



## MMTC LIMITED

Core #1, Scope Complex, 7, Institutional Area, Lodi Road, New Delhi -110003.

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CIN: L51909DL1963GOI004033

No.BS/AR-UFR/85

Dtd. 25.8.2022

Listing-Compliance Cell,  
Department of Corporate Services,  
Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers  
Dalal Street  
**MUMBAI 400 001 - Company Scrip Code:513377**

### **Sub: Discrepancies in Financial Results – for the year ended 31.3.2022**

Dear Sir/Madam,

Kindly refer to your e-mail dated 5<sup>th</sup> August 2022 on the above subject.

As advised, the Statements on Impact of Audit Qualifications for the Financial Year ended 31.3.2022 (both standalone and consolidated) are attached herewith in the prescribed format duly signed by CMD, Director(Finance), Chairman-Audit Committee and the Statutory Auditors of MMTC Ltd.

We feel sorry for inadvertent lapse for submission of the above statements at the time of submission of audited financial results on 8<sup>th</sup> July 2022, please.

Thanking you,

Yours faithfully,  
For MMTC Ltd,

(G Anandanarayanan)  
Company Secretary

Encl: As above.

**For Standalone Financial Statement**  
**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022**      (₹ In cores)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for "qualifications")	Adjusted Figures (audited figures after adjusting for qualifications)
	<b>Total Income</b>		
2	Total Expenditure	8447.73	8447.73
3	Net Profit/(Loss)	8171.93	8177.03
4	Earnings Per Share	(241.93)	(247.03)
5	Total Assets	(1.61)	(1.65)
6	Total Liabilities	4762.96	4761.83
7	Net Worth	4569.56	4573.53
	Any other financial item(s) (as felt appropriate by the management)	193.4	188.3
		NA	NA

**Audit Qualification**

1 Details of Audit Qualification:

Type of Audit Qualification :  
 Frequency of qualification  
 Audit Qualification(s) where the impact is not quantified by the auditor:

We draw attention to note no 2(b) of the accompanying financial results, which states that the quarterly returns or statements of current assets are filed by the company with banks on the basis of provisional monthly information statement prepared for internal purposes. As per Notification of Ministry of Corporate affairs ("MCA") dated 24 March 2021, in regards with amendments to schedule III of division II the Company is required to disclose the quarterly reconciliation of statements in agreement with the books. As informed by the management given the volume and nature of business the reconciliation of these statements could not be performed and material discrepancy if any could not be determined. Thus, the required disclosure has not been presented in the financial statement.

Qualified Opinion  
 First Time  
 This may not have any impact on MMTC's Audited figures.

MMTC has entered into one time loan restructuring with banks. After NINL divestment bank liabilities have been discharged. There may not be further need to submit stock statement in future as MMTC business has been severally downsized as per MOC directions.  
 Auditors' Comments : The qualification mentioned above is on non-disclosure of reconciliation statement as required by the management as per revised schedule III and thus is not quantifiable and does not impact the audited figures.



2 Details of Audit Qualification:

Type of Audit Qualification :  
Frequency of qualification  
Audit Qualification(s) where the impact is  
quantified by the auditor

2. We draw attention to note no 4 of the accompanying financial results, which states that there are several provisions for doubtful recoverable amounting to INR 1.13 crore, the recoverability assessment of these balances could not be performed due to non-availability of sufficient information. The company has initiated an internal note to prepare a guideline to assess the **recoverability of such balances. As per the management these provisions made relates to** balances outstanding for a significant period of time and no sufficient evidence is available for recovery of these accounts, but due to non-availability of any internal guidelines these provisions have not been written off. Accordingly, the provisions and respective recoverable balances would have been reduced by INR. 1.13 crore.

Qualified Opinion  
First Time  
These cases are more than two decade old and required documents are not available. Matter will be taken to BOD in current F.Y.

3 Details of Audit Qualification:

Type of Audit Qualification :  
Frequency of qualification  
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We draw attention to note no 6 of the accompanying financial statement, which states that the liability @1.5% of profit before tax ("PBT") for the year in respect of scheme for retirees prior to 01.01.2007 (closed group) has not been recognised even though the Company has reported PBT of INR. 120.60 crore, on the basis of affordability. Also, the Company has not provided form PRMBS (open group) @ 4.5% of Basic and DA for serving employees. During the year provision in respect of retirees after 01.01.2007 pertaining to FY 2019-20 and 2020-21 has been withdrawn due to loss during these previous years. The management will review the above in the next financial year. The non-recognition of provision according to the schemes above constitutes a departure from the accounting standards as prescribed under section 133 of the Act. An amount of INR. 1.81 crore (1.5% of PBT) and INR. 3.29 crore (4.5% of Basic and DA) estimated by the management, should have been provided as per the accounting standards. Accordingly, the provision for PRMBS would have been increased by INR. 5.10 crore and net income and shareholders' fund would have been reduced by the given amount.

Qualified Opinion  
First Time  
DPE guidelines provides for provision subject to affordability and sustainability. No provision has been envisaged at this stage.

Signatories:

CMD

Director (Fin.)

Audit Committee Chairman

Statutory Auditor



**For Consolidated Financial Statement**  
**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022**      (₹ In cores)

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	- Adjusted Figures (audited figures after adjusting for qualifications)
1	Total Income	11813.97	11813.97
2	Total Expenditure	11569.34	11574.44
3	Net Profit/(loss)	(262.38)	(267.48)
4	Earnings Per Share	(1.75)	(1.78)
5	Total Assets	4783.39	4782.26
6	Total Liabilities	4931.48	4935.45
7	Net Worth	(148.09)	(153.19)
8	Any other financial item(s) (as felt appropriate by the management)	NA	NA

**Audit Qualification**

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**Qualified Opinion**

**First Time**

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Qualified Opinion

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Signatories:

CMD  
Director (Fin.)  
Audit Committee Chairman  
Statutory Auditor

*[Handwritten signatures and dates]*

