax Act	Income tax Act	2011-12	10,60,88,129	CIT(A)

Neelachal Ispat Nigam Limited

Nature of Statute	Nature of Dues	Year	Amount (in Rs. lacs)	Authority
OST, CST, VAT & Entry Tax	Sale Tax	1998-99 to 2005-06	2139.11	Orissa Sale Tax Tribunal
CST	Sale Tax	2003-04	21.42	Assistant Commissioner, Sale Tax (Appeal)
Central Excise Duty	Excise Duty	2005-06	1.20	CESTAT
Customs Duty	Customs Duty	2000-01	112.37	Commissioner of Central Excise, customs & Service Tax
Central Excise Duty	Excise Duty	2005-06 to 2015-16	24,968.36	Commissioner of Central Excise, customs & Service Tax
Income Tax	TDS	2006-07 to 2013-14	258.93	Dy. Commissioner of Income Tax (TDS)
	Total		27,501.39	



Annexure-2 to the Independent Auditor's Report of even date on the consolidated financial statements of MMTC Ltd.

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MMTC Ltd. ("the Company") as of March 31, 2016, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls:

The respective Board of Directors of the of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013

Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk . The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatements of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting:

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

In our opinion, the Holding Company, its associate company and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

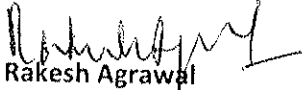


Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company and six jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Place: New Delhi
Date: 27th May 2016

For O.P. Tulsyan & Company
Chartered Accountants
FRN.: 500028N


Rakesh Agrawal
Partner
MRN.: 081808

