



usha martin

Usha Martin Limited

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UML/SECT/

November 09, 2019

The Secretary
The BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400 001
[Scrip Code:517146]

Societe de la Bourse de Luxembourg
35A Boulevard Joseph II
L-1840, Luxembourg
[Scrip Code: US9173002042]

The Secretary
National Stock Exchange of India Ltd
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block,
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
[Scrip Code: USHAMART]

Dear Sir / Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at their meeting held today have approved and taken on record un-audited financial results along with segment reporting on consolidated and standalone basis for the quarter and half year ended 30th September, 2019.

As required under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, a copy of above un-audited results and Report of the Auditors on "Limited Review" of said financial results are enclosed for your ready reference and record.

The Board Meeting commenced at 1:45 P.M. and concluded at 05:25 P.M (IST).

Thanking you,

Yours faithfully,
For Usha Martin Limited



Rajeev Jhawar
Managing Director

Encl : As above

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Usha Martin Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Usha Martin Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. Emphasis of Matter

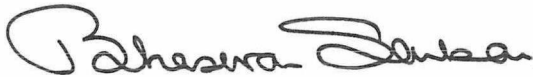
We draw attention to Note 8 regarding recoverability of book values of 130,63 lakhs (net of discounting impact of Rs 1,452 lakhs and impairment of Rs 809 lakhs) of moveable and immoveable assets including land and advances for land pertaining to Kathautia and Lohari coal blocks that were deallocated during an earlier year. We have been informed that various measures have been initiated by the management for timely realisation of the aforesaid amounts net of deposits already recovered subsequent to the quarter-end. Pending outcome of such measures, no adjustments to the financial results in this regard have been considered necessary by the management.

Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership No.: 055596

UDIN: 19055596AAAACH3530

Place: Kolkata

Date: November 9, 2019



Usha Martin Limited
Statement of Unaudited Standalone Financial Results for the quarter and six months ended 30th September, 2019

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	Quarter ended 30th September, 2019	Quarter ended 30th June, 2019	Quarter ended 30th September, 2018	Six months ended 30th September, 2019	Six months ended 30th September, 2018	Year ended 31st March, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Continuing Operations						
Revenue						
Revenue from operations	36,462	36,081	42,158	72,543	84,285	1,70,803
Other income	742	644	1,984	1,386	2,562	2,965
Total income	37,204	36,725	44,142	73,929	86,847	1,73,768
Expenses						
Cost of materials consumed	21,087	13,925	28,836	35,012	60,269	1,15,529
Purchases of stock-in-trade	1,175	144	151	1,319	249	519
(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade	601	7,944	(1,680)	8,545	(7,019)	(6,743)
Employee benefits expense	3,370	3,340	2,702	6,710	5,634	11,387
Finance costs	1,306	1,981	2,041	3,287	4,122	9,022
Depreciation and amortisation expense	688	680	707	1,368	1,408	2,810
Other expenses	6,264	6,167	7,214	12,431	12,863	24,844
Total expenses	34,491	34,181	39,971	68,672	77,526	1,57,368
Profit before tax for the period from continuing operations	2,713	2,544	4,171	5,257	9,321	16,400
Tax expense						
Current tax (MAT)	(792)	6,127	-	5,335	-	65
MAT credit entitlement	792	(6,127)	-	(5,335)	-	-
Adjustment of tax relating to earlier periods	-	-	-	-	-	227
Deferred tax charge/(credit) (Refer note 9 and 11)	1,267	15,868	-	17,135	-	(23,760)
Tax (income)/expense of continuing operations	1,267	15,868	-	17,135	-	(23,468)
Profit/(loss) for the period from continuing operations (a)	1,446	(13,324)	4,171	(11,878)	9,321	39,868
Discontinued operations (Refer note 7)						
Profit / (loss) for the period from discontinued operations before tax	211	50,436	(1,279)	50,647	(4,502)	(33,968)
Tax income/(expense) of discontinued operations	-	-	-	-	-	-
Profit / (loss) for the period from discontinued operations after tax (b)	211	50,436	(1,279)	50,647	(4,502)	(33,968)
Profit for the period [(c) = (a) + (b)]	1,657	37,112	2,892	38,769	4,819	5,900
Other comprehensive income						
(a) Items that will not be reclassified to profit or (loss)	(715)	55	367	(660)	372	(74)
(b) Tax benefit / (expense) on items that will not be classified to profit or loss	201	30	-	231	-	(86)
Total other comprehensive income for the period, net of tax (d)	(514)	85	367	(429)	372	(160)
Total comprehensive income for the period [(c) + (d)]	1,143	37,197	3,259	38,340	5,191	5,740
Paid-up equity share capital (face value of Re 1/- each)	3,054	3,054	3,054	3,054	3,054	3,054
Other equity as per balance sheet						20,039
Earnings per share (Rs.) (*not annualised) (Refer note 7 and 9)						
Earnings per equity share (for continuing operations) Basic and Diluted	0.47 *	(4.37) *	1.37 *	(3.90) *	3.06 *	13.08
Earnings per equity share (for discontinued operations) Basic and Diluted	0.07 *	16.55 *	(0.42) *	16.62 *	(1.48) *	(11.15)
Earnings per equity share (for continuing and discontinued operations) Basic and Diluted	0.54 *	12.18 *	0.95 *	12.72 *	1.58 *	1.93



Usha Martin Limited
Notes to Financial Results
1. Standalone statement of assets and liabilities

