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Chapter 4

PHYSICAL PERFORMANCE OF MMTC

4.1 Introduction

The main objective of MMTC is to undertake and carry on a growing export trade for the country on profitable terms. This chapter examines this objective by evaluating the physical performance of MMTC and assessing whether or not it has contributed to an increase in the Indian exports. The subject matter therefore, is the trade of the Corporation itself and the methods it has adopted in the execution of its business and to examine the contribution of MMTC in diversification of markets and products in India's foreign trade.

MMTC's physical activities include commodity imports, exports of primary and manufactured products, third country trading and counter trade, acting as agents and representatives for domestic producers, bulk trade of raw materials, providing trade services, insurance, shipping, transportation and warehousing to Indian exporters, participating in joint-ventures and investing in mining, manufacturing and trading activities in related businesses. Its activities are expanding in the areas of production, distribution, trade and technology transfer. It offers a broad range of services for major business ventures; feasibility studies, mobilization of resources, organizing suppliers and equity participation in projects.
The process of liberalization initiated in 1991 brought with it the decanalisation of a number of exports and import items dealt with by MMTC. Due to the decanalisation of non-ferrous metals and fertilizers (starting from August 1991), major changes took place in the operations of the company. In a period of eighteen months, from 1991 to 1993 eighteen items were decanalised leading to a loss of over 80 per cent of the company’s traditional business. In order to compensate further loss of business, MMTC decided to diversify into new areas of activities. This has necessitated a redefinition of business, re-engineering of the corporation and its style of functioning.

Competition became severe and there was an immediate threat to the traditional lines of business as the trade in these items became free for all. To respond to this completely changed business environment surrounding MMTC, the company quickly converged its focus to consolidate the traditional and core business lines like, minerals, metals, and fertilizers. To complement consolidation and support expansion, diversification into new areas, like agro, precious metals, coal and hydrocarbon were initiated. Further, to strengthen sustainability of business, special focus was given for expansion of trade-related infrastructure like, warehouses, distribution/retail outlets. It also adopted a market-oriented style of reorganization of foreign offices. A comprehensive infrastructure for bulk cargo handling, well developed arrangements for rail and road transportation, warehousing, port and shipping operations gives MMTC complete control over trade logistics for export and import of over 15 million tonnes of bulk products annually.
MMTC, with its vast experience in procuring, marketing and selling of various minerals, metals and other commodities in domestic and overseas markets, is the sole and exclusive agent for procurement of all raw materials and services for NINL and KMCL; as also the sole and exclusive agent for marketing and sale of all the products in India and abroad.

The operations of MMTC cover a wide portfolio of bulk products and are divided under the following major divisions: fertilizer and fertilizer raw materials, coal and hydrocarbons, minerals and ores, agro products, non-ferrous metals, precious metals, gems and jewellery, etc. These divisions contribute substantially to the turnover and gross trading profits of MMTC. Other than these, the company also carries out general trading operations in drugs and chemicals, engineering equipments, building materials, etc. All its trading activities are effectively carried out through various mechanisms like counter trade, barter trade, joint venture and third country trade.

MMTC is equipped and dedicated to delivering International Trade solutions to suppliers and buyers. Its solutions are designed to meet specific requirements of their associates. At MMTC, the Business Development Group provides a package of services to the exporters and importers in order to help them make the most of the business opportunities. The Business Development Group also specializes in developing special business deals like barter or counter trade, third country linked buying/selling mechanism. For that matter they design a package to suit their customers totally.
For many organizations, selling products and services by exporting them to markets and procuring raw materials at competitive rates from established markets is a valuable way of expanding the business. Whatever support a business needs, MMTC Limited has both the expertise and the resources. Today, the supplier can compete abroad without risk on equal terms with local business.

MMTC specializes in identifying prospective importers or buyers to facilitate promotion of trade and business in SAARC, LAC and CIS countries. It generates export enquiries by participating in Buyers-Sellers Meet, Trade Shows and through MMTC contacts. The Business Development Group collects and disseminates information on the international trade environment and helps trading companies to understand changes in global business conditions. They also conduct research and surveys on domestic and overseas economic conditions to help Commodity Divisions at MMTC to adapt to the changing economic environment. Associates approach MMTC with their problems in international trade and in exchange they offer solutions to develop MMTC’s business – a truly mutually rewarding deal.

