RATING RATIONALE

MMTC Limited

Brickwork Ratings has withdrawn the rating for the proposed Commercial Paper issue of Rs 500 Crs of MMTC Limited.

Particulars

<table>
<thead>
<tr>
<th>Facility/Instrument**</th>
<th>Amount (₹ Cr)</th>
<th>Tenure</th>
<th>Rating*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper</td>
<td>500.00</td>
<td>Short Term</td>
<td>BWR A1+#</td>
</tr>
<tr>
<td>(proposed)</td>
<td></td>
<td></td>
<td>Withdrawal</td>
</tr>
<tr>
<td>Total</td>
<td>500.00</td>
<td>-</td>
<td>NIL</td>
</tr>
</tbody>
</table>

*Please refer to BWR website [www.brickworkratings.com](http://www.brickworkratings.com) for definition of the ratings

# mapped to long term rating of A+

**Complete details of CPs is provided in Annexure-I

RATING ACTION / WITHDRAWAL

The company has requested for withdrawal of rating via email dated 10 July 2020 as commercial paper has not been raised in fiscal FY 20 and is not intended to be raised in current FY 21. BWR has withdrawn the rating as per request of the Issuer and Withdrawal Policy of the BWR.

About the Company

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 the Government of India (GOI) held 89.93% stake in the company as on 31.3.2019. The company has wholly owned subsidiary MMTC Translational Private Limited in Singapore which is in trading of commodities. The company also has a Joint venture Project with Government of Orissa Neelachal Ispat Nigam Limited. NINL incurred Net loss of Rs 377.67 crores in FY 18 as steel sector was not performing well. 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, fertilisers & chemicals and coal & hydrocarbons. MMTC has also set up a 15-MW wind energy mill in Karnataka. MMTC is one of the few agencies, apart from banks, permitted by the GOI for import of bullion in the country.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY - Not Applicable
Rating History for the last three years (including withdrawn and suspended)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of Instrument</th>
<th>Type</th>
<th>Amount (Rs. Crs)</th>
<th>Rating</th>
<th>29 July 2019</th>
<th>2018</th>
<th>2017</th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>Commercial Paper (Proposed)</td>
<td>Fund Based</td>
<td>-</td>
<td>Withdrawal</td>
<td>FB (CP)</td>
<td>500</td>
<td>BWR</td>
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<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

- **General Criteria**
- **Approach to Financial Ratios**
- **Traders**

Analytical Contacts

[Karan Ahluwalia]
Rating Analyst
[Board: +911123412232 ]
karan.a@brickworkratings.com

[R K Sharma]
[Sr. Director – Ratings]
Board: +911123412232
rksharma@brickworkratings.com

Investor and Media Relations

Liena Thakur
Assistant Vice President - Corporate Communications
+91 84339 94686
liena.t@brickworkratings.com
Annexure-1
MMTC Limited

Key Terms of proposed commercial paper were :-

● Trenches : In three trenches of Rs.150 crore, Rs.200 crore and Rs.150 crore
● Discount Rate : To be quoted by investors
● Issuance form : In dematerialized form
● Security : Unsecured
● Face Value : Rs.5 lakh per CP
● Tenure : 364 days , Redemption/Maturity :At the end of tenure period from the value date of each tranche .
● IPA : Axis Bank Ltd

For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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