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	As at 30th September, 2019 (Unaudited)	As at 31st March, 2019 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	39,352	40,567
(b) Capital work-in-progress	1,206	877
(c) Intangible assets	704	831
(d) Financial assets		
(i) Investments	15,067	15,065
(ii) Loans	1,246	1,179
(iii) Other financial assets	4,097	2,710
(e) Advance income tax assets (net)	3,058	3,976
(f) Deferred tax assets (net)	12,277	23,846
(g) Other non-current assets	9,431	16,921
Total non-current assets	86,438	1,05,972
Current assets		
(a) Inventories	21,064	24,296
(b) Financial assets		
(i) Trade receivables	20,347	21,705
(ii) Cash and cash equivalents	234	620
(iii) Other bank balances	1,973	2,766
(iv) Loans	30	53
(v) Other financial assets	24,949	11,108
(c) Other current assets	5,430	3,348
	74,027	63,896
Assets held for sale	3,029	2,607
Total current assets	77,056	66,503
Total assets	1,63,494	1,72,475
Assets of discontinued operations classified as held for sale (Refer Note 7)	-	4,28,796
Total assets	1,63,494	6,01,271
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	3,054	3,054
(b) Other equity	58,380	20,039
Total equity	61,434	23,093
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	23,021	2,26,973
(ii) Other Financial liabilities	26	-
(b) Provisions	2,183	1,409
(c) Other non-current liabilities	2,389	1,675
Total non-current liabilities	27,619	2,30,057
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	12,025	66,256
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	123	7
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	27,887	21,828
(iii) Other financial liabilities	22,062	51,946
Current Tax Liabilities (Net)		
(b) Provisions	723	626
(c) Current tax liabilities (net)	2,264	175
(d) Other current liabilities	9,229	10,593
Liabilities held for sale	128	-
Total current liabilities	74,441	1,51,431
Liabilities of discontinued operations classified as held for sale (Refer Note 7)	-	1,96,690
Total liabilities	1,02,060	5,78,178
Total equity and liabilities	1,63,494	6,01,271



Usha Martin Limited
2. Standalone Statement of cash flows for the six months period ended 30th September, 2019

	(All amounts in Rs. lakhs)	
	Six months ended 30th September, 2019 (Unaudited)	Six months ended 30th September, 2018 (Unaudited) (Refer note 6)
A. Cash flow from operating activities		
Profit before tax from continuing operations	5,257	9,321
Profit /(loss) before tax from discontinued operations	50,647	(4,502)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	1,940	13,521
Gain on disposal of property, plant and equipment (net)	(1)	(867)
Finance costs	5,023	28,366
Bad Debts / advances written off	1,525	1,104
Allowance for credit impaired debts and advances (net)	123	2,082
Interest income on financial assets carried at amortised cost	(237)	(184)
Dividend income	(160)	(513)
Unrealised foreign exchange differences (net)	276	333
Liabilities no longer required written back	(808)	(1,270)
Reversal of discounting of financial assets	(1,135)	-
Profit on sale of Steel and Bright Bar Business undertaking	(56,620)	-
Operating profit before working capital changes	5,830	47,391
Working capital adjustments:		
Decrease / (increase) in inventories	642	(58)
Decrease / (increase) in trade receivables	1,413	(481)
(Increase) / decrease in loans and advances	(43)	1
(Increase) / decrease in other financial assets	28	209
(Increase) in other assets	(1,417)	(227)
Increase in trade payables	4,502	2,266
Increase in provisions	146	170
Increase in other financial liabilities	684	2,541
Increase in other liabilities	1,279	2,539
Cash generated from operations	13,064	54,351
Direct taxes paid	3,007	(113)
Net cash flows from operating activities	16,071	54,238
B. Cash flows from investing activities		
Purchase of property, plant and equipment	(480)	(1,106)
Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale	(563)	2,005
Proceeds from sale of Steel and Bright Bar business undertaking	2,75,306	-
Loans (given to)/received back from related party (net)	(36)	516
Interest received	232	175
Investment in bank deposits (with original maturity more than 3 months)	(1,971)	(497)
Refund of margin money	2,764	-
Dividend received	160	513
Net cash flows used in investing activities	2,75,412	1,606
C. Cash flows from financing activities		
Proceeds from long term borrowings	6,042	1,250
Repayment of long term borrowings	(2,35,896)	(18,234)
Repayment of short term borrowings	(54,231)	(11,184)
Interest paid	(7,784)	(27,699)
Net cash flows used in financing activities	(2,91,869)	(55,867)
Net (decrease) /increase in cash and cash equivalents (A+B+C)	(386)	(23)
Opening Cash and cash equivalents	620	1,045
Closing Cash and cash equivalents	234	1,022



