

July 8, 2010

**CARE ASSIGNS 'PR1+' RATING TO THE CP PROGRAMME OF
MMTC LIMITED**

Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Commercial paper*	500.0	'PR1+' (PR One Plus)	Assigned
Total	500.0		

*outside working capital limits

Rating Rationale

The ratings continue to reflect MMTC's long track record, experienced management, predominant ownership by the Government of India (GoI) and dominant position as the largest International trading house in India. The ratings also factor in MMTC's initiative for diversification in trade-related manufacturing and infrastructure projects and financial implications of such investments made by MMTC in associate companies. The rating is constrained by the nature of the business which exposes the company to currency and commodity risk.

Company Profile

MMTC is a leading International trading house in India with majority shareholding by GoI (99.33%). It was set up in 1963 as a canalising agency for export of minerals & ores and import of metals. Over the years, import and export of various other items like fertiliser raw materials as well as finished fertilisers, steel, agro products, diamond, bullion, coal and hydrocarbon etc were progressively added to its portfolio. MMTC has undertaken diversification into manufacturing and infrastructure projects related to its trade. MMTC participated in a JV promoted by MMTC and Orissa Government (MMTC's stake 49%), Neelachal Ispat Nigam Ltd. (NINL) which is implementing integrated greenfield iron & steel plant at Duburi, Orissa. MMTC has also set up a 15-MW wind energy mill in Karnataka.

¹ Complete definition of the ratings assigned are available at www.careratings.com and in other CARE publications



Press Release

MMTC reported total operating income of Rs.36,821 cr and PAT of Rs.140 cr during FY09 (audited) and total operating income of Rs.45,118 cr and PAT of Rs.217 cr during FY10 (provisional). The growth in operating income was contributed by growth in turnover of precious metals and gems & jewellery division.

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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