

ANNEXURE

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along- with Unaudited Financial Results for the Quarter ended 30th June, 2026 - STANDALONE

Statement on Impact of Audit Qualifications for the Quarter ended 30 th June, 2026 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Un-audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (un-audited figures after adjusting for qualifications)
	1.	Turnover / Total income	146.12	146.12
	2.	Total Expenditure	21.57	104.39
	3.	Net Profit/(Loss)	93.73	10.91
	4.	Earnings Per Share	0.62	0.07
	5.	Total Assets	2532.79	2532.79
	6.	Total Liabilities	2532.79	2532.79
	7.	Net Worth	1834.36	1751.54
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	Details of Audit Qualification: We draw attention to Note no. 1 of the accompanying Statement, which states that, in respect of the Anglo Coal case, an amount of Rs. 1088.62 crore (comprising Rs.1087.76 crore deposited with the court and Rs.0.86 crore attached from the company's bank account) had been deposited with the Hon'ble Delhi High Court. The final determination of the amount is subject to the judgement/clarification of the Hon'ble Court. The Hon'ble Delhi High Court, vide its order dated 09.05.2025, directed that "the decree holder [Anglo] shall be entitled to withdraw the said amount along with up-to-date accrued interest after the expiry of two weeks from today". The SLP filed by the company before the Hon'ble Supreme Court was dismissed by order dated 03.11.2025. Thereafter, the Company filed an application before the Hon'ble Delhi High Court on 03.11.2025 admitting a total liability of Rs.1169.14 crore, including interest calculated up-to 01.11.2025. Subsequently, pursuant to the order of the Hon'ble Delhi High Court dated 10.11.2025, an amount of Rs.1000 crore was released to Anglo on 17.11.2025. Based on the management's calculations, the estimated remaining liability of the company towards Anglo coal as on 17.11.2025 amounts to Rs.170.58 crore, including interest calculated up to 17.11.2025. Accordingly, the estimated present obligation of the company in respect of the aforesaid matter amounts to Rs. 170.58 crore, against which the company has recognised a provision of Rs. 87.76 crore only. This has resulted in non-recognition of provision to the extent of Rs. 82.82 crore. The company, instead of making a provision of Rs.82.82 crore, has included this amount in its contingent liabilities due to which provision has been understated and contingent liabilities have been overstated by Rs.82.82 crores. The non-recognition of provision to the extent of Rs.82.82 crore constitutes a departure from the accounting standards as prescribed under section 133 of the Act. Had the amount of Rs.82.82 crore been provided by the company; the provisions would have been increased by Rs.82.82 crore and the shareholders' funds would have been reduced by the said amount. Our Audit report on the financial results of the Company for the quarter and year ended 31st March 2026 dated 29th May 2026 was also qualified in respect of this matter.			
	b.	Type of Audit Qualification: Qualified Opinion		
	c.	Frequency of qualification: Repetitive		
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The qualification of the Statutory Auditors pertains to non-recognition of additional provision amounting to ` 82.82 crore in relation to the matter involving Anglo Coal/Anglo American. In this regard, the Management's response is as under: The Company has provided complete details, supporting documents and management explanations to the Auditors during the course of Audit proceedings.		

Pursuant to the orders dated 06.05.2022 and 07.07.2022 passed by the Hon'ble Delhi High Court in the Anglo Coal matter, MMTC Limited had deposited an aggregate amount of Rs. 1088.62 crore, comprising:

- Rs 1087.76 crore through Demand Draft dated 20.07.2022 deposited with the Registrar General of the Hon'ble Delhi High Court; and
- Rs. 0.86 crore attached from MMTC's Bhubaneswar bank account.

The aforesaid amount of Rs. 1088.62 crore had already been fully recognized and provided for in the books of account of the Company.

Subsequently, pursuant to the orders of the Hon'ble Delhi High Court, an amount of Rs.1000 crore was released to Anglo on 17.11.2025 from the deposited amount.

To file an application in Delhi High Court, Ld. Advocate advised MMTC to provide estimated calculation sheet considering interest calculation up to 01.11.2025.

The aforesaid calculations/workings for Rs. 1170.00 crore were submitted:

- pursuant to judicial directions,
- during the course of proceedings,
- on a provisional and without prejudice basis,
- And, subject to further arguments and adjudication, particularly regarding:

(i) The applicable USD exchange rate.