Usha Martin Limited
3. Standalone segment information

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	Quarter ended 30th September, 2019	Quarter ended 30th June, 2019	Quarter ended 30th September, 2018	Six months ended 30th September, 2019	Six months ended 30th September, 2018	Year ended 31st March, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Continuing Operations						
Segment Revenue						
Wire and Wire Ropes	36,442	36,045	42,117	72,487	84,188	1,70,505
Others	20	36	41	56	97	298
Revenue from Continuing operations	36,462	36,081	42,158	72,543	84,285	1,70,803
Revenue from Discontinued operations (Refer note 7)	-	6,523	1,06,258	6,523	2,11,500	3,94,200
Less : Inter segment revenue from discontinued operations to continuing operations	-	2,306	23,601	2,306	49,041	96,448
Revenue from Discontinued operations to external customers	-	4,217	82,657	4,217	1,62,459	2,97,752
Total Revenue from Continuing and Discontinued operations	36,462	40,298	1,24,815	76,760	2,46,744	4,68,555
Segment Results						
Profit/ (loss) for the period before tax and finance costs from Continuing operations						
Wire and Wire Ropes	4,777	5,178	6,803	9,955	14,830	25,115
Others	(136)	(120)	(136)	(256)	(249)	128
Total	4,641	5,058	6,667	9,699	14,581	25,243
Less:						
Finance costs	1,306	1,981	2,041	3,287	4,122	9,022
Other Unallocable Expenditure/ (Income)	622	533	455	1,155	1,138	(179)
Profit before tax for the period from continuing operations	2,713	2,544	4,171	5,257	9,321	16,400
Discontinued operations (Refer note 7)						
Profit/(loss) for the period from Discontinued operations before tax and finance costs	820	(5,057)	10,757	(4,237)	19,742	15,047
Less:						
Finance costs	609	1,127	12,036	1,736	24,244	49,015
Profit / (loss) for the period before tax from Discontinued operations	211	(6,184)	(1,279)	(5,973)	(4,502)	(33,968)
Profit on disposal of SBB business (discontinued operation)	-	56,620	-	56,620	-	-
Total Profit / (loss) before tax from discontinued operations	211	50,436	(1,279)	50,647	(4,502)	(33,968)
Total Profit / (loss) before tax	2,924	52,980	2,892	55,904	4,819	(17,568)
Segments Assets						
Steel - Discontinued business (Refer note 7)	-	-	4,87,589	-	4,87,589	4,28,796
Wire and Wire Ropes	1,02,345	1,07,492	1,08,927	1,02,345	1,08,927	1,07,452
Others	61,149	1,05,194	28,624	61,149	28,624	65,023
Total Assets	1,63,494	2,12,686	6,25,140	1,63,494	6,25,140	6,01,271
Segments Liabilities						
Steel - Discontinued business (Refer note 7)	-	-	2,27,398	-	2,27,398	1,96,690
Wire and Wire Ropes	27,080	25,170	18,130	27,080	18,130	26,878
Others	74,980	1,27,226	3,57,066	74,980	3,57,066	3,54,610
Total Liabilities	1,02,060	1,52,396	6,02,594	1,02,060	6,02,594	5,78,178

Note:

The Company is organised into business units based on its products and services and has three reportable segments, as follows:

- Wire and Wire Ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, related accessories, etc.
- Others segment includes manufacturing and selling of wire drawing & allied machines and corporate office.
- The Company was also into Steel segment, which manufactured and sold steel wire rods, bars, blooms, bright bar, billets, pig iron and allied products, which has been disposed off with effect from April 9, 2019 (Refer note 7).



Notes to Financial Results (contd ...):

4. The above results of Usha Martin Limited ("the Company") for the quarter and six months period ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 9, 2019.
5. The standalone unaudited financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
6. The comparative figures for the half year ended September 30, 2018 in the Statement of Cash Flows have been compiled by the management in accordance with accounting principles generally accepted in India and have not been subjected to audit / review.
7. Pursuant to the Business Transfer Agreement dated September 22, 2018 (Novation agreement on October 24, 2018) and Supplemental Business Transfer Agreement dated April 7, 2019 and July 3, 2019 respectively with Tata Steel Long Products Limited (TSLPL) (formerly known as Tata Sponge Iron Limited), the Company had transferred its Steel and Bright Bar Business (SBB Business) as a going concern on slump sale basis during the quarter ended June 30, 2019 in accordance with the terms and conditions set out in those agreements at a consideration of Rs. 452,500 lakhs subject to net working capital adjustments. Out of the aforesaid consideration, an amount of Rs. 16,000 lakhs is receivable as at the quarter end that include Rs. 15,000 lakhs in respect of certain parcels of land for which perpetual lease and license agreements have been executed by the Company in favour of TSLPL pending completion of on going formalities for registration in the name of TSLPL. The Company is in the process of final settlement and reconciliation with TSLPL and therefore adjustment, if any, arising on such reconciliation shall be done at the time of release of above hold back amount towards land. Consequent to the above, resultant profit of Rs. 56,620 lakhs (net of expenses pertaining to disposal of the business of Rs. 16,135 lakhs) on sale of the SBB Business was recognised under profit for the period from discontinued operations during quarter ended June 30, 2019. Earnings per share from discontinued operations as disclosed in these results have been determined taking into consideration the aforesaid profit from sale of SBB Business.

The impact of the transaction in the standalone unaudited financial results is as follows:

(Amounts in Rs. Lakhs unless otherwise stated)

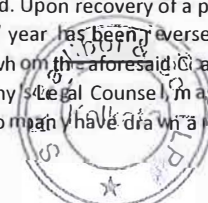
Particulars	Six months period ended 30th September, 2019
Consideration from TSLPL (net of acceptances Rs. 98,013 lakhs paid by TSLPL directly) [A]	3,08,286
Book value of fixed assets sold [B]	3,71,461
Net book value of non-current liabilities (net of other non-current assets) sold [C]	1,534
Net book value of current liabilities (net of current assets) sold [D]	1,34,396
Expenses pertaining to the disposal of the business [E]	16,135
Profit on disposal of SBB Business (discontinued operation) [F]=[A-B+C+D-E]	56,620

The details of discontinued operations are as follows:

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	Quarter ended 30th September, 2019	Quarter ended 30th June, 2019	Quarter ended 30th September, 2018	Six months ended 30th September, 2019	Six months ended 30th September, 2018	Year ended 31st March, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income	387	7,386	1,07,873	7,773	2,13,354	4,00,911
Total expenses	176	13,570	1,09,152	13,746	2,17,856	4,34,879
Profit/(loss) before tax for the period from discontinued operation	211	(6,184)	(1,279)	(5,973)	(4,502)	(33,968)
Profit on disposal of SBB Business (discontinued operation) (refer above table)	-	56,620	-	56,620	-	-
Total profit/ (loss) for the period from discontinued operations before tax	211	50,436	(1,279)	50,647	(4,502)	(33,968)

