



## Press Release

### Urjah Metallics Private Limited

November 17<sup>th</sup>, 2025

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
NCD (Proposed)	350.00	IVR BB+/ Positive [IVR Double B plus with Positive outlook]	-	Rating Assigned	<a href="#">Simple</a>
<b>Total</b>	<b>350.00</b>	<b>[Rupees Three hundred and fifty Crore only]</b>			

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

Infomerics Ratings has assigned the ratings to the proposed non-convertible debentures (NCD) of IVR BB+ with Positive outlook to Urjah Metallics Private Limited (UMPL).

The rating assigned takes into consideration the experienced management and the plant's locational advantage in terms of proximity to a large client base. Furthermore, the rating is strengthened by the full payment of outstanding ARC debt and improvement in the capital structure. However, these strengths are partially offset by intense competition prevalent in the industry and the working capital-intensive nature of operations.

The 'Positive' outlook reflects the improvement in the company's performance. Infomerics believes the company will continue to benefit from its strong operational track record, resulting in an increased scale of operations. "Additionally, the recent change in management is expected to be beneficial, as the new directors bring over 20 years of experience in the steel industry and possess strong, long-standing relationships with key clients.

Infomerics Ratings has principally relied on the standalone audited financial results of UMPL up to 31 March 2025 (refers to period April 1st, 2024, to March 31st, 2025) and projected financials for FY2026 (refers to period April 1st, 2025, to March 31st, 2026) - FY2028 (refers to period April 1st, 2027, to March 31st, 2028), and publicly available information/ clarifications provided by the company's management.



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### Key Rating Sensitivities:

#### Upward Factors

- Substantial & sustained improvement in revenue and profitability margins along with sustained improvement in the debt protection metrics.
- Increase in production capacity utilisation remaining above 75% on sustained basis for CRCA (Cold Rolled Closed Annealed) and CRFH (Cold Rolled Full Hard sheet).

#### Downward Factors

- Any significant deterioration in revenue and/or profitability margin.
- Any significant decrease in capacity utilisation remaining below 50% on sustained basis.

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Experienced promoters**

Urjah Metallica Private Limited (UMPL) is currently promoted by Mr. Ankur Saraf who has 18 years of experience in manufacturing industry particularly steel sector and other related fields. He is supported by highly qualified Directors collectively having more than 2 decades of experience in the steel industry. The experience of promoters and top management will support the business risk profile over the medium term.

- **Payment of outstanding debt of ARC as per LOA and recovery in capital structure**

Post takeover by the new promoters, the entire debt of Phoenix ARC was fully paid up in December 2024. Currently, company has Rs.50.00 debt of working capital line from Kotak bank comprising Rs.40.00 crore of purchase bill discounting and Rs.10.00 crore of dropline overdraft and the same is being serviced in timely manner.

UMPL has reported substantial increase in PAT and tangible net worth due to the full and final payment with Phoenix ARC (which acquired the debt from Omkara ARC) with the new promoters, the accrued interest was written back as extraordinary income in the P&L resulting in positive net worth and strong recovery in the overall gearing, which is stood at 0.34x as on 31<sup>st</sup> March 2025. Now, the recovery in the capital structure is allowing the company leverage



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to avail working capital lines which is expected to boost scale of operations as well as margins, thereby supporting an overall improvement in the financial profile.

- **Plant locational advantage in terms of proximity to large client base**

The plant is strategically located at Bawal Growth Centre, Rewari, Haryana, near the NH-8 Delhi–Jaipur Highway. This location enables the company to efficiently cater to demand from nearby industrial hubs such as Gurgaon and Manesar, which house numerous automobile and white goods manufacturers. This proximity to customers allows the company to conveniently meet Just-in-Time requirements for CRCA (Cold Rolled Closed Annealed) and other products.

### Key Rating Weaknesses

- **Intense competition prevalent in the industry**

The Indian steel industry is highly competitive due to large number of players, particularly in the downstream segment of the value chain. This segment, comprising structural steels, flat products, TMT bars etc attracts many players due to strong demand for these products while the investment is considerably lower as compared to a fully integrated steel plant. Additionally, there is threat of imports, particularly in the HRC, CRC sheet segment due to surplus capacity in other countries. Domestic manufacturers of flat products have to match the landed cost of steel which constrains margins. Further, It faces stiff competition from other organised players in the industry.

The steel industry is inherently cyclical in nature and strongly correlated to the economic environment. Further, large scale players benefit from the economies of scale while power costs and limited ability to control market prices constrain the profitability for small and mid-sized players. UMPL is expected to mitigate these risks by operating at near full capacity utilisation (CRCA -3,00,000 TPA & CRFH – 3,60,000 TPA) over near to medium term.

- **Working capital intensive in nature of operations**

The operations of the company are working capital intensive in nature. Over the years, on account of non-availability of working capital, company could not carry on its production at full capacity. The average production capacity utilisation for past three year stood at ~54% for CRFH (Cold Rolled Full Hard sheet) and ~52%for CRCA (Cold Rolled Closed Annealed).



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Further, it avails 60 days - 90 days credit facilities from its supplier for raw material at an interest rate of 18%-20% p.a.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

### **Liquidity – Adequate**

The company has adequate liquidity profile marked by sufficient cushion in gross cash accruals vis-a-vis its debt obligations. The company's bank limits are highly utilised to an extent of 98% for last 12 months ended October 2025. The current ratio of the company is currently weak at 0.68x as on March 31st, 2025 (against 0.71x as on March 31st, 2024), however expected to improve to 3.76x in FY26. The unencumbered cash and bank balance is Rs. 0.20 Crore as on March 31, 2025. Going forward, increase in scale of operations with sufficient availability of working capital will be a key monitorable to the rating.

