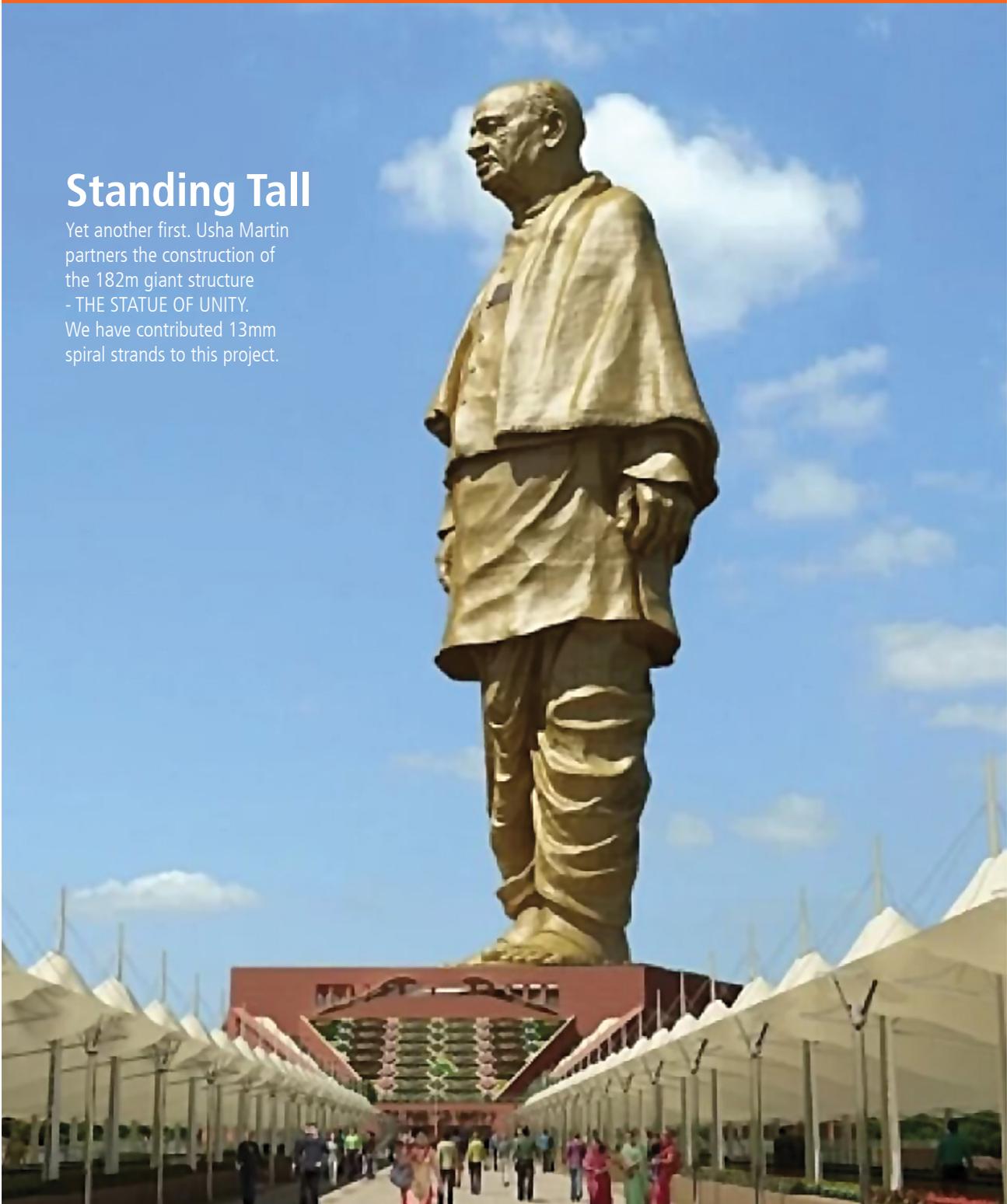




## Standing Tall

Yet another first. Usha Martin partners the construction of the 182m giant structure - THE STATUE OF UNITY. We have contributed 13mm spiral strands to this project.