All operations of MMTC are controlled through its corporate office at New Delhi. Besides, it has twelve regional offices at Ahmedabad, Bangalore, Bellary, Bhubaneshwar, Calcutta, Chennai, Delhi, Goa, Hyderabad, Mumbai, Nalda and Vizag and 77 sub-regional/field offices throughout India. All trading operations are carried out through 13 ports at Calcutta, Chennai, Cochin, Goa, Haldia, Kandla, Karwar, Belekeri, Mangalore, Mumbai, Paradeep, Redi and Vizag. In all, the company’s
A countrywide domestic network is spread over 85 regional, sub-regional, port and field offices, warehouses and procurement centers.\textsuperscript{1}

4.2 Trading activities of MMTC

MMTC has been trading in various commodities to facilitate the foreign trade of our country. Diversification in various commodities has been more so after liberalization in order to face the severe competition from other organizations. MMTC deals in the physical movement of many diversified commodities that are described further in this chapter:

4.2.1 Fertilizers

Being the world’s second largest importer of Fertilizers and the biggest in India, MMTC has become a major fertilizer marketing company in India. It has over three decades of fertilizer handling experience in importing in bulk and affecting High seas sale for fertilizer majors. It handles about one million tonnes of various types of fertilizer and fertilizer raw materials per annum. MMTC has leading edge in sourcing, procuring and distribution of fertilizers in India and neighbouring countries. MMTC does sourcing from established suppliers worldwide, securing competitive prices through bulk buying. It has strong links with state marketing agencies and a wide network of distribution channels for timely delivery and after sales service. It has large warehousing facilities having proximity to railheads and well-controlled

logistics for movement of goods. The company also has domestic marketing of fertilizers under the MMTC brand. A team of professionals with experience of over three decades handles its import and sale of fertilizer.

MMTC imports finished fertilizers like Urea, Di Ammonium Phosphate (DAP), Muriate of Potash (MOP) and raw materials like Sulphur, Rock Phosphate, Phosphoric Acid, Liquid Ammonia and Ammonium Sulphate in bulk on full/part shipload basis. Imports (purchases) are centralized through corporate office in New Delhi. They are made on global tender basis, long-term contract basis and also on FOB and C&F basis. The finished fertilizers are then supplied to customers in India on high seas or ex-jetty basis. Ex-plot/Ex-godown sales are also made subject to availability. Secured credit is also provided against letter of credit and bank guarantees.²

4.2.2 Coal and hydrocarbon

Energy is an essential requirement for economic development and a prerequisite for improving quality of life. The demand for hydrocarbon in the country is growing at the rate of 6.5 per cent to 7 per cent per annum and India already is the eighth largest consumer and is expected to be the fifth largest consumer in the next twenty years. This sector no doubt is going to throw open several opportunities to both Indian and foreign companies in all segments of hydrocarbon industry and MMTC is emerging as one of the top players in this sector.

²Annual Report of MMTC 1997-98
Coal and hydrocarbon is one of the core business areas for MMTC. The total business was in the range of Rs. 2328 million during 2000-01, which increased up to Rs. 2707 million during 2001-02.

MMTC could withstand the stiff competition by its continuous and persistent efforts in diversifying markets, offering value added services to its existing customers, enlarging the product range and customer base, expanding extensively its infrastructure facilities, using its expertise in trading and by attaching utmost care and importance to its trade commitments as also to quality service and product.

There are certain strengths of MMTC, which make it a strong player in this sector like:

- MMTC has a strong business relationship with the leading coalmines and reputed suppliers of the various coal and hydrocarbon products. MMTC maintains a list of suppliers after ascertaining their credentials and this list is continuously updated.

- MMTC has a comprehensive infrastructure for bulk cargo handling with well developed arrangements for rail and road transport, warehousing, port and shipping operations which gives complete control over trade logistics.