8. Pursuant to the Hon'ble Supreme Court order dated September 24, 2014 followed by promulgation of the Coal Mines (Special Provision) Act, 2015 (CMSP Act), the allocation of Lohari and Kathautia coal blocks was cancelled with effect from September 24, 2014 and April 1, 2015 respectively. Consequently, the Company is carrying an amount of Rs. 13,063 lakhs (net of discounting impact of Rs. 1,451 lakhs and impairment charge of Rs. 809 lakhs) as Assets held for sale/Advance against land, which consists of assets in the form of land, movable and immovable properties, advances etc. During the previous year, the Company had filed an application before Hon'ble Delhi High Court for refund of Rs. 10,545 lakhs deposited with Government of Jharkhand (GoJ) towards acquisition of land which was subsequently de-notified. Upon recovery of a part of said deposit subsequent to quarter end, the corresponding discounting charge of Rs 1,135 lakhs recognised in prior periods / year has been reversed during the quarter. Based on regular follow-up with the concerned Government authorities, negotiations with the Company to whom the aforesaid Coal Block was subsequently allotted, related judicial ruling, other recourses available to the Company and the advice of the Company's Legal Counsel, management expects to realize at least the carrying values of the aforesaid assets in the near future. The Statutory auditors of the Company have drawn a **Emphasis of Matter** in their review report in this regard.



Usha Martin Limited**Notes to Financial Results (contd ...):**

9. During the quarter ended March 31, 2019, the Company had recognised net deferred tax assets (DTA) of Rs. 23,846 Lakhs as part of continuing business arising mainly on unabsorbed depreciation and brought forward business losses that was then expected to be utilised against long-term capital gain (LTCG) arising from sale of SBB Business and against future taxable income of the continuing business. Pursuant to sale of SBB business during the quarter ended June 30, 2019, the Company has utilised such deferred tax assets to the extent of Rs. 15,838 lakhs against LTCG arising from sale of SBB Business. Management believes that balance DTA will be recovered against future taxable income arising from the continuing business. The earnings per share of continuing operations for the quarter ended September 30, 2019 are hence not comparable with the earnings per share of the previous periods reported.
10. The Directorate of Enforcement, Patna ("ED") has issued an order dated August 9, 2019 under the provisions of Prevention of Money Laundering Act, 2002 (PMLA) to provisionally attach certain immovable properties pertaining to the Company's wire rope business situated at Ranchi in the State of Jharkhand for a period of 180 days in connection with proceeds amounting to Rs. 19,036 Lakhs arising out of export and domestic sale of iron ore / fines in prior years extracted from the Company's iron ore mines situated at Ghatkuri, Jharkhand which were allotted to the Company. The Hon'ble High Court of Jharkhand at Ranchi had, vide order dated February 14, 2012, held that the Company had the right to sell the iron ore (including fines) as per the terms of the mining lease which was in place at that point in time. The Company had paid applicable royalty and had made necessary disclosures in its returns and reports submitted to mining authorities. As such, the Company disagrees with the ED's order and is in the process of submitting its reply within the prescribed time against such provisional attachment before the Adjudicating Authority, PMLA (AA). The order for provisional attachment does not affect the ongoing operations of the Company. Supported by a legal opinion obtained, management believes that the Company has a strong case on merit and expects a favourable outcome in this matter.
11. The Taxation Laws (Amendment) Ordinance, 2019 was promulgated on September 20, 2019. The Ordinance amends the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019. The Ordinance provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. The Company is in the process of evaluating the option and has considered the income tax rates effective prior to the Ordinance for the purpose of these results.
12. Previous period figures have been regrouped / rearranged wherever necessary, to conform to current period presentation.



Place : Kolkata

Dated : November 9, 2019

Rajeev Jhavar
Managing Director

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Usha Martin Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Usha Martin Limited (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018 as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



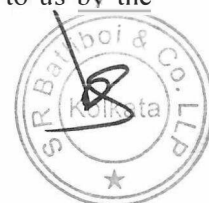
We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities as mentioned in Annexure 1.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Emphasis of Matter

We draw attention to Note 8 regarding recoverability of book values of 130,63 lakhs (net of discounting impact of Rs 1,452 lakhs and impairment of Rs 809 lakhs) of moveable and immoveable assets including land and advances for land pertaining to Kathautia and Lohari coal blocks that were deallocated during an earlier year. We have been informed that various measures have been initiated by the management for timely realisation of the aforesaid amounts net of deposits already recovered subsequent to the quarter-end. Pending outcome of such measures, no adjustments to the financial results in this regard have been considered necessary by the management.

Our conclusion is not modified in respect of this matter.

7. The accompanying Statement includes unaudited interim financial results and other unaudited financial information of nineteen subsidiaries (including ten step down subsidiaries), whose interim financial results reflect Group's share of total assets of Rs. 132,240 lakhs as at September 30, 2019, and Group's share of total revenues of Rs. 30,414 lakhs and Rs. 61,690 lakhs, Group's share of total net profit after tax of Rs. 2,086 lakhs and Rs. 2,069 lakhs, Group's share of total comprehensive income of Rs. 2,089 lakhs and Rs. 2,054 lakhs, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, and net cash inflows of Rs. 1,335 lakhs for the period from April 1, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by their respective independent auditors. The Statement also includes the Group's share of net loss after tax of Rs. 71 lakhs for the quarter ended September 30, 2019 and Group's share of profit after tax of Rs 71 lakhs for the period from April 1, 2019 to September 30, 2019, respectively, as considered in the Statement, in respect of three joint ventures, whose interim financial results have been reviewed by their respective independent auditors. The independent auditor's reports on interim financial results of these entities have been furnished to us by the



S.R. BATLIBOI & Co. LLP

Chartered Accountants

Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint ventures, is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement in respect of matters stated in paragraph 7 is not modified with respect to our reliance on the work done and the reports of the other auditors