(ii) The methodology for determination of the final payable amount.

Accordingly, the Management submits that the said calculations/workings cannot be construed as final crystallization or unconditional acceptance/admission of liability by the Company.

Further, against the original deposit of Rs. 1088.62 crore made by MMTC in July 2022, substantial interest accrual amounting to approximately Rs. 259.74 crore had accrued up to 01.11.2025 while the amount remained under custody of the Hon'ble Court. The same is disclosed in Notes to Accounts. The rate of interest payable as decided by court is lesser than the Bank interest rate accruing on the amount deposited with Court.

Such accrued interest was available for adjustment against any additional amount, if any, that may ultimately become payable pursuant to the final judicial determination.

Accordingly, considering the substantial accrued interest available against the deposited amount, the Management assessed that no separate or incremental outflow of resources from the Company is expected in respect of the alleged differential liability of Rs. 82.82 crore as referred to in the Audit Qualification.

In accordance with Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", A provision is required to be recognized only when all the following conditions are satisfied:

- An entity has a present obligation (legal or constructive) that is a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

In reference to the above Ind AS, the condition mentioned at (b) does not satisfy as the chances of probable outflow for Rs. 82.82 crore is NIL, considering the accrued interest available with Court.

Company had appropriately recognized the original liability of Rs.1088.62 crore, the incremental amount beyond the said deposit remained subject to:

- Adjudication by the Hon'ble Court,
- Judicial clarification on applicable exchange rate and related methodology, and
- Adjustment against accrued interest lying with the Hon'ble Court.

Considering the above facts and circumstances, the Management respectfully disagrees with the qualification made by Statutory Auditors as the provision of Rs.82.82 crore was not warranted on the reporting date and is appropriately disclosed as contingent Liability.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification: NA**

	(ii) If management is unable to estimate the impact, reasons for the same: NA	
	(iii) Auditors' Comments on (i) or (ii) above: NA	
III.	Signatories:	
	1 CFO:	
	2 Chairman of the Meeting:	
	3 Audit Committee Chairman: NA	
	4 Statutory Auditor:	
	Place: New Delhi	
	Date: 11.08.2026	

ANNEXURE

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Un-audited Financial Results - CONSOLIDATED

Statement on Impact of Audit Qualifications for the Quarter Ended June 30, 2026 [See Regulation 33 /52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Un-audited Figures (as reported Before adjusting For qualifications)	Adjusted Figures (un-audited figures after adjusting for qualifications)
	1.	Turnover/Total income	146.12	146.12
	2.	Total Expenditure	21.57	104.39
	3.	Net Profit/ (Loss)	104.24	21.42
	4.	Earnings Per Share	0.69	0.14
	5.	Total Assets	2964.9	2964.9
	6.	Total Liabilities	2964.9	2964.9
	7.	Net Worth	2266.47	2183.65
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification: We draw attention to Note no. 1 of the accompanying Statement, which states that, in respect of the Anglo Coal case, an amount of Rs. 1088.62 crore (comprising Rs.1087.76 crore deposited with the court and Rs.0.86 crore attached from the company's bank account) had been deposited with the Hon'ble Delhi High Court. The final determination of the amount is subject to the judgement/clarification of the Hon'ble Court. The Hon'ble Delhi High Court, vide its order dated 09.05.2025, directed that "the decree holder [Anglo] shall be entitled to withdraw the said amount along with up-to-date accrued interest after the expiry of two weeks from today". The SLP filed by the company before the Hon'ble Supreme Court was dismissed by order dated 03.11.2025. Thereafter, the Company filed an application before the Hon'ble Delhi High Court on 03.11.2025 admitting a total liability of Rs.1169.14 crore, including interest calculated up-to 01.11.2025. Subsequently, pursuant to the order of the Hon'ble Delhi High Court dated 10.11.2025, an amount of Rs.1000 crore was released to Anglo on 17.11.2025. Based on the management's calculations, the estimated remaining liability of the company towards Anglo coal as on 17.11.2025 amounts to Rs.170.58 crore, including interest calculated up to 17.11.2025. Accordingly, the estimated present obligation of the company in respect of the aforesaid matter amounts to Rs. 170.58 crore, against which the company has recognised a provision of Rs. 87.76 crore only. This has resulted in non-recognition of provision to the extent of Rs. 82.82 crore. The company, instead of making a provision of Rs.82.82 crore, has included this amount in its contingent liabilities due to which provision has been understated and contingent liabilities have been overstated by Rs.82.82 crores. The non-recognition of provision to the extent of Rs.82.82 crore constitutes a departure from the accounting standards as prescribed under section 133 of the Act. Had the amount of Rs.82.82 crore been provided by the company; the provisions would have been increased by Rs.82.82 crore and the shareholders' funds would have been reduced by the said amount. Our Audit report on the financial results of the Company for the quarter and year ended 31st March 2026 dated 29th May 2026 was also qualified in respect of this matter.		
	b.	Type of Audit Qualification: Qualified Opinion		
	c.	Frequency of qualification: Repetitive		