- MMTC is the biggest bulk carrier in the country after IOC and handles around 20 million tonnes of cargo per annum.

- MMTC has been importing non-coking coal continuously for the power plants under long-term contracts.
The following Table 4.1 provides the details of coal and petroleum products and their main end users:

**TABLE 4.1**

**Coal and petroleum and end users**

<table>
<thead>
<tr>
<th>PRODUCTS</th>
<th>END USERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Coking (Steam)</td>
<td>Power Plants, Cement, Paper Industry</td>
</tr>
<tr>
<td>Coking Coal</td>
<td>Coke Making</td>
</tr>
<tr>
<td>Naphtha</td>
<td>Petrochemicals/Fertilizers</td>
</tr>
<tr>
<td>Superior Kerosene Oil</td>
<td>Cooking fuel/Illumination</td>
</tr>
<tr>
<td>Coke</td>
<td>Steel Industry, Foundries</td>
</tr>
<tr>
<td>Paraffin Wax</td>
<td>Candle, Textile and Aluminium Industry</td>
</tr>
<tr>
<td>Furnace Oil</td>
<td>Power, Fertilizer Plants</td>
</tr>
<tr>
<td>Bitumen</td>
<td>Road Paving/Insulation/Paints</td>
</tr>
</tbody>
</table>

MMTC is doing good business in non-coking (steam) coal, low ash metallurgical coke, superior kerosene oil (SKO), naphtha, bitumen, etc. Some of the products that MMTC plans to add to its profile are furnace oil and coking coal. MMTC is catering to the requirements of various customers, inclusive of state electricity boards and power utility companies with whom MMTC has long term supply arrangements. Most of the SEBs is nowadays going in for imported coal because of the techno-economic considerations. The quality of imported coal is superior in terms of higher GCV, which leads to several advantages such as lower costs and environment friendly power generation.
For Neelachal Ispat Nigam Limited, Duburi, Orissa which is being promoted by MMTC, LAM coke is being imported on a regular basis for the operation of its blast furnace. Arrangements are also in process for import of coking coal for captive use of company M/s Konark Met Cole Limited, which is also promoted by MMTC.

SKO, naphtha, bitumen, Paraffin wax are some of the hydrocarbon products, which MMTC is importing to meet the specific requirements of buyers and is doing good business. The supplies are arranged by MMTC either on high seas sale basis or delivery at the doorstep of the buyer.

MMTC aims to be a leading world-class company in hydrocarbons and energy related sectors and achieve international standards of excellence with focus on customer delight through value of products and services. MMTC has also joined hands with oil major in India for parallel marketing of SKO, paving yet another avenue for growth potential in this area.³

4.2.3 Minerals

For MMTC Limited, India’s first Super Star Trading House, success is the outcome of the vision to sustain growth. MMTC received CAPEXIL (Chemical and Allied Products Export Promotion Council) Award for the highest mineral export for the eleventh time in a row in 2001-02, symbolizing their commitment to the mineral industry. It continues to be the country’s leader in mineral export for four decades redefining standards of global excellence by customer satisfaction worldwide. During

³Annual Report of MMTC 1999-00
the last decade, MMTC could withstand the stiff competition in the world market by its continuous and persistent efforts in diversifying its markets, enlarging its product range, expanding extensively its infrastructure facilities and expertise in mineral operations, and by attaching utmost care and importance to its trade commitments and also quality service and product.

MMTC has moved to another direction that is, to enhance its competitiveness in the area of value addition. Apart from encouraging iron ore suppliers to mechanise production it also includes setting up of crushing and screening plant to source higher value realization. MMTC has set up crushing and screening unit in Bellary-Hospet sector in Karnataka. Supply of iron ore lumps and fines to the MMTC promoted steel plant in Orissa (NINL) would provide further fillip to value addition to minerals.

The company has also taken an initiative to link import of capital equipments required for modernizing mining activities in the country and promote export of minerals. The import of the earthmoving equipments was linked to export of iron ore under EPCG scheme.