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership No.: 055596



UDIN: 19055596AAAACG9683

Place: Kolkata

Date: November 9, 2019

S.R. BATLIBOI & Co. LLP

Chartered Accountants

Annexure I

List of subsidiaries/joint ventures

Subsidiaries

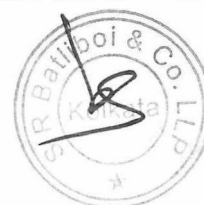
S. No.	Name
1	UM Cables Limited
2	Usha Martin Power and Resources Limited
3	Bharat Minex Private Limited
4	Gustav Wolf Speciality Cords Limited
5	Usha Martin International Limited
6	Usha Martin UK Limited @
7	European Management and Marine Corporation Limited @
8	Brunton Shaw UK Limited @
9	De Ruiter Staalkabel B.V. @
10	Usha Martin Europe B.V. @
11	Usha Martin Italia S.R.L. @
12	Brunton Wolf Wire Ropes FZCO.
13	Usha Martin Americas Inc.
14	Usha Siam Steel Industries Public Company Limited
15	Usha Martin Singapore Pte. Limited
16	Usha Martin Australia Pty Limited @
17	Usha Martin Vietnam Company Limited @
18	PT Usha Martin Indonesia @
19	Usha Martin China Company Limited @

@ Represents step-down subsidiaries

Joint ventures

S. No.	Name
1	Pengg Usha Martin Wires Private Limited
2	CCL Usha Martin Stressing Systems Limited
3	Tesac Usha Wirerope Company Limited*

* Represents step-down joint ventures



Usha Martin Limited

Statement of Unaudited Consolidated Financial Results for the quarter and six months ended 30th September, 2019

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	Quarter ended 30th September, 2019	Quarter ended 30th June, 2019	Quarter ended 30th September, 2018	Six months ended 30th September, 2019	Six months ended 30th September, 2018	Year ended 31st March, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Continuing Operations						
Revenue						
Revenue from operations	53,817	56,406	63,065	1,10,223	1,23,604	2,48,825
Other income	1,068	1,919	1,498	2,987	1,867	2,103
Total income	54,885	58,325	64,563	1,13,210	1,25,471	2,50,928
Expenses						
Cost of materials consumed	31,346	22,876	41,981	54,222	84,011	1,58,627
Purchases of stock-in-trade	275	260	226	535	344	698
(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade	(1,101)	9,661	(2,121)	8,560	(8,470)	(8,095)
Employee benefits expense	7,720	7,912	6,956	15,632	13,881	27,891
Finance costs	1,658	2,404	2,542	4,062	5,057	11,353
Depreciation and amortisation expense	1,557	1,517	1,539	3,074	3,055	6,086
Other expenses	9,671	9,939	10,523	19,610	19,191	38,197
Total expenses	51,126	54,569	61,646	1,05,695	1,17,069	2,34,757
Profit before tax for the period from continuing operations	3,759	3,756	2,917	7,515	8,402	16,171
Tax expense:						
Current tax	(661)	6,276	168	5,615	326	767
MAT credit entitlement	792	(6,127)	-	(5,335)	-	-
Adjustment of tax relating to earlier periods	-	-	-	-	-	227
Deferred tax charge/(credit) [Refer note 9 and 11]	964	15,908	(71)	16,872	(213)	(23,740)
Tax (income) / expense of continuing operations	1,095	16,057	97	17,152	113	(22,746)
Profit/(loss) before share of profit of joint ventures from continuing operations	2,664	(12,301)	2,820	(9,637)	8,289	38,917
Share of profit/(loss) of joint ventures	(71)	142	134	71	75	284
Profit / (loss) after share of profit of joint ventures from continuing operations (a)	2,593	(12,159)	2,954	(9,566)	8,364	39,201
Discontinued operations (Refer note 7)						
Profit / (loss) for the period from discontinued operations before tax	389	50,436	(427)	50,825	(4,695)	(34,271)
Tax income/(expense) of discontinued operations	-	-	-	-	-	-
Profit/(loss) for the period from discontinued operations after tax (b)	389	50,436	(427)	50,825	(4,695)	(34,271)
Profit for the period [(c) = (a) + (b)]	2,982	38,277	2,527	41,259	3,669	4,930
Other comprehensive income						
Items that will not be reclassified to profit or (loss), net of tax						
Re-measurements gain/(loss) on defined benefit plans	(742)	67	380	(675)	388	(124)
Items that will be reclassified to profit or (loss), net of tax						
Exchange difference on translation of financial statements of foreign operations	768	(360)	3,842	408	3,716	821
Total other comprehensive income for the period, net of tax (d)	26	(293)	4,222	(267)	4,104	697
Total comprehensive income for the period [(c) + (d)]	3,008	37,984	6,749	40,992	7,773	5,627
Profit / (loss) for the period attributable to :						
Equity shareholders of the Company	2,918	38,266	2,574	41,184	3,752	4,798
Non controlling Interest	64	11	(47)	75	(83)	132
Other comprehensive income attributable to :						
Equity shareholders of the Company	24	(294)	4,222	(270)	4,103	692
Non controlling Interest	2	1	-	3	1	5
Total comprehensive income for the period attributable to :						
Equity shareholders of the Company	2,942	37,972	6,796	40,914	7,855	5,490
Non controlling Interest	66	12	(47)	78	(82)	137
Paid-up equity share capital (face value of Re 1/- each)	3,054	3,054	3,054	3,054	3,054	3,054
Other equity as per balance sheet						75,147
Earnings per share (Rs.) (*not annualised) (Refer note 7 and 9)						
Earnings per equity share (for continuing operations)						
Basic and Diluted	0.83 *	(3.99) *	0.98 *	(3.16) *	2.77 *	12.82
Earnings per equity share (for discontinued operations)						
Basic and Diluted	0.13 *	16.55 *	(0.14) *	16.68 *	(1.54) *	(11.25)
Earnings per equity share (for continuing and discontinued operations)						
Basic and Diluted	0.96 *	12.56 *	0.84 *	13.52 *	1.23 *	1.57