### **About the Company**

UMPL was incorporated in 2012 by Mr. Pradeep Aggarwal and Mr. Vikas Aggarwal and started its commercial production in 2016. It has set up a wide width Cold Rolled Close Annealed (CRCA) manufacturing unit with a capacity of 3,00,000 TPA at Bawal, Haryana. CRCA (Cold Rolled Closed Annealed) sheets are used in industries such as automobile, white goods, drum and containers manufacturing, electronic components, cable tapes, cycles etc.

The product mix includes auto grade steels which had a good demand in the market. The location shall facilitate the company to cater to the demand of nearby areas like Gurgaon (60km) and Manesar (40 km).

**Financials (Standalone):**



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(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	1199.02	1275.50
EBITDA	22.24	32.80
PAT	-113.48	777.50
Total Debt	874.92	61.27
Tangible Net Worth	-597.05	180.41
EBITDA Margin (%)	1.85	2.57
PAT Margin (%)	-9.45	60.89
Overall Gearing Ratio (x)	-1.47	0.34
Interest Coverage (x)	0.20	3.22

\* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None.

Any other information: Not applicable

### Rating History for last three years:

Sr. No.	Name of Security Facilities	Current Ratings (Year 2025-2026)			Rating History for the past 3 years		
		Type (Long Term / Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	NCD (proposed)	Long Term	350.00	IVR BB+ (Positive)	-	-	-

### Analytical Contacts:

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### **About Infomerics:**

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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### Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned / Outlook
NCD (Proposed)	-	-	Year 1: 6% per annum — applicable from the deemed date of allotment until the completion of 12 months. Year 2: 8% per annum — applicable from the day following the end of Year 1 until the completion of 24 months from the deemed date of allotment. Post Year 2 until Final Settlement Date: 10% per annum — applicable from the day following the end of Year 2 until the Final Settlement Date.	Not confirmed yet*	350.00	IVR BB+ / Positive

\* The NCD is proposed and as per the repayment terms, repayment will be starting from 10th Quarter and will be completed in 20th Quarter.

### Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-urjah-metallics-nov25.pdf>

### Annexure 3: Detailed explanation of covenants of the rated Security/facilities:

Name of Instruments	Detailed Explanation
<b>Financial Covenants</b>	
Net Debt / EBITDA	Shall not exceed <b>4.25:1</b> , graded down to <b>3.50:1</b> in subsequent years
Interest Coverage Ratio	Shall not fall below <b>2.5:1</b>
Performance-linked Return	Interest reduced by <b>0.75%</b> on achieving FY27 budget and another <b>0.75%</b> on achieving FY28 budget and/or Net Debt/EBITDA < 3x
<b>Non-Financial Covenants</b>	
Governance Rights	Investor can appoint <b>2 nominee directors</b> , approve KMP hiring, auditors, and participate in asset monetization committee
Security Creation	Exclusive charge on all assets, pledge of 100% shares, personal & corporate guarantees, escrow mechanism for real estate cashflows

### Brief term sheet of NCDs for INR 350.00 crore

Particulars	Terms
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<b>Security Name</b>	Listed Non-Convertible Debentures (NCDs)
<b>Type of Instrument</b>	Secured, Redeemable, Non-Convertible Debentures
<b>Nature of Instrument</b>	Secured
<b>ISIN Number</b>	To be proposed
<b>Issuer / Obligor</b>	Issuer: Urjah Metallica Private Limited Pledgors: None
<b>Coupon / Interest Rate</b>	Year 1: 6% p.a.; Year 2: 8% p.a.; Year 3 onwards: 10% p.a.
<b>First Coupon payment date</b>	From 10 quarter after raising the NCD
<b>Security</b>	<ul style="list-style-type: none"> <li>- Charge on all immovable, movable, IP, current assets, and bank accounts</li> <li>- Exclusive pledge of 100% equity shares of Urjah Metallica &amp; GBCPL</li> <li>- Personal guarantee of promoters</li> <li>- Corporate guarantees from group entities</li> <li>- Mortgage over land parcels in Gurgaon</li> <li>- Escrow mechanism for real estate cashflows</li> <li>- Other mutually agreed security</li> </ul>
<b>Listing at</b>	To be listed
<b>Issue Size</b>	Up to INR 350 Cr (with additional INR 200 Cr at investor discretion)
<b>Quantity</b>	35000
<b>Face Value</b>	INR 1,00,000 per Debenture (assumed standard denomination)
<b>Redemption Premium</b>	Payable to ensure agreed IRR
<b>Frequency of payment of Interest</b>	As per structured schedule (Quarterly)
<b>Mode of Issue</b>	Private Placement
<b>Tenor / Maturity</b>	5 years (20 Quarter)
<b>Principal Amortization</b>	Principal amortization will be structured over 11 quarters, starting from Quarter 10, with progressive repayments as per Annexure I, culminating in full redemption by the end of Quarter 20.
<b>Minimum Application Value</b>	One Hundred Debenture bearing Face Value of INR 1,00,000 /- and in multiples of One Hundred Debenture (s) thereafter



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<b>Financial Covenants</b>	- Net Debt/EBITDA $\leq$ 4.25:1 (graded down to 3.50:1)
	- Interest Coverage Ratio $\geq$ 2.5:1
<b>Redemption amount</b>	Principal outstanding plus Redemption Premium
<b>Trustee</b>	To be appointed (Debenture Trustee to be finalized during definitive documentation)

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