As the single largest exporter of minerals from India, MMTC is widely recognized as a major foreign exchange earner, and is a major global player in the minerals trade. With its comprehensive infrastructure facilities and expertise to handle bulk mineral operations it provides full logistics support from procurement, quality control to guaranteed timely deliveries of minerals from different ports, through a wide extensive network of regional and port offices in India, as well as its international subsidiary and foreign offices.
MMTC has managed with commendable élan bulk operations spread across far-flung areas in the mineral rich states of the country, handling more than 1391 crores in 2001-02 making MMTC the largest supplier of minerals and ores with extensive network of infrastructure facilities. MMTC continues to be the largest supplier of iron ore handling more than one third of India’s total exports valued over Rs.1236 crores in 2001-02.¹

MMTC is synergising its core strengths by diversifying into setting up of a steel plant and a coke oven battery ten fold value addition to iron ore, which will also become a national asset in the year to come with its strength, infrastructure and source base. Its marketing thrust in traditional markets like Japan and South Korea and new emerging markets like China, Middle East and Pakistan reinforce MMTC’s drive for excellence.

Close interaction with users to quickly translate their requirement into products and services, meeting buyer aspiration in terms of quality and price with a variety of grades available for shipment from various ports from India has helped in improving its market share successively over the years. There has also been a shift in the demand pattern with users preferring to go for low value input costs which commensurate with advancement technology. This has made some low and medium grades of iron more attractive to buyers. MMTC was quick to locate such potential demand linking it with economically viable sources of iron ore supplies in India and its corresponding logistic arrangements.

¹Annual Report of MMTC 2002-03.
MMTC has recently switched over from ‘run of mines’ grade of iron ore of sized lumps in order to cater to the requirements of buyers like, Japanese Steel Mills and POSCO of South Korea. It has signed a fresh long-term contract with Japanese Steel Mills and Poshang Steel (POSCO) of South Korea. Commencing from 1st April 2001 for the next five years, MMTC and Kudremukh would supply iron ore to the Japanese Steel Mills covering a quantity of 5.3 million tonnes to 9.3 million tonnes annually. Another Memorandum of Understanding was signed for the next long term contract with POSCO from FY 2001 – FY 2005, with an annual quantity to range from 2.0 to 2.8 million tonnes.\(^5\)

Going up the ladder of value addition to meet international standards, MMTC has moved ahead from its position as supplier of ‘run of mine’ lumpy iron ore to sized lumps. Such a move presupposes stringent quality control and unrelenting attention on monitoring, sourcing, moving and shipping of the product. MMTC is living up to the expectations of the buyers in delivering the products to the total satisfaction of the end users. MMTC achieved a turnover of US $ 260 million towards export of iron ore despite stiff competition in the international market from Iron ore suppliers of Australia and Brazil.

The items of mineral trade are:

- Iron ore
- Manganese ore
- Chrome ore

• Others like mud chemicals, barytes, bauxite, talc, gypsum, feldspar, quartz/silica sand, garnet sand, kaolin (China Clay), vermiculite.

At all the loading ports, MMTC ensures proper receipt, stacking, quality control and delivery of the cargo into the vessels for shipment. All ports are equipped with mechanical loading facilities. The entire arrangement guarantees delivery of minerals and ores contracted in continuous manner throughout the year.

MMTC exports Iron ore to Japan, South Korea, China, Pakistan, Middle East, Thailand, and Romania. The export is both on the basis of long term and annual spot contracts. As a major marketing company for Indian minerals, MMTC has developed capacities and skills for identifying business opportunities, entering into negotiations, bagging contracts and backing the same by sourcing the materials required and co-ordinating with various agencies for successful execution of orders.  

4.2.4 Agro products

MMTC is a global player in the Agro trade, with its comprehensive infrastructure expertise to handle agro products. MMTC provides full logistic support from procurement, quality control to guaranteed timely deliveries of agro products from different parts of India through a wide network of regional and port offices in India and its contacts abroad. It is a reliable established supplier/buyer having over three decades of experience in the trade. It does exporting/importing in bulk and

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sourcing from established suppliers. It secures competitive prices through bulk buying and has strong links with government and state marketing agencies. It is recognized as the best quality supplier of Agro products having large warehousing facilities with proximity to railheads and ports.

