

March 09, 2026

Trust Metals and Minerals Enterprises: [ICRA]B+ (Stable); assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term - Dropline overdraft	1.12	[ICRA]B+ (Stable); assigned
Long term – Fund-based – Cash Credit	7.88	[ICRA]B+ (Stable); assigned
Long term – Unallocated limits	11.00	[ICRA]B+ (Stable); assigned
Total	20.00	

*Instrument details are provided in Annexure I

Rationale

The rating assigned to Trust Metals and Minerals Enterprises (TMME) is constrained by the firm’s moderate and stagnant scale of operations and its low net worth base. The rating further incorporates ICRA’s expectation that the company’s financial profile will remain moderate, given its low earnings amid thin operating margins. Additionally, the withdrawals of profits by the partners have resulted in lower cash generation from business, thereby increasing the firm’s dependence on working capital borrowings. Moreover, the rating is constrained by TMME’s stretched liquidity position, as reflected in the limited cushion available in its working capital limits and the entity’s low levels of free cash balances. The rating also factors in the presence of sizeable loans and advances extended to key customers, which stood at Rs. 9.99 crore as on 31 March 2025. Any incremental loans and advances to customers may further weaken the entity’s liquidity profile. In this context, the timely recovery of these loans and advances will remain critical for TMME’s overall financial profile, and ICRA will continue to monitor this aspect closely as a key rating sensitivity. Furthermore, the rating is constrained by the trading nature of its business, which inherently limits profitability. This is reflected in its thin operating margins of 1.3% in FY2024 and FY2025. The margins also remain susceptible to stiff competition in the trading segment and to the volatility in commodity prices. The rating additionally considers the risks associated with a partnership firm, including a history of capital withdrawals by the partners, which could adversely impact the firm’s liquidity position and cash flows.

Nevertheless, the rating considers the extensive experience of TMME’s partners in the metal and mineral trading business, which supports the firm’s operations. The rating also derives comfort from the entity’s moderately diversified customer base and established client relationships.

The Stable outlook on the rating reflects ICRA’s opinion that the firm is likely to sustain its operating metrics, supported by the extensive experience of its partners. Further, the outlook underlines ICRA’s expectation that the entity’s incremental capital expenditure (capex), if any, will be funded in a manner that it is able to durably maintain its debt protection metrics.

Key rating drivers and their description

Credit strengths

Extensive experience of partners in mineral trading business – The partners of TMME have more than a decade of experience in the mineral and metal trading business. This, along with their established relationships with customers and suppliers, has enabled the entity to secure regular business.

Credit challenges

Thin margins exposed to price fluctuations and intense competition – The entity operates in a highly competitive environment comprising both organised and unorganised players, which limits its pricing flexibility. This, coupled with the low value-added nature of its operations, results in thin margins. Moreover, the entity’s operations remain vulnerable to demand-supply mismatches for its products. Further, the entity is exposed to commodity price risks arising from the inherent volatility in metal prices. Any adverse movement in the prices of raw materials may cause a moderation in gross margins, translating into lower earnings.

Moderate operations and weak financial profile – The entity’s scale of operations remained moderate, with revenues of Rs. 112.2 crore in FY2025. This, coupled with its low operating profit margin, resulted in moderate debt coverage indicators, characterised by a Total Debt/OPBDITA of 8.0 times as on 31 March 2025 and an interest coverage ratio of 1.6 times in FY2025. Besides, limited accretion of reserves over the years has caused a relatively low net worth base. The coverage indicators are also expected to remain moderate over the medium term amid limited earnings.

Substantial advances to key customers impacting liquidity – ICRA notes that the entity has extended interest-free loans and advances to its key customers. These loans and advances stood at Rs. 9.99 crore as on 31 March 2025, compared with Rs. 7.35 crore as on 31 March 2023. Additionally, any further loans and advances to customers could weaken the entity’s liquidity profile even more.

Capital withdrawal risk due to its constitution as a partnership firm – The entity, being a partnership firm, is exposed to discrete risks, including the possibility of capital withdrawal by the partners and limited ability to raise capital, among others, which may affect the capital structure and the liquidity position.

Liquidity position: Stretched

The firm’s liquidity position is expected to remain stretched due to limited buffer in working capital limits and minimal free cash and bank balances. The entity has fund-based working capital limit of Rs. 9 crore, with an average utilisation of around 95% over the past 12 months ending in January 2026. The firm is projected to generate net cash accruals of less than Rs. 1 crore in FY2026, however, it does not have any major repayment obligations. The liquidity is expected to be supported by timely infusion of unsecured loans by the partners and receipt advances from key customers.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the entity demonstrates healthy growth in revenues and earnings, leading to improvement in net worth, debt protection metrics and liquidity position on a sustained basis.