Usha Martin Limited
Notes to Financial Results
1. Consolidated statement of assets and liabilities

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	As at 30th Sept, 2019 (Unaudited)	As at 31st March, 2019 (Audited)
ASSETS		
Non - current assets		
(a) Property, plant and equipment	86,427	86,044
(b) Capital work-in-progress	1,586	1,338
(c) Investment property	741	741
(d) Goodwill on consolidation	5,522	5,522
(e) Other intangible assets	998	1,173
(f) Equity accounted investments	4,397	4,216
(g) Financial assets		
(i) Investments	5	5
(ii) Loans	88	89
(iii) Other financial assets	5,446	3,751
(h) Advance income tax assets (net)	3,255	4,162
(i) Deferred tax assets (net)	13,395	24,970
(j) Other non-current assets	9,431	16,921
Total non-current assets	1,31,291	1,48,932
Current assets		
(a) Inventories	60,877	64,693
(b) Financial assets		
(i) Trade receivables	32,121	32,545
(ii) Cash and cash equivalents	5,500	4,553
(iii) Other bank balances	1,975	2,766
(iv) Loans	828	860
(v) Other financial assets	24,871	10,806
(c) Other current assets	7,433	4,939
	1,33,605	1,21,162
Assets held for sale	3,029	2,607
Total current assets	1,36,634	1,23,769
Assets of discontinued operations classified as held for sale (Refer note 7)	-	4,28,418
Total assets	2,67,925	7,01,119
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	3,054	3,054
(b) Other equity	1,16,068	75,147
Equity attributable to equity shareholder of the Company	1,19,122	78,201
Non-controlling interest	3,413	3,242
Total Equity	1,22,535	81,443
Liabilities		
Non - current liabilities		
(a) Financial liabilities		
(i) Borrowings	28,726	2,30,597
(ii) Other financial liabilities	3,331	-
(b) Provisions	3,897	2,834
(c) Deferred tax liabilities (net)	1,890	1,931
(d) Other non-current Liabilities	2,389	1,675
Total non-current liabilities	40,233	2,37,037
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	27,424	85,371
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	269	93
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	39,266	32,360
(iii) Other financial liabilities	24,866	55,535
(b) Provisions	1,053	877
(c) Current tax liabilities (net)	2,310	259
(d) Other current liabilities	9,841	11,454
Liabilities held for sale	128	-
Total current liabilities	1,05,157	1,85,949
Liabilities of discontinued operations classified as held for sale (Refer Note 7)	-	1,96,690
Total liabilities	1,45,390	6,19,676
Total equity and liabilities	2,67,925	7,01,119



2. Consolidated statement of cash flows for the six months period ended 30th September, 2019

		(All amounts in Rs. lakhs)	
		Six months ended 30th September, 2019	Six months ended 30th September, 2018
		(Unaudited)	(Unaudited) (Refer note 6)
A.	Cash flow from operating activities		
	Profit before tax from continuing operations	7,515	8,402
	Profit/(Loss) before tax from discontinued operations	50,825	(4,695)
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation and amortisation expenses	3,646	15,168
	Gain on disposal of property, plant and equipment (net)	(1,077)	(879)
	Finance costs	5,619	29,301
	Bad Debts /advances written off	1,532	1,104
	Allowance for credit impaired debts and advances (net)	190	2,117
	Tangible assets/capital work-in-progress written off	-	22
	Interest income on financial assets carried at amortised cost	(273)	(217)
	Unrealised foreign exchange differences (net)	198	205
	Effect of change in foreign exchange translation	(233)	651
	Liabilities no longer required written back	(838)	(1,377)
	Provision for slow moving items and diminution in realisable value	42	131
	Reversal of discounting of financial assets	(1,135)	-
	Profit on sale of Steel and Bright Bar Business undertaking	(56,620)	-
	Provision for Doubtful Debts , Advances and Inventories no longer required written back	(9)	(31)
	Operating profit before working capital changes	9,382	49,902
	Working capital adjustments:		
	Decrease / (increase) in inventories	806	(2,578)
	Increase in trade receivables	(1,116)	(2,548)
	Decrease in loans and advances	33	1
	Decrease in other financial assets	860	1,274
	(Increase) in other assets	(1,826)	(429)
	Increase in trade payables	5,436	1,184
	Increase in provisions	499	376
	Increase in other financial liabilities	4,717	2,745
	Increase in other liabilities	1,027	2,002
	Cash generated from operations	19,818	51,929
	Direct taxes paid	2,678	(428)
	Net cash flow from operating activities	22,496	51,501
B.	Cash flows from investing activities		
	Purchase of property, plant and equipment	(4,682)	(1,503)
	Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale		
		2,124	2,728
	Proceeds from sale of Steel and Bright Bar business undertaking	2,75,306	-
	Interest received	480	147
	Investment in bank deposits (with original maturity more than 3 months)	(1,973)	(748)
	Refund of Margin Money	2,764	-
	Net cash flows used in investing activities	2,74,019	624
C.	Cash flows from financing activities		
	Proceeds from long term borrowings	6,042	1,250
	Repayment of long term borrowings	(2,35,136)	(18,590)
	Repayment of short term borrowings	(57,947)	(4,556)
	Interest paid	(8,574)	(28,754)
	Dividend to the extent paid by a subsidiary to minority shareholders	-	(305)
	Net cash flows used in financing activities	(2,95,615)	(50,955)
D.	Effect of foreign exchange differences on cash and cash equivalents	47	304
	Net increase in cash and cash equivalents (A+B+C+D)	947	1,474
	Opening Cash and cash equivalents	4,553	4,973
	Closing Cash and cash equivalents	5,500	6,447