Amongst the leading Indian exporters and importers of Agro Products MMTC's basket of agro commodities include rice, wheat, wheat flour, soyabean meal, soyabean oil, pulses, sugar, cotton, castor seed, rapeseed, sesame seed, onion, potatoes, lentils, fresh fruits and processed foods. MMTC also undertakes extensive operations in oilseed extraction, from the procurement of seeds to the production of de-oiled cake for exports as well as the production of edible oil for domestic consumption. As a major trader of edible oil, MMTC sells imported crude Palm oil to Vanaspati manufacturers/dealers and Palmolein to traders in India.

MMTC offers various varieties of non-basmati rice, raw/white and parboiled varieties, with broken percentages ranging from 5 per cent to 25 per cent, depending upon the buyers' requirements. MMTC sources the rice from its associate suppliers/millers from states of Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, Andhra Pradesh, etc., keeping in view the preferences of the buyers. Strict quality control is maintained at all levels of operations, viz. at the milling and packing level and also at the time of shipment at the load port. MMTC have in the past successfully supplied rice to many countries like Bangladesh, Indonesia, Sri Lanka, Philippines, Middle East and Africa, through ports at Kandla, Karnataka, Vizag, Chennai etc.
MMTC has been one of the leading traders (earlier exporter and presently importer) of wheat in India. It supplies wheat-milling variety for import into India and Durum wheat from India for exports. It has also established itself as a major sugar importer for India. Sugar is imported from reputed international suppliers at most competitive prices. MMTC has also exported sugar to various destinations around the globe.7

4.2.5 Metals

MMTC is India's single largest trader of metals handling about 75,000 tonnes of non-ferrous metals concentrates per annum. MMTC's share of import in India's import of refined base non-ferrous metals in terms of value is about 20 per cent. MMTC's imports of all non-ferrous metals, industrial raw materials, minor metals, steel and concentrates are centralized at corporate office in New Delhi and the sales are effected through various sale centers located all over India.

MMTC purchases quality material conforming to international specification. Its customers include institutional buyers who are accredited with ISO-9000 certificate. Quality certificate from producer/LME-approved assayer is essentially a part of MMTC's purchase contract.

Non-ferrous metals imports have been a key area of MMTC's import operations. MMTC is India's largest seller of imported Non-ferrous metals, viz copper, aluminium, zinc, lead, tin, nickel magnesium, antimony, silicon mercury, and

also Industrial raw materials like asbestos, steel and its products. MMTC offers London Metal Exchange index prices for non-ferrous metals for delivery and 'off the shelf' and also as per the customer's requirements and needs.

MMTC sources its metals from empanelled suppliers including producers and traders throughout the world. Criteria for empanelment of suppliers are as follows:

i. Producer, or

ii. Ring Member or Associate Member of LME, or

iii. If not a producer or Ring Member or Associate Member of LME, then the prospective supplier should:
   a) have handled metals for the last three years with a company turnover of at least US $100 million per year; and
   b) be a profit-making company for at least three years out of the last five years with satisfactory bank reference.

iv. Metal traders linked to producers with exclusive producer backing/selling rights/mining equity along with satisfactory bank reference are also considered, subject to their providing suitable authority letter addressed to MMTC by the producer(s).

With liberalization in policies enabling hedging operations by Indian companies at overseas exchanges, MMTC is already hedging in Nickel and is fully geared up to position itself as a key player in hedging operations in India.
MMTC’s in-house Dealer Room monitors Real Time information on LME prices of all base non-ferrous metals and currency fluctuations. They also provide support services on market intelligence to their customers in case they want to price material on their own. An expert team of professionals handles MMTC’s import and sale of non-ferrous metals. MMTC also imports its material on flexible quotational period on daily LME price basis. It has geared up to hedge its import of non-ferrous metals on the LME.

