

## PRESS RELEASE

### CARE RATING ASSIGNS 'A; STABLE' RATINGS TO UTTAM GALVA METALLICS LIMITED AND UTTAM VALUE STEELS LIMITED

**Mumbai, 14 December 2021:** In under 12 months of being acquired under the Insolvency and Bankruptcy Code (IBC) by Nithia Capital (Nithia) – a global investments firm specialising in industrial turnaround – Uttam Galva Metallics Limited (UGML) and Uttam Value Steels Limited (UVSL) has secured a positive '**A; STABLE**' rating by CARE Rating, India.

The CARE Rating factors in measures taken by Nithia in turning around the entities, such as turnaround measures leading to increased profitability, comfortable capital structure, strong liquidity, revival in domestic demand, a sharp increase in realizations, and business integration of UGML and UVSL, which in combination have created substantial cash flow for both entities. This swift turnaround of the two loss making entities is a testament to the deep understanding and knowledge about the steel sector that the Nithia team possess.

Commenting on the milestone, Jai Saraf, Founder & CEO of Nithia Capital said, "We were confident about the prospects of UGML and UVSL from the very start. Our experience of reviving similar operations in other parts of the world helped us in identifying and deploying all the right measures to unlock the full potential of both entities, while the improvement in local market demand aided the opportunity. We continue to remain focused on the business operations and timely execution of capital projects."

Anil Bangur, CEO – Uttam Value Steels Ltd & Director – Uttam Galva Metallics Ltd said, "Though we were faced with a different set of industry challenges, we truly believed in our expertise to turnaround the company through a comprehensive cost and operational restructuring and a defined approach. The objective was to improve operational efficiency thus eventually leading to an increase in overall production."

The combined financials of the brands currently stand at:

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22 (P)
Total operating income	2,088.07	2,467.45	2,869.95
PBILDIT	22.39	328.76	768.13
PAT	-691.55	5,899.95	519.54
Overall gearing (times)	NM	0.36	0.31
Interest coverage (times)	NM	4.88	6.41

Added Jai, "We are excited about the future of UGML & UVSL and look forward to strengthening our investment pipeline in India to meet our vision of creating a consolidated steel operating platform of up to two million tonnes of steel production per year in the country."

Nithia and CarVal Investors completed the acquisition of UGML and UVSL for in excess of ₹2,000 crore in early 2021 after securing the approval of the National Company Law Appellate Tribunal (NCLAT). Nithia Capital acquired the entities through their Singapore-based Joint Venture Holding Company, Wardha Steel Holdings Pte Ltd.



### **About Nithia Capital:**

Founded in 2010, Nithia Capital (Nithia) is a global advisory and investment firm that specialises in turning around heavy asset-backed underperforming industries in steel, power, resources and allied industrials. Nithia is solutions-driven, with the highest standards of professionalism and decades of experience focusing on building successful businesses yet investing in leaving a clean environment for the future. Nithia has proven expertise and track record in transforming underperforming acquired facilities into world-class competitive, operationally and financially healthy and sustainable businesses. Backed by a globally experienced team looking to build an industrial portfolio in emerging markets, Nithia has the ability to bring in financial, operational and commercial experience to heavy asset backed industries.

### **About Uttam Galva Metallics Ltd (UGML) and Uttam Value Steels Ltd (UVSL):**

UGML & UVSL are integrated mid-size flat steel producers with an annual capacity to produce c. 0.7 million tons of crude steel. The facilities are strategically located in the centre of India near Nagpur with a captive railway siding, enabling reach to all major markets countrywide and proximity to key raw materials. UGML provides the hot metal/pig iron for UVSL and third parties to manufacture steel. UVSL manufactures steel from this hot metal to produce flat steel products such as hot rolled coil, cold rolled coil, galvanised coil and sheet.

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