Negative factors – Pressure on the entity’s ratings may arise if any significant reduction in revenues and profitability weakens the debt coverage indicators. The ratings may be downgraded if there is any further stretch in the company’s liquidity position on account of sizeable capital withdrawal or increase in loans & advances given to other entities.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

Trust Metals and Minerals Enterprises (TMME) was established in 2017 as partnership entity and is based in Visakhapatnam, Andhra Pradesh. The firm engages in trading of various grades of manganese ore, coal, coke and allied products, among others. The entity primarily supplies its products to ferro alloys plants in the domestic market. It has multi-product ferro alloys

such as ferro silicon manganese, ferro manganese and ferro silicon, etc. The entity is currently held and managed by Mr. Subba Rao Guttula and Ms. Sujata Katuri.

Key financial indicators (audited)

TMME (standalone)	FY2024	FY2025
Operating income (OI)	97.8	112.2
PAT	0.5	0.5
OPBDIT/OI	1.3%	1.3%
PAT/OI	0.5%	0.5%
Total outside liabilities/Tangible net worth (times)	3.6	4.3
Total debt/OPBDIT (times)	7.9	8.0
Interest coverage (times)	1.5	1.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Mar 09, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Dropline overdraft	Long term	1.12	[ICRA]B+ (Stable)	-	-	-	-	-	-
Fund-based – Cash credit	Long term	7.88	[ICRA]B+ (Stable)	-	-	-	-	-	-
Unallocated limits	Long term	11.00	[ICRA]B+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Dropline overdraft	Simple
Long term – Fund-based – Cash credit	Simple
Long term – Unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Dropline overdraft	NA	NA	NA	1.12	[ICRA]B+ (Stable)
NA	Long term – Fund-based – Cash credit	NA	NA	NA	7.88	[ICRA]B+ (Stable)
NA	Long term – Unallocated limits	NA	NA	NA	11.00	[ICRA]B+ (Stable)

Source: Company

[Please Click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Vilasgaram Nandakishore

+91 40 6939 6407

vilasgaram.nandakishore@icraindia.com

Uday Kumar

+91 124 4545 867

uday.kumar@icraindia.com

RELATIONSHIP CONTACT

L Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

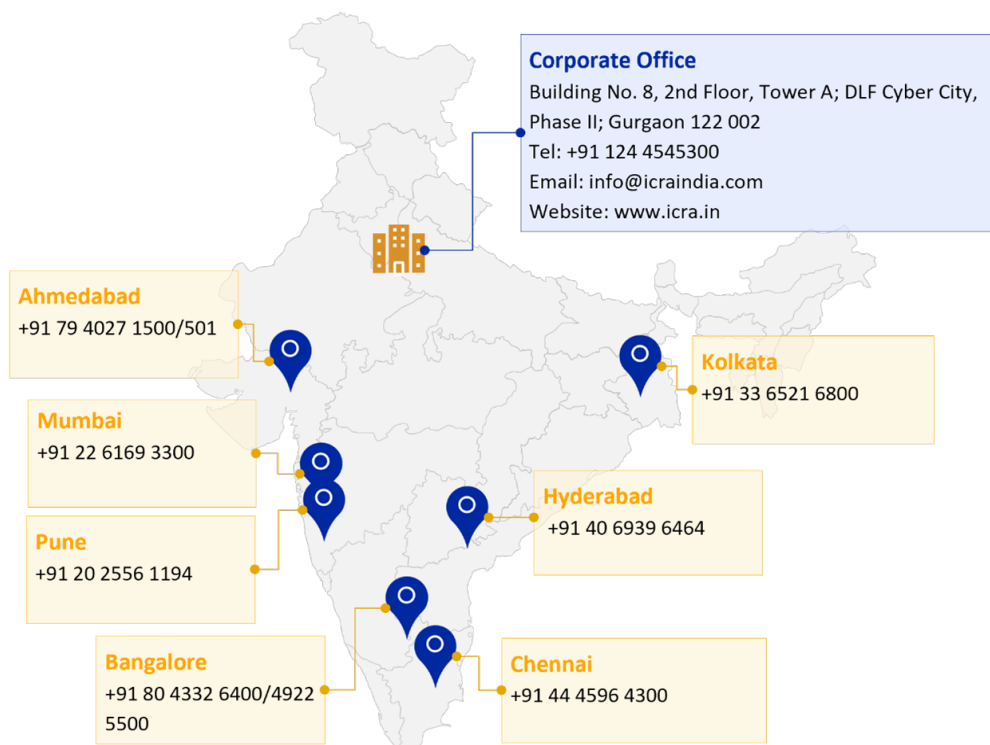


Registered Office

B-710, Statesman House 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.