

SIGNING OF DEFINITIVE AGREEMENTS FOR SALE OF STEEL BUSINESS OF USHA MARTIN LIMITED TO TATA STEEL OR ITS SUBSIDIARIES

Kolkata, September 22, 2018: Usha Martin Limited (“UML”) hereby announces that it has today executed definitive agreements for sale of its steel business to Tata Steel Limited or its subsidiaries (“TSL”) through a slump sale on a going concern basis for a consideration being in the range of Rs.4300 crores – Rs. 4700 crores. The closing of this sale is subject to fulfilment of various conditions under the agreements, which are primarily regulatory, shareholders and the consent of our lenders. UML and TSL shall jointly work towards fulfilment of various conditions precedent agreed in the definitive agreements and will work expeditiously to complete the closing. All the employees pertaining to steel business will be transferred as part of the divestment and the sale proceeds will be applied first to repay existing lenders of UML. Post divestment of steel division and repayment of exiting lenders, UML will be able to operate a significantly deleveraged wire rope business, in which it is one of the leading global player.

The committee of Independent Directors of UML, that was authorised to oversee the sale process of the steel division, unanimously recommended to the Board the sale of steel business of UML to TSL. Upon deliberation, the Board of UML was pleased to approve the transaction, subject to fulfilment of various conditions precedent agreed in the definitive agreements. The divestment is part of UML’s commitment towards all its stakeholders.

SBI Capital Markets and Arpwood Capital acted as the financial advisors to Usha Martin Limited and Khaitan & Co. acted as the exclusive legal advisor.

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