MMTC is the first international trading corporate to obtain RBI’s approval for hedging in base non-ferrous metals through LME. Now that RBI has permitted hedging for various products through international commodity exchanges, MMTC hedges non-ferrous metals on the LME through futures and options. The benefit of hedging is also passed on to the customers if so desired by them.

MMTC generally imports non-ferrous metals from its suppliers on Cash Against Documents basis. It enjoys excellent credibility amongst all suppliers and buyers as it keeps its commitments even in the wake of adverse market conditions. The customers have options for purchase like, high seas basis, ex-godown basis and ex-bond basis. MMTC caters to all size lots from a low 0.5 MT to high as desired by the customer. MMTC imports metals with spilt bill of lading to cater to the needs of small customers who want to buy on high seas basis.8

4.2.6 Precious metals/Gems and Jewellery

MMTC is India’s largest importer of precious metals like gold and silver and is the single largest bullion trader in Indian Sub-continent. It supplies gold on loan basis to the bullion traders and jewellers in India at international rate of interest to help jewellers and artisans to overcome their working capital requirement. MMTC covers risk through forward trading. It exports gold and studded jewellery through exclusive jewellery exhibitions abroad. MMTC operates a retail jewellery showroom at Bandra-Kurla complex in Mumbai and an exclusive duty-free jewellery store in the departure lounge at Sahar International Airport, Mumbai. The company supplies hallmarked gold and studded jewellery as per international standards and has an in-house Assaying and Hallmarking unit at New Delhi for testing the purity of gold and gold ornaments.9

MMTC received the BIS certification for its Assaying and Hallmarking unit at Jhandewalan jewellery complex, New Delhi and its domestic jewellery showroom at Mumbai. It has a plant in New Delhi for manufacturing its own brands of gold and silver medallions. It has also launched its brand of Sterling Silverware ‘SANCHI’ in the domestic market.10


MMTC has a vast international trade network, which includes a wholly owned international subsidiary in Singapore, as well as 2 international offices in Tokyo and Dubai, and spans more than 85 countries across Asia, Africa, Europe, Oceania and America, thus, giving a global market coverage.

MMTC has a comprehensive infrastructure for bulk cargo handling, with well developed arrangements for rail and road transportation, warehousing, port and shipping, operations, giving a complete control over trade logistics, both for exports and imports. The company's countrywide domestic network is spread over 85 regional, port and field offices, warehouses and procurement centres.11

4.2.7 General Trading

MMTC undertakes general trading in the following:

➢ Chemical, drugs and pharmaceuticals

MMTC offers a wide range of chemicals produced in India in the most modern plants confirming to international standards. It deals in:

- Organic Chemicals
- Inorganic Chemicals
- Dyes and Intermediates
- Drugs and Pharmaceuticals

MMTC meets the requirements of local associates by way of imports of chemicals and raw materials in bulk through its well-established network of overseas associates, as required by the local industries for sale on high seas basis as well as ex-godown basis. It is always on a look out for Indian as well as foreign partners for production of pharmaceuticals and chemical products in India by way of joint venture.

➤ **Timber**

MMTC imports and supplies all varieties of timber, sawn lumbers from overseas market and exports forest products. Some of the major items are as follows:

- **Import**
  - Teakwood – *Tectona Grandis*
  - Tropical Hard woods – Salegan Batu, Keuring, Kapur, Meranti Logs
  - Softwoods – Spruce, Pine, Fir, Cedar
  - Sawn Lumber – To specific size, specie and specifications
  - Wood wastes, Wood pulp and Wood chips
  - Plywood and Particle Board

- **Export**
  - Minor Oilseeds
  - Oleo Resins Extracts
  - Plant Based Dyes
  - Essential Oils – DMO, Eucalyptus Oil
  - Senna Leaves and Extracts
  - Wood Free Particle Board
➢ **Textiles**

MMTC exports raw cotton, cotton yarn and also readymade garments, which include woven men's and ladies' wear. MMTC is one of the leading organizations for import of Mulberry Raw Silk of different grades, which is then sold in manufacturing centers of silk in India. It imports Spandex Yarn, raw cotton and raw silk in different deniers for use in manufacture of knitwear.