# CORPORATE INFORMATION

## Board of Directors

Mr. Basant Kumar Jhavar	[DIN]	00086237	- Chairman Emeritus [till 31st March, 2019]
Mr. G N Bajpai	[DIN]	00946138	- Chairman [till 31st March, 2019]
Mr. Brij K Jhavar	[DIN]	00086200	- Director
Mr. Prashant Jhavar	[DIN]	00353020	- Director
Mr. S Singhal	[DIN]	00006629	- Director
Mr. Jitender Balakrishnan	[DIN]	00028320	- Director
Mr. P.S. Bhattacharyya	[DIN]	00329479	- Director
Mr. Mukesh Rohatgi	[DIN]	00136067	- Director
Mr. Vijay Singh Bapna	[DIN]	02599024	- Director [from 27th May, 2019]
Mr. V. Ramakrishna Iyer	[DIN]	02194830	- Nominee Director
Mrs. Aarthi Ramakrishnan	[DIN]	07672826	- Director [ceased wef 9th January, 2019]
Mr. Rajeev Jhavar	[DIN]	00086164	- Managing Director
Mr. P K Jain	[DIN]	02583519	- Jt. Managing Director [Wire & Wire Rope Business]

## Key Managerial Personnel

Mr. Rohit Nanda	-	Chief Financial Officer [till 9th April, 2019]
Mr. Anirban Sanyal	-	Chief Financial Officer [from 10th April, 2019]
Mrs. Shampa Ghosh Ray	-	Company Secretary

## Senior Management

### India

Mr. D J Basu	-	President [HR]
Mr. Jayanta Bhowmik	-	Sr. Vice President [IT]
Mr. S B N Sharma	-	Vice President [Unit Head – Ranchi]

### Europe

Mr. S Jodhawat	-	Chief Executive Officer, Usha Martin International Limited
Mr. Simon Hood	-	Director - Finance, Usha Martin International Limited
Mr. Richard Seaton	-	Operations Director, European Management & Marine Corporation Limited
Mr. Rajesh Sharma	-	Operations Director, Brunton Shaw UK Ltd.
Mr. Franco Clerici	-	Director - Group R & D and Technical Services, Usha Martin Italia SRL
Mr. Dimitri Branco Gartner	-	General Manager, De Ruyter Staalkabel, B.V.

### South East Asia

Mr. S S Birla	-	Managing Director, Usha Siam Steel Industries Public Co. Ltd.
Mr. Tapas Ganguly	-	Chief Executive Officer, Usha Martin Singapore Pte Ltd.

## Middle East

Mr. S. Mazumder	-	Managing Director, Brunton Wolf Wire Ropes, FZCo.
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## United States of America

Mr. Malay Vyas	-	Chief Executive Officer, Usha Martin Americas Inc.
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## Registered & Corporate Office

2A, Shakespeare Sarani  
Kolkata – 700 071, India  
CIN : L31400WB1986PLC091621  
Phone : 033 – 71006300; Fax : 033 – 71006415  
Email : investor@ushamartin.co.in; Website : www.ushamartin.com

## Works

### India

Tatilswai, Ranchi  
Hoshiarpur, Punjab  
Sri Perumbudur, Tamil Nadu  
Silvassa, (U M Cables Ltd.)

### Overseas

Navanakoran Industrial Estate, Thailand  
(Usha Siam Steel Industries Public Co. Ltd.)  
Jebel Ali Free Trade Zone, Dubai, UAE (Brunton Wolf Wire Ropes FZCo)  
Worksop, Nottinghamshire, UK (Usha Martin UK Ltd.)

## Bankers

State Bank of India  
ICICI Bank Limited

## Auditors

S.R. Batliboi & Co. LLP  
Kolkata

## Share Listings

NSE – Scripcode – USHAMART  
BSE – Scripcode – 517146  
Societe de la Bourse de Luxembourg - GDRs - US9173002042  
ISIN No. INE228A01035

## Registrar & Transfer Agent

MCS Share Transfer Agent Limited,  
383, Lake Gardens, 1st Floor, Kolkata - 700045  
Phone : (033) 4072 4051/52/53 ; Fax : (033) 4072 4050;  
Email : mcssta@rediffmail.com

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# MANAGEMENT DISCUSSION & ANALYSIS

## BUSINESS OVERVIEW

Usha Martin Limited, started its journey as the first wire rope manufacturer in the country in 1960. It has traversed a long distance since its inception to become one of the largest wire & wire rope (WWR) manufacturers in the world. The Company owns two wire and wire rope manufacturing facilities in India at Ranchi (Jharkhand) and Hoshiarpur (Punjab). It also has three wire rope facilities overseas in UK, Thailand and Dubai. The Company started its steel business in 1974 at Jamshedpur (Jharkhand). In its quest to have a fully integrated business model, the Company also acquired Iron Ore mines which are at Barajamda (Jharkhand) and has a Coal mine at Brinda and Sasai (Jharkhand) being under development.

