

MMTC Limited

June 14, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long term bank facilities	1,055.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Long term / Short term bank Facilities	5,323.00	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short term bank facilities	2,500.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) has been seeking information from MMTC Limited (MMTC) to monitor the ratings vide e-mail communications dated January 30, 2024, February 09, 2024, and February 19, 2024, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings has reviewed the rating based on the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. Ratings on MMTC's bank facilities will now be denoted as CARE D; ISSUER NOT COOPERATING*.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using above rating(s)

Rating sensitivities: Not applicable

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

At the time of last rating on March 16, 2023 the following were the rating weaknesses and strengths

Key weakness

High group exposure Neelachal Ispat Nigam Limited leading to moderation in financial & liquidity profile of MMTC:

The Cabinet Committee on Economic Affairs (CCEA) had given an 'in-principle' approval for strategic disinvestment of 100% equity of Neelachal Ispat Nigam Limited in January 2020. As per BSE announcement dated Feb 01, 2022, strategic buyer has been approved for privatization of Neelachal Ispat Nigam Limited. The highest bidder i.e. M/s Tata Steel Long Products Limited (TSPL) for 93.71% of shares of Joint Venture partners of 4 CPSEs and 2 Odisha Govt State PSEs has been approved at the Bid Enterprise Value of Rs. 12,100 cr.

In July 2022, Tata Steel Long Products Limited ('TSLP'), a subsidiary of Tata Steel, has completed the acquisition of 93.71% in 1 million tons per annum 'NINL' from MMTC Ltd., NMDC Ltd., MECON Ltd., Bharat Heavy Electricals Ltd., Industrial Promotion and Investment Corporation of Odisha Ltd., Odisha Mining Corporation Ltd., President of India, Government of Odisha. The acquisition has been completed as per the terms and conditions of the Share Sale and Purchase Agreement entered on March 10, 2022, and in accordance with the process being run by Department of Disinvestment & Public Asset Management (DIPAM). The aggregate consideration which has been paid out by TSLP is Rs. 12,100 crores.

Accordingly, all the principal payment of the bank debt has been paid however there are ongoing discussions for waiver of penal interest and other charges.

Key strength

MMTC's position as India's largest international trading house and established track record of trading in diverse commodities

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

As apprised by the company management, there are no business operations in MMTC currently and the final announcement on its closure of operations is awaited.

Liquidity: Not Available

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Policy on Default Recognition](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Factoring Linkages Government Support](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Liquidity Analysis of Non-Financial Sector entities](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

MMTC, a public sector undertaking, was incorporated on September 26, 1963, to facilitate foreign trade in India and canalize the export and import of essential minerals and metals. It is under the administrative control of the Ministry of Commerce & Industry, and Government of India (GOI) held 89.93% stake in the company as on March 31, 2024. MMTC deals in multiple products and markets. The business operations of the company span across six major divisions i.e. minerals, metals, precious metals, agro products, fertilizers & chemicals and coal & hydrocarbons.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (Abridged)
Total operating income	272.55	5.34
PBILDT	-121.54	-162.55
PAT	1,076.07	68.21
Overall gearing (times)	0.04	0.00
Interest coverage (times)	-1.08	-232.21

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	855.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	-	200.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Demand loan		-	-	-	740.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Demand loan		-	-	-	1760.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-BG/LC		-	-	-	5323.00	CARE D / CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	855.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (16-Mar-23) 2)CARE D (RWP) (27-Dec-22) 3)CARE D (CW with Positive Implications) (06-Apr-22)	1)CARE D (05-Apr-21)
2	Fund-based - ST-Working Capital Demand loan	ST	1760.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (16-Mar-23) 2)CARE D (RWP) (27-Dec-22)	1)CARE D (05-Apr-21)

							3)CARE D (CW with Positive Implications) (06-Apr-22)	
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	5323.00	CARE D / CARE D; ISSUER NOT COOPERATING *	-	-	1)CARE D / CARE D; ISSUER NOT COOPERATING * (16-Mar-23) 2)CARE D / CARE D (RWP) (27-Dec-22) 3)CARE D / CARE D (CW with Positive Implications) (06-Apr-22)	1)CARE D (05-Apr-21)
4	Fund-based - ST-Working Capital Demand loan	ST	740.00	CARE D; ISSUER NOT COOPERATING *	-	-	1)CARE D; ISSUER NOT COOPERATING * (16-Mar-23) 2)CARE D (RWP) (27-Dec-22) 3)CARE D (CW with Positive Implications) (06-Apr-22)	1)CARE D (05-Apr-21)
5	Fund-based - LT-Term Loan	LT	200.00	CARE D; ISSUER NOT COOPERATING *	-	-	1)CARE D; ISSUER NOT COOPERATING * (16-Mar-23) 2)CARE D (RWP) (27-Dec-22) 3)CARE D (CW with Positive Implications) (06-Apr-22)	1)CARE D (05-Apr-21)

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Working Capital Demand loan	Simple
4	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

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About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

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