Usha Martin Limited

3.Consolidated segment information

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	Quarter ended 30th September, 2019	Quarter ended 30th June, 2019	Quarter ended 30th September, 2018	Six months ended 30th September, 2019	Six months ended 30th September, 2018	Year ended 31st March, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Segment Revenue						
Wire and Wire Ropes	52,439	53,781	60,093	1,06,220	1,18,379	2,38,345
Others	1,378	2,625	2,972	4,003	5,225	10,480
Revenue from Continuing operations	53,817	56,406	63,065	1,10,223	1,23,604	2,48,825
Revenue from Discontinued operations (Refer note 7)	-	6,523	1,06,258	6,523	2,11,500	3,94,200
Less : Inter segment revenue from discontinued operations to continuing operations	-	2,306	26,045	2,306	53,409	1,04,899
Revenue from Discontinued operations to external customers	-	4,217	80,213	4,217	1,58,091	2,89,301
Total Revenue from Continuing and Discontinued operations	53,817	60,623	1,43,278	1,14,440	2,81,695	5,38,126
Segment Results						
Profit/ (loss) for the period before tax and finance costs from Continuing operations						
Wire and Wire Ropes	6,003	7,532	5,731	13,535	14,505	28,120
Others	(57)	(780)	168	(837)	71	(438)
Total	5,946	6,752	5,899	12,698	14,576	27,682
Less:						
Finance costs	1,658	2,404	2,542	4,062	5,057	11,353
Other Unallocable Expenditure	529	592	440	1,121	1,117	158
Profit before tax for the period from continuing operations	3,759	3,756	2,917	7,515	8,402	16,171
Discontinued operations (Refer note 7)						
Profit /(loss) for the period from Discontinued operations before tax and finance costs	820	(5,057)	11,609	(4,237)	19,549	14,744
Less:						
Finance costs	431	1,127	12,036	1,558	24,244	49,015
Profit /(loss) for the period before tax from Discontinued operations	389	(6,184)	(427)	(5,795)	(4,695)	(34,271)
Profit on disposal of SBB business (discontinued operation)	-	56,620	-	56,620	-	-
Total Profit /(loss) from discontinued operations before tax	389	50,436	(427)	50,825	(4,695)	(34,271)
Total Profit/ (loss) before tax and share of Joint Venture	4,148	54,192	2,490	58,340	3,707	(18,100)
Segments Assets						
Steel - Discontinued business (Refer note 7)	-	-	4,87,589	-	4,87,589	4,28,418
Wire and Wire Ropes	2,01,041	2,05,681	1,99,647	2,01,041	1,99,647	1,99,220
Others	66,884	1,13,010	49,397	66,884	49,397	73,481
Total Assets	2,67,925	3,18,691	7,36,633	2,67,925	7,36,633	7,01,119
Segments Liabilities						
Steel - Discontinued business (Refer note 7)	-	-	2,27,398	-	2,27,398	1,96,690
Wire and Wire Ropes	42,822	43,292	26,971	42,822	26,971	35,964
Others	1,02,568	1,55,963	3,98,525	1,02,568	3,98,525	3,87,022
Total Liabilities	1,45,390	1,99,255	6,52,894	1,45,390	6,52,894	6,19,676

Note:

The Group is organised into business units based on its products and services and has three reportable segments, as follows:

(a) Wire and Wire Ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, related accessories, etc.

(b) Others segment includes manufacturing and selling of wire drawing & allied machines, investment in Jelly Filled Telecommunication Cables and corporate office.

(c) The Company was also into Steel segment, which manufactures and sells steel wire rods, bars, blooms, bright bar, billets, pig iron and allied products, which has been disposed off with effect from April 9, 2019 (Refer note 7)



Usha Martin Limited
Notes to Financial Results (contd ...):

4. The above consolidated results of Usha Martin Limited ("the Company") and its nineteen subsidiaries (including ten step-down subsidiaries) (together referred as 'the Group') and three joint ventures (including one step-down joint venture) for the quarter and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 9, 2019.
5. The unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended.
6. The comparative figures for the half year ended September 30, 2018 in the Statement of Cash Flows have been compiled by the management in accordance with accounting principles generally accepted in India and have not been subjected to audit / review.
7. Pursuant to the Business Transfer Agreement dated September 22, 2018 (Novation agreement on October 24, 2018) and Supplemental Business Transfer Agreement dated April 7, 2019 and July 3, 2019 respectively with Tata Steel Long Products Limited (TSLPL) (formerly known as Tata Sponge Iron Limited), the Company had transferred its Steel and Bright Bar Business (SBB Business) as a going concern on slump sale basis during the quarter ended June 30, 2019 in accordance with the terms and conditions set out in those agreements at a consideration of Rs. 452,500 lakhs subject to net working capital adjustments. Out of the aforesaid consideration, an amount of Rs. 16,000 lakhs is receivable as at the quarter end that include Rs. 15,000 lakhs in respect of certain parcels of land for which perpetual lease and license agreements have been executed by the Company in favour of TSLPL pending completion of on going formalities for registration in the name of TSLPL. The Company is in the process of final settlement and reconciliation with TSLPL and therefore adjustment, if any, arising on such reconciliation shall be done at the time of release of above hold back amount towards land.
Consequent to the above, resultant profit of Rs. 56,620 lakhs (net of expenses pertaining to disposal of the business of Rs. 16,135 lakhs) on sale of the SBB Business was recognised under profit for the period from discontinued operations during quarter ended June 30, 2019.
Earnings per share from discontinued operations as disclosed in these results have been determined taking into consideration the aforesaid profit from sale of SBB Business.