As on 31st March 2019, the Company had a steel making capacity of nearly 1 million tons and wire ropes capacity of 259,320 MT. The Company made alloy steel long products like wire rods, bars, blooms and bright bars mostly for commercial vehicles and tractors. It also manufactures high carbon wire rods for captive consumption in its WWR business. Its WWR division manufactures wire, strands, LRPC and wire ropes of various varieties which have various industrial uses. WWR business has a much diversified end use and is therefore relatively resilient to cyclical gyrations.

Steel business of Usha Martin Limited has gone through difficult times due to severe downturn in the steel industry. During the year, the Company entered into an arrangement with Tata Sponge Iron Limited, subsidiary of Tata Steel Limited to sell the steel business along with the mines by way of slump sale as a going concern. This was done with the objective to deleverage the balance sheet of the Company. The slump sale of the steel business undertaking (inter - alia comprising of steel manufacturing facility, an operative iron ore mine, coal mine under development, captive power plants, plant & machinery of straight bar facility) was completed on 9th April, 2019 except for transfer of mines and certain land parcels.

With this sale, the WWR business of the Company would get rejuvenated as the cash flow would improve with the release of stress on its balance sheet which had been created due to the Company's earlier heavy debt burden. WWR business of the Company which due to diverse end markets has generally been more resilient to downturns has nonetheless gone through its own share of turbulence in recent years.

After two straight years of deceleration, wire rope exports for the Company had witnessed a full year of recovery in FY 2017-18 and this trend saw further consolidation in the current fiscal. Wire rope export volume witnessed 8% growth in FY 2018-19 over previous year and sales as well as market share in domestic business has continued to remain strong. While demand for wire ropes continues to remain robust

across global markets, prices and margins may get pressurised in the short to medium term outlook as a result of competition from emerging economies. In the aftermath of sale of the steel business undertaking, the Company is steadily consolidating its raw material coverage position from various sources and no crisis is envisaged due to raw material shortage. Growth momentum in the domestic economy as well as global recovery are expected to help reinforce the WWR business in the forthcoming year as well.

## INDUSTRY OVERVIEW

The financial year ended 31st March, 2019 witnessed consolidation of business across various market segments and across geographies for the WWR business. With oil prices showing signs of firming up, overall market demand is expected to remain strong in the forthcoming year as well.

The global steel wire rope market, in terms of revenue has been expected to increase at 3.1% CAGR during the financial years 2018 to 2025 along with resurgence in demand due to growth in mining industry as well as oil and gas industry. The Indian steel wire rope market is expected to register a positive CAGR of approximately 5.3% growth during the financial years 2019 to 2025. GDP of India is expected to grow from 6.74% in 2017 to 8.15% in 2025. The resurgence in oil and gas industry is expected to increase the number of oil rigs which will further stimulate the growth of steel wire rope industry. Engineering and construction segment has contributed the largest share in terms of revenue in financial year 2018-19 from sale of wire ropes.

## BUSINESS ENVIRONMENT

During 2018-19 the Company, from its continuing business generated 24.4% of its revenue from exports as compared to about 25.1% last year.

## WWR Business

Wire rope business showed a significant improvement in its business performance. During Financial Year ended 31st March, 2019, Turnover & EBIDTA for the Wire & Wire Rope business increased by about 19.7% & 23.1% respectively compared to previous year. In the Indian market, the Company continues to hold about major market share. For wire rope exports, FY 2018-19 saw further consolidation across most market segments and across geographies. Volume of wire rope exports in FY 2018-19 was 8% higher than the previous year. The Company continued to increase sale of higher contributory products like crane ropes, high value mining ropes, aerial haulage ropes and structural ropes for bridges, which enriched the product mix. Riding on strong demand, the Company also focused upon maximizing production of LRPC strands where sales volume went up by 11% over the previous fiscal.

