

HMT Machine Tools Limited

November 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	49.82	CARE D	Downgraded from CARE C; Stable
Short Term Bank Facilities	72.90	CARE D	Downgraded from CARE A4

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in ratings assigned to the bank facilities of HMT Machine Tools Limited(HMTMTL) takes into account the regular overdrawals in working capital facilities for more than 30 days, owing to delays in receipt of payment from its customer. Further the operations continue to remain loss making with company deferring its dues on long-term loans extended by Government of India (GOI). The rating continues to be constrained by weak financial risk profile of the company with negative networth on account of continued losses. However, the company derives strength from the funding support from GOI/holding company.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the liquidity position of the company thereby no overdrawals/ delays in rated facilities for minimum of three consecutive months and also turnaround in operations which would ensure such instances does not recur.

Negative factors

Not applicable

Analytical approach: Standalone

Outlook: Not applicable, as the rating is in default category

Detailed description of key rating drivers:

Key weaknesses

Regular overdrawals in working capital facilities for more than 30 days

During our due diligence, exercise dated November 21, 2025, banker has confirmed that there are regular overdrawals of more than 30 days in working capital limits primarily due delay in receipt of payments from its customers. Although, the NDS shared does not mention regarding overdrawals of more than 30 days, however, during our management call, the management has confirmed that "The overdrawals of more than 30 days was witnessed in September 2025, which has been cleared in October 2025. Post that no overdrawals have been observed.

Weak financial risk profile

The company continued to incur losses and the losses at net level widened to Rs. 164 crore in FY25 as against Rs. 155 crore in FY24. The company continued to incur losses on account of consistent decline in sales and rising employee costs and overhead expenses.

Key strengths

Support from Government of India/ Holding company

Being a part of HMT Ltd, a central Government entity, HMTMTL has received support from GOI/HMT Ltd. As on March 31, 2025, the total borrowing from GoI including preference share capital stood at Rs.1385.37 crore (Rs.1322.98 crore as of March 31, 2024). This apart, the company has received loans from holding company which stood at Rs. 346.68 crore as on 31st March,2025 (PY: Rs. 305.82 crore as on 31st March ,2023). Timely receipt of further support would be key to company's prospects.

Liquidity: Poor

The company's gross cash accruals (GCA) continued to remain negative during FY25 owing to continuing losses, the GCA further deteriorated to negative Rs.155 crore in FY25(PY: Rs.149 crore), lead by higher continued overheads and continued lower revenue; albeit some improvement witnessed in FY25. The company meets its repayment and other obligations as and when they receive

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

the money from the government and from operations. As per the confirmation from one of the lender, there are regular overdrawals in working capital facilities of over 30 days.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Manufacturing	Industrial Products

HMTMTL is a 100% subsidiary of HMT Limited, incorporated in 1953 by the GoI. HMTMTL is engaged in the manufacturing of turning, grinding, gear cutting, special purpose machines, die casting machines and plastic injection molding machines, presses and press brakes, printing machines, CNC control systems and precision components. Its manufacturing plants are located at Bengaluru, Pinjore (Haryana), Hyderabad (Telangana), Ajmer (Rajasthan), and Kalamassery (Kerela).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	100.03	111.67
PBILDT	-95.83	-106.86
PAT	-155.24	-160.99
Overall gearing (times)	-0.58	-0.55
Interest coverage (times)	-1.13	-1.14

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	49.82	CARE D
Fund-based - ST-Bill Discounting/ Bills Purchasing	-	-	-	-	2.00	CARE D
Non-fund-based - ST-BG/LC	-	-	-	-	70.90	CARE D

Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	49.82	CARE D	-	1)CARE C; Stable (17-Jan-25)	1)CARE D (28-Nov-23)	1)CARE D (02-Mar-23) 2)CARE D (08-Jul-22)
2	Fund-based - ST-Bill Discounting/ Bills Purchasing	ST	2.00	CARE D	-	1)CARE A4 (17-Jan-25)	1)CARE D (28-Nov-23)	1)CARE D (02-Mar-23) 2)CARE D (08-Jul-22)
3	Non-fund-based - ST-BG/LC	ST	70.90	CARE D	-	1)CARE A4 (17-Jan-25)	1)CARE D (28-Nov-23)	1)CARE D (02-Mar-23) 2)CARE D (08-Jul-22)

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

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-Bill Discounting/ Bills Purchasing	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

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

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

Contact us

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