

Uttam Value Steels Limited

October 9, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating ¹	Rating Action
Long-term Bank Facilities – (Term Loans)	0.00	-	Withdrawn
Long-term Bank Facilities – (Fund Based)	0.00	-	Withdrawn
Short-term Bank Facilities – (Non- fund based)	0.00	-	Withdrawn
Total	0.00		

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has withdrawn the outstanding ratings of CARE D; Issuer Not Co-operating assigned to the bank facilities of Uttam Value Steels Limited with immediate effect. The above action has been taken in view Uttam Value Steels Limited has been admitted in National Company Law Tribunal (NCLT) and Resolution Professional has been appointed for the company.

Analytical approach: Not Applicable

Applicable Criteria

[Policy on Withdrawal of ratings](#)

About the Company

Uttam Value Steels Limited (UVSL), previously known as Lloyds Steel Industries Ltd (LSIL), was incorporated on April 27, 1970 under the name of Gupta Tubes and Pipes. LSIL's steel plant was commissioned in 1995 in Wardha, Maharashtra. LSIL set up a rolling mill with an installed capacity of 1.00 Million Tonnes Per Annum (MTPA) of Hot Rolled (HR) coil along with Steel Melting Shop (SMS) to produce 1.08 MTPA of steel through Electric Arc Furnace (EAF) route. The downstream facilities include Cold Rolled (CR) coil mill (0.38 MTPA capacity) and Galvanized Plain (GP)/Galvanized Corrugated (GC) sheets/coil line (0.25 MTPA capacity). The engineering division located in Murbad, Thane, Maharashtra, is engaged in steel fabrication, design and manufacturing of heavy equipment for hydrocarbon, oil & gas, steel and power plants as well as executing projects on turnkey basis. In July 2012, Uttam group entered into an investment agreement with LSIL for allotment of 38 crore equity shares on preferential basis to raise its shareholding to 51.99% (currently at 46.12%) and provide the group with a controlling stake in LSIL for an additional investment of Rs.380 crore. Subsequent to the takeover, Mr. Rajinder Miglani and Mr. Anuj Miglani were appointed as Directors along with induction of key management personnel from Uttam group. UVSL directly feeds hot iron (liquid metal) produced by Uttam Galva Metallics Limited (UGML) in its steel making units leading to significant energy savings.

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	2,700.81	2,515.61
PBILDT	-81.35	32.50
PAT	-465.82	-627.54
Overall gearing (times)	-1.69	-1.10
Interest coverage (times)	-0.34	0.49

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

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

*Issuer did not cooperate; Based on best available information

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Non-fund-based - ST-Letter of credit	-	-	-	0.00	Withdrawn
Non-fund-based - ST-Bank Guarantees	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (09-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jan-18)
2.	Non-fund-based - ST-Letter of credit	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (09-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jan-18)
3.	Non-fund-based - ST-Bank Guarantees	ST	-	-	-	1)CARE D; ISSUER NOT COOPERATING* (09-Jul-19)	-	1)CARE D; ISSUER NOT COOPERATING* (23-Jan-18)

Annexure 3: Complexity level of various instruments rated for this Company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Non-fund-based - ST-Bank Guarantees	Simple
3.	Non-fund-based - ST-Letter of credit	Simple

Note on complexity levels of the rated instrument: CARE has 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.

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