In view of the slump sale of steel business undertaking of the Company,

analysis of the external environment vis a vis impact of the steel business has not been considered for discussion in Management Discussion and Analysis.

### OPERATIONAL AND FINANCIAL HIGHLIGHTS

During the year, consolidated turnover (from continuing operations) of the Company stood at Rs. 2,469.5 Cr, which is 17.6% higher than Rs.2,099.7 Cr in the previous year. On standalone basis, the Company's turnover (from continuing operations) increased to Rs. 1,690.5 Cr in the current Financial Year against Rs. 1,417.7 Cr in the previous year, increase by 19.2%.

The EBIDTA (from continuing operations) achieved by the Company on consolidated basis was Rs. 336.1Cr, being 13.6% of the reported turnover, and on standalone basis at Rs. 282.3 Cr, being 16.7%, for the reported turnover against Rs. 294.9 Cr and Rs. 226.8 Cr respectively in previous year.

The Steel business achieved a net turnover of Rs. 3,942.0 Cr in the current Financial Year against Rs. 3,446.3 Cr in the previous year, higher by 14.4%. The Earnings before Interest, Depreciation and Tax (EBIDTA) and EBIDTA margins were at Rs.388.7 Cr at 9.9% during the year against Rs. 335.4 Cr at 9.7% in the previous year.

During FY 2018-19 the export turnover of Steel business was Rs. 93.9 Cr, which is 2.4% of its turnover, against Rs. 91.5 Cr in the previous year.

### Steel Production Volume – MT

	FY 18-19	FY 17-18
Iron Ore	2,496,005	2,499,658
Coke	340,432	335,549
Hot Metal	564,823	546,346
DRI	439,730	458,409
Pellet	359,935	367,267
Sinter	809,172	818,412
Billets	596,388	620,904
Rolled Products	581,996	581,799

The WWR business on a standalone basis, during FY 2018-19, achieved gross production of Wire Ropes and Conveyor cord of 64,706 MT against 61,818 MT in FY 2017-18. The gross production of strand, wire, bright bar was 123,270 MT in FY 2018-19 against 129,807 MT in FY 2017-18.

Total Value Added products production was lower by about 1.90% in FY 2018-19 compared to that in the previous financial year as the Company decided consciously to exit certain low margin products.

On standalone basis, the WWR business delivered net turnover of Rs. 1,687.5 Cr. in the current Financial Year against Rs. 1,410.3 Cr. in previous year. The EBIDTA and EBIDTA margins were at Rs 277.6 and 16.5% during the year against Rs. 225.6 Cr and 16.0% in previous year

respectively.

### Production Volume VA Products–Standalone

Qty in MT	FY 18-19	FY 17-18
Wire Ropes	63,777	60,636
Wire/ Strands/LRPC	1,12,514	1,15,119
Conveyor Cord	929	1,182
Bright Bar	10,756	14,688

### Focus Areas & New Initiatives

Main focus of the Company in current business environment would be in:

- Increasing wallet share with existing customers
- Enrichment of product mix
- New market and customer development initiatives
- Process optimization and continuous cost improvement

### INTERNATIONAL BUSINESS

During the year under review, level of activity from the international businesses of the Company improved. The turnover and EBIDTA from international businesses improved to Rs. 1,102.6 Cr and Rs. 74.9 Cr in 2018-19 from Rs.907.5 Cr and Rs.74.2 Cr respectively, the year before.

### Usha Martin International Limited [UMIL]

UMIL enjoys a presence in the United Kingdom and parts of Europe through it's wholly owned subsidiaries, namely:

- Usha Martin UK Limited, which comprises manufacturing distribution and end use solutions for wire ropes to offshore oil and gas sectors,
- De Ruiter Staalkabel B.V. Netherlands, which has end use solutions and distribution facilities for wire ropes, and
- Usha Martin Italia, which has set up R&D Centre for wire ropes.

The consolidated turnover of UMIL was GBP 44.6 Mn in 2018-19 as against GBP 38.6 Mn in 2017-18. UMIL reported a consolidated profit of GBP 1.6 Mn as against a profit of GBP 0.9 Mn in the previous year.