➢ **Building material**

MMTC deals in about 80 major varieties of dimensional stones (granites), marble and other stones. It organizes their procurement and processing to desired standards, sizes, finish, etc. It handles procurement and export of stones in large volumes on continuous basis with consistency in block forms for gang saw size and other sizes. The company also has the strength in processing processed slabs and tiles in desired sizes and thickness with polishing, chemfuring, etc. as per international standards. MMTC is also involved in procurement and export of cobblestones and boulders. Apart from this, MMTC also deals in clinker and cement with strong and reliable supply base.

➢ **Processed food**

MMTC selectively deals in exports of various processed foods. Some of these are indicated below:

- Mushrooms – white button (canned, wholes and stems/pieces)
- Milk products – skimmed milk powder (SMP), whole milk powder (WMP)
- Guar Gum
➢ Engineering products

Engineering products exported by MMTC are, conveyor belts, line hardware, conductors, transformers, generator sets (diesel), diesel engines, pump sets, transport equipment, lab equipment, etc.

➢ Security equipments

MMTC encourages small and medium units spread across various clusters in these sectors and develop exports to selected overseas markets. In addition deemed export opportunities financed by various funding agencies are also tapped by MMTC. It also extends support to suitable small manufacturing enterprises to meet their raw material requirement and selectively provides financial assistance for developing exports and domestic markets. It arranges imports of various security equipments from reliable manufacturers overseas and supplies these to various military/parliamentary and police departments. It also supplies various equipments needed by telecommunication companies and supports domestic business in this area. All the products offered by MMTC have established their quality and reliability with the end users.

➢ Marine Products

MMTC offers a whole range of delectable, high quality seafood products. With the help of latest technology and vigorously tested methods, high quality products are procured, peeled and packaged at different centers in India and distributed all over the world. Constant laboratory check at every stage of processing makes sure that only superior quality seafood from MMTC that meets higher
international standards reaches consumers world wide. This is both in raw and cooked form.

The processing facilities have been developed and equipped with the latest blast/trolley/plate freezers. Top of the line IQF food freezing equipment with automatic continuous cooking lines have enabled MMTC to combine the tradition with modern and state-of-art technology to provide the best to the customers worldwide. Following are some of the product range offered by MMTC:

Various types of Shrimps:

- Black Tiger Headless Shellon
- White Headless Shellon
- Peeled and Undeveined
- Black Tiger Headon Shellon
- White Headon Shellon
- Peeled & Deveined

Various types of Squids:

- Squid Whole
- Squid Tubes Whole Cleaned
- Squid Rigs
- Squid Tentacles
Various types of Cuttle-Fish:

- Cuttle-Fish Fillet
- Whole Cleaned Cuttle-Fish
- Tentacles
- Silver Pomfret

Various types of Ribbon Fish:

- Whole, Cut, Filleted

4.3 Neelachal Ispat Nigam Limited (NINL)

Neelachal Ispat Nigam Limited (NINL), a company promoted by MMTC Limited, Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL) and MECON Limited has set up an Iron and Steel Plant, with manufacturing capacity of 4,92,000 tonnes of Pig Iron, 2,76,000 tonnes of billets and 3,00,000 tonnes of Wire Rods at Kalinga nagar industrial complex, village Duburt, District Jajpur, Orissa. The plant has commissioned its Blast Furnace and is producing about 5,00,000 MT Pig Iron which is being sold domestically as well as in the international market. The plant site has tremendous location advantage with proximity to Iron ore mines, seaport, railway network and express highway.

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To meet the Coke and Power requirements of Neelachal Ispat Nigam Limited, MMTC has promoted another Joint Venture company namely Konark Met Coke Limited in collaboration with IPICOL and Orissa Mining Corporation (OMC), to produce 5,75,000 tonnes of coke for NINL Limited and 2,36,000 tonnes of coke for sale in domestic and overseas markets. The capacity of this Power Plant is 62.50 MW.