The impact of the transaction in the unaudited consolidated financial results is as follows:

(Amounts in Rs. Lakhs unless otherwise stated)

Particulars	Six months period ended 30th September, 2019
Consideration from TSLPL (net of acceptances Rs. 98,013 lakhs paid by TSLPL directly and net working capital adjustment etc. Rs. 46,201 lakhs) [A]	3,08,286
Book value of fixed assets sold [B]	3,71,461
Net book value of non-current liabilities (net of other non-current assets) sold [C]	1,534
Net book value of current liabilities (net of current assets) sold [D]	1,34,396
Expenses pertaining to the disposal of the business [E]	16,135
Profit on disposal of SBB Business (discontinued operation) [F]=[A-B+C+D-E]	56,620

The details of discontinued operations are as follows:

(Amounts in Rs. Lakhs unless otherwise stated)

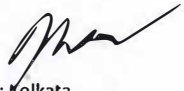
Particulars	Quarter ended 30th September, 2019	Quarter ended 30th June, 2019	Quarter ended 30th September, 2018	Six months ended 30th September, 2019	Six months ended 30th September, 2018	Year ended 31st March, 2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total income	389	7,386	1,07,873	7,775	2,13,354	4,00,911
Total expenses	-	13,570	1,08,300	13,570	2,18,049	4,35,182
Profit/(loss) before tax for the period from discontinued operation	389	(6,184)	(427)	(5,795)	(4,695)	(34,271)
Profit on disposal of SBB Business (discontinued operation) (refer above table)	-	56,620	-	56,620	-	-
Total profit/ (loss) for the period from discontinued operations before tax	389	50,436	(427)	50,825	(4,695)	(34,271)

8. Pursuant to the Hon'ble Supreme Court order dated September 24, 2014 followed by promulgation of the Coal Mines (Special Provision) Act, 2015 (CMSP Act), the allocation of Lohari and Kathautia coal blocks was cancelled with effect from September 24, 2014 and April 1, 2015 respectively. Consequently, the Company is carrying an amount of Rs. 13,063 lakhs (net of discounting impact of Rs. 1,451 lakhs and impairment charge of Rs. 809 lakhs) as Assets held for sale/Advance against land, which consists of assets in the form of land, movable and immovable properties, advances etc.
During the previous year, the Company had filed an application before Hon'ble Delhi High Court for refund of Rs. 10,545 lakhs deposited with Government of Jharkhand (GoJ) towards acquisition of land which was subsequently de-notified. Upon recovery of a part of said deposit subsequent to quarter end, the corresponding discounting charge of Rs 1,135 lakhs recognised in prior periods / year has been reversed during the quarter. Based on regular follow-up with the concerned Government authorities, negotiations with the Company to whom the aforesaid Coal Block was subsequently allotted, related judicial ruling, other recourses available to the Company and the advice of the Company's Legal Counsel, management expects to realize at least the carrying values of the aforesaid assets in the near future. The Statutory auditors of the Company have drawn an Emphasis of Matter in their review report in this regard.



Usha Martin Limited**Notes to Financial Results (contd ...):**

9. During the quarter ended March 31, 2019, the Company had recognised net deferred tax assets (DTA) of Rs. 23,846 Lakhs as part of continuing business arising mainly on unabsorbed depreciation and brought forward business losses that was then expected to be utilised against long-term capital gain (LTCG) arising from sale of SBB business and against future taxable income of the continuing business. Pursuant to sale of SBB business during the quarter ended June 30, 2019, the Company has utilised such deferred tax assets to the extent of Rs. 15,838 lakhs against LTCG arising from sale of SBB Business. Management believes that balance DTA will be recovered against future taxable income arising from the continuing business.
The earnings per share of continuing operations for the quarter ended September 30, 2019 are hence not comparable with the earnings per share of the previous periods reported.
10. The Directorate of Enforcement, Patna ("ED") has issued an order dated August 9, 2019 under the provisions of Prevention of Money Laundering Act, 2002 (PMLA) to provisionally attach certain immovable properties pertaining to the Company's wire rope business situated at Ranchi in the State of Jharkhand for a period of 180 days in connection with proceeds amounting to Rs. 19,036 Lakhs arising out of export and domestic sale of iron ore / fines in prior years extracted from the Company's iron ore mines situated at Ghatkuri, Jharkhand which were allotted to the Company. The Hon'ble High Court of Jharkhand at Ranchi had, vide order dated February 14, 2012, held that the Company had the right to sell the iron ore (including fines) as per the terms of the mining lease which was in place at that point in time. The Company had paid applicable royalty and had made necessary disclosures in its returns and reports submitted to mining authorities. As such, the Company disagrees with the ED's order and is in the process of submitting its reply within the prescribed time against such provisional attachment before the Adjudicating Authority, PMLA (AA). The order for provisional attachment does not affect the ongoing operations of the Company.
Supported by a legal opinion obtained, management believes that the Company has a strong case on merit and expects a favourable outcome in this matter.
11. The Taxation Laws (Amendment) Ordinance, 2019 was promulgated on September 20, 2019. The Ordinance amends the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019. The Ordinance provides domestic companies with an option to opt for lower tax rates, provided they do not claim certain deductions. The Company is in the process of evaluating the option and has considered the income tax rates effective prior to the Ordinance for the purpose of these results.
12. Previous period figures have been regrouped / rearranged wherever necessary, to conform to current period presentation.


Place : Kolkata
Dated : November 9, 2019
Rajeev Jhawar
Managing Director