	GBP in Mn		
UMIL	FY'17	FY'18	FY'19
Turnover	31.4	38.6	44.6
PAT	(0.04)	0.9	1.6

Substantial growth was registered in FY 2018-19 over previous year in large diameter rope (including Oceanmax) and fishing rope market segments.

### Brunton Wolf Wire Ropes FZCo [BWWR]

BWWR, a joint venture with Gustav Wolf of Germany, reported a turnover and net profit of US\$ 23.0 Mn and US\$ 0.5 Mn respectively in 2018-19 as against US\$ 20.7 Mn and US\$ 1.3 Mn respectively in the previous year.

USD in Mn			
BWWR	FY'17	FY'18	FY'19
Turnover	16.9	20.7	23.0
PAT	0.5	1.3	0.5

Though turnover increased in FY 2018-19 by more than 11% over previous year as a result of strong demand in Middle East & Africa, profitability remained depressed as a result of stiff price competition from global suppliers.

#### Usha Siam Steel Industries Public Company Limited [USSIL]

USSIL is a subsidiary of the Company in which along with Usha Martin Singapore Pte Ltd., it holds 97.98% of the equity.

The operations of USSIL achieved a turnover of Thai Baht 1,470.7 Mn during the year under review as against Thai Baht 1,368.9 Mn in the previous year. It reported a loss of Thai Baht 6.6 Mn against loss of Thai Baht 2.4 Mn in the previous year.

THB in Mn			
USSIL	FY'17	FY'18	FY'19
Turnover	1,145.5	1,368.9	1,470.7
PAT (including OCI)	0.8	(2.4)	(6.6)

In spite of topline growing by 7%, profitability declined due to margins getting pressurized and with a higher mix of lower contributory products in overall sales. Going forward, we plan to reduce volumes of low margin products and increase in high performance ropes like non-rotating and crane ropes.

#### Usha Martin Singapore Pte Limited [UMSPL]

UMSPL a wholly owned Singapore based subsidiary of the Company is in business of warehousing and distribution of wire ropes in Asia Pacific region by itself and through its following wholly owned subsidiaries –

- Usha Martin Australia Pty Limited
- Usha Martin Vietnam Company Ltd
- PT Usha Martin Indonesia, and
- Usha Martin China Company Limited.

UMSPL reported a consolidated turnover of US\$ 22.4 Mn and loss of US\$ 0.7 Mn during the year under review as against US\$ 21.6 Mn and net profit of US\$ 0.01 Mn respectively in the previous year.

USD in Mn			
UMSPL	FY'17	FY'18	FY'19
Turnover	15.2	21.6	22.4
PAT	(2.8)	0.01	(0.7)

Business in China which catered largely to new built vessels, platforms, drill rigs, etc. was badly affected as the activity came to a standstill. Vietnam, Indonesia, Australia standalone businesses have increased their business as they are less dependent on oil and offshore segments. With an aim to cut down on losses, China market will now be serviced from Singapore.

#### Usha Martin Americas Inc [UMAI]

During the year, UMAI reported a turnover of US\$ 8.4 Mn as against US\$ 5.3 Mn in the previous year. The Company during the FY 18–19 reported profit of USD 0.2 Mn as compared to the loss of USD 0.9 Mn in FY 17–18.

USD in Mn			
UMAI	FY'17	FY'18	FY'19
Turnover	4.8	5.3	8.4
PAT	(1.5)	(0.9)	0.2

The market witnessed a reasonable revival in the general engineering rope market segment in FY 2018-19 while business remained stable in remaining market segments.

#### DOMESTIC BUSINESS: SUBSIDIARIES

##### U M Cables Limited [UMCL]

UMCL, a wholly owned Indian subsidiary of the Company, engaged in business of telecommunication cables achieved turnover (Revenue from Operations) of Rs.103.1 Cr against Rs.117.1Cr in the previous year. The loss for the year was Rs. 33.3 Cr as against a profit of Rs.4.1 Cr in FY 17-18.