Over the years MMTC has become the acknowledged market leader in facilitating export of Indian Iron Ore. Today, MMTC Limited is India’s largest exporter of minerals and ores, handling about one third of India’s total exports around 15 million tonnes per annum. Neelachal Ispat Nigam Limited (NINL) and Konark Met Coke Limited (KMCL) form part of MMTC’s strategic initiative of creating synergy between its minerals and metal trading activities.

Neelachal Ispat Nigam Limited represents a major investment by MMTC to develop captive supply sources of minerals and metal for enhancing exports and increasing domestic trading activities and at the same time realizing greater value addition for Orissa’s vast mineral wealth. Besides, MMTC as the executive marketing agent uses its strength and presence in global markets to market all of NINL’s products in India and abroad.

MMTC’s contribution as the main promoter starts with procurement of raw materials like iron ore and coal, to closely monitor the eventual manufacture and supply of finished products that meet the diverse requirements of end users for quality products. It has made an attempt to provide the consumer industries with a market
savvy, innovative and flexible product mix and be in virtual control of the entire value addition chain.

4.4 Konark Met Coke Limited (KMCL)

MMTC has set up a 1.1 million tonnes steel plant with a 55 MW captive power plant in Konark Met Coke Limited in Orissa. It has set up Coke Oven Battery, By-Product Plant and Captive Power Plant adjacent to NINL. Low Ash Metallurgical Coke produced by KMCL is sold to NINL for production of Iron and Steel and surplus coke is sold in domestic and overseas markets.

MMTC undertakes the responsibility of marketing the plant’s products like pig iron, steel wire rods, steel billets through its wide network in the Indian and overseas markets and also source raw material for the plant. It is the sole and exclusive agent for procurement of all raw materials and services, marketing and sale of all the products of NINL and KMCL in India and abroad.

The principal users of NINL-KMCL products, both main and by-products, are mini steel plants, casting and foundry units, forging and rolling mills, wire drawing industries, fabrication and manufacturing units e.g. wire ropes, electrodes etc., construction and house building, cement plant chemical industries and other such allied sectors.

Marketing and production teams in MMTC, NINL and KMCL aim, face to face and a personalized approach, to stay in tune with the customer’s perspectives and
give them comprehensive customer support in their businesses. At the same time, it is their commitment to work closely with society to sustain the environment and to provide environment friendly products, by adopting cleaner technologies and recycling waste so as to ensure green and pollution free environment around vicinity of both the plants.\textsuperscript{13}

4.5 Conclusions

As MMTC pursues new and expanded activities, it will be its endeavor to develop business by promoting large-scale projects and demonstrate its comprehensive capabilities as the best business partner in this subcontinent and provide high quality service to its customers combined with professionalism and efficiency.

Though liberalization posed an immediate threat to the traditional lines of business and competition became severe, MMTC quickly converged its focus to consolidate the core business areas like minerals, metals and fertilizers. To complement consolidation and support expansion, diversification into new areas like agro, precious metals, coal and hydrocarbon were also initiated with added emphasis on expanding trade related infrastructure like warehouses, distribution and retail outlets.

\textsuperscript{13}Annual Report of MMTC 2001-02.
No doubt increased competition means higher pressure on margins and business success rates, but to deal with these challenges, the company has been putting greater emphasis on enhancing operational efficiencies and increased customer focus. As an organization, MMTC will continue to be customer driven. Profits in future will be influenced by the intention of the company to give customer value for money, improved responsiveness and providing specific and most appropriate solution to customer needs.

MMTC has made forays into various new products for value addition. It has been diversifying; establishing and expanding into new areas of core competency i.e., bulk handling. Coal and hydrocarbon and Agro have been identified as promising and new business areas having potential to make MMTC bigger and more profitable.

MMTC has reinforced its business setting a strong foundation for an accelerated growth in the years ahead. Strategic initiative and aggressive marketing efforts will be definitely well rewarded with an all round growth in the company’s performances amidst highly challenging operating environment driven by intense competition.