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:**

The qualification of the Statutory Auditors pertains to non-recognition of additional provision amounting to Rs. 82.82 crore in relation to the matter involving Anglo Coal/Anglo American.

In this regard, the Management's response is as under:

The Company has provided complete details, supporting documents and management explanations to the Auditors during the course of Audit proceedings.

Pursuant to the orders dated 06.05.2022 and 07.07.2022 passed by the Hon'ble Delhi High Court in the Anglo Coal matter, MMTC Limited had deposited an aggregate amount of Rs. 1088.62 crore, comprising:

- Rs 1087.76 crore through Demand Draft dated 20.07.2022 deposited with the Registrar General of the Hon'ble Delhi High Court; and
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The aforesaid amount of Rs. 1088.62 crore had already been fully recognized and provided for in the books of account of the Company.

Subsequently, pursuant to the orders of the Hon'ble Delhi High Court, an amount of Rs.1000 crore was released to Anglo on 17.11.2025 from the deposited amount.

To file an application in Delhi High Court, Ld. Advocate advised MMTC to provide estimated calculation sheet considering interest calculation up to 01.11.2025.

The aforesaid calculations/workings for Rs. 1170.00 crore were submitted:

- pursuant to judicial directions,
- during the course of proceedings,
- on a provisional and without prejudice basis,
- And, subject to further arguments and adjudication, particularly regarding:

(i) The applicable USD exchange rate.

(ii) The methodology for determination of the final payable amount.

Accordingly, the Management submits that the said calculations/workings cannot be construed as final crystallization or unconditional acceptance/admission of liability by the Company.

Further, against the original deposit of Rs. 1088.62 crore made by MMTC in July 2022, substantial interest accrual amounting to approximately Rs. 259.74 crore had accrued up to 01.11.2025 while the amount remained under custody of the Hon'ble Court. The same is disclosed in Notes to Accounts. The rate of interest payable as decided by court is lesser than the Bank interest rate accruing on the amount deposited with Court.

Such accrued interest was available for adjustment against any additional amount, if any, that may ultimately become payable pursuant to the final judicial determination.

Accordingly, considering the substantial accrued interest available against the deposited amount, the Management assessed that no separate or incremental outflow of resources from the Company is expected in respect of the alleged differential liability of Rs. 82.82 crore as referred to in the Audit Qualification.

In accordance with Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets", A provision is required to be recognized only when all the following conditions are satisfied:

- a) An entity has a present obligation (legal or constructive) that is a result of a past event;
- b) it is probable that an outflow of resources embodying economic benefits will be required to

	settle the obligation; and c) a reliable estimate can be made of the amount of the obligation. In reference to the above Ind AS, the condition mentioned at (b) does not satisfy as the chances of probable outflow for Rs. 82.82 crore is NIL, considering the accrued interest available with Court. Company had appropriately recognized the original liability of Rs.1088.62 crore, the incremental amount beyond the said deposit remained subject to: • Adjudication by the Hon'ble Court, • Judicial clarification on applicable exchange rate and related methodology, and • Adjustment against accrued interest lying with the Hon'ble Court. Considering the above facts and circumstances, the Management respectfully disagrees with the qualification made by Statutory Auditors as the provision of Rs.82.82 crore was not warranted on the reporting date and is appropriately disclosed as contingent Liability.	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification: NA	
	(ii) If management is unable to estimate the impact, reasons for the same: NA	
	(iii) Auditors' Comments on (i) or (ii) above: NA	
III.	Signatories:	  
	• CFO:	
	• Chairman of the Meeting:	
	• Audit Committee Chairman -NA	
	• Statutory Auditor:	
	Place: New Delhi	
	Date: 11.08.2026	