Rs. in Cr			
UMCL	FY'17	FY'18	FY'19
Turnover	154.9	117.1	103.1
PAT (including OCL)	9.6	4.1	(33.3)

Sales and profitability were adversely affected due to intense competition, high input cost and increased finance costs. During the year under review UMCL sold approx 115 acres of land to Tata Sponge Iron Limited at Jamshedpur in the State of Jharkhand.

#### FOREX MANAGEMENT

During FY 2018-19, Indian Rupee (INR) depreciated against US Dollar by about 6.5% to close the year at Rs. 69.1550.

The upward movement in USD/INR was mainly driven by rising Crude Oil prices resulting from planned output cut by OPEC and non OPEC oil producing countries, three Fed-rate hikes of 25 bps each leading to FII fund outflow, escalating US-China trade war triggering risk-off sentiments and US Sanctions on Iran and Venezuela. Deteriorating trade talks between the US and China, caused sharp FPI outflows from most EMs, with India not being immune.

The company's direct foreign currency exposure from imports has come down significantly due to the change in mode of procuring bulk raw-materials, though it continues to have an economic exposure against the same. Due to increase in exports, the company has now become a net exchange earner. It also does not have any long term foreign currency loan on its Balance Sheet.

#### FINANCE COST

The average cost of debt as on 31st March, 2019 was at 12.26%. The net interest charge [excluding other borrowing costs] of the Company

increased from Rs.539.33 Cr to Rs. 550.23 Cr during the financial year mainly on account of increase in rate of interest.

#### CAPITAL EXPENDITURE

The Company, on a standalone basis, has incurred Rs.57.91 Cr on projects and normal capital expenditure excluding effect of depreciation.

#### DEBT MOBILIZATION, PAYMENTS & MANAGEMENT

During FY 2018-19, the Company on standalone basis, has raised long term rupee debt of Rs. 12.50 Cr. The Company repaid long term loans of Rs. 342.75 Cr during the year 2018-19.

Overall, there is decrease in debt by Rs. 178.79 Cr. on a standalone basis and Rs. 203.47 Cr on a consolidated basis.

The Company had a net debt of Rs. 3,258.44 Cr (including working capital loans, current maturities of long term debt and net of cash & bank balance of Rs. 33.86 Cr) as on 31st March, 2019 on standalone basis.

A significant portion of the debt has been prepaid by the Company after receiving the cash consideration from Tata Sponge Iron Limited on 9th April, 2019 towards sale of steel business undertaking.

#### RATINGS

As at 31st March, 2019, the Company had a rating of "CARE A4+ " for short term bank facilities and other short term funds by CARE Ratings Limited (formerly known as Care Analysis & Research Limited [CARE]). India Ratings & Research Private Limited (formerly known as Fitch Ratings India Private Limited) has given a rating of "IND BB+" with Rating Watch Positive for long term bank loans and facilities.

#### RELATIONSHIPS

The Company continued to enjoy excellent relationship with all its lenders. During the year under review it has made all payments of loans and interest to banks and financial institutions.

#### INVESTOR SERVICES

The Company has an investors' complaint redressal system in place and all complaints are being attended to by the Company either directly or through its Registrar and Share Transfer Agent.

The Company has appealed to all shareholders and depositors who could not encash warrants/cheques for dividends, interest and fixed deposits for making claims with the Company before the same become due for deposit with the Government. During the year, the Company deposited Rs 0.1 Cr with the Investors Education & Protection Fund constituted by the Central Government, being matured dues remaining unpaid for a period of 7 years.

The equity shares of the Company continues to remain listed at Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd while GDRs are listed at Societe de la Bourse de Luxembourg.

#### INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

During the year, the Company had an in-house audit team and also availed services of an external firm of chartered accountants to help the

Company strengthen the internal audit and risk management functions.

#### KEY FINANCIAL RATIOS

The key financial ratios of the Company for the current financial year as compared to the previous financial year for continuing operations are provided herein under:

Particulars	FY18-19	FY17-18	Change%	Reasons for change
Debtors Turnover	7.8	7.3	6.8	During the year under review the Debtors Turnover Ratio improved mainly due to increased sales and improvement of collection cycle from debtors.
Inventory Turnover	5.0	4.5	11	A favourable increase in Inventory Turnover Ratio was achieved through a better inventory management cycle.
Interest Coverage Ratio	3.1	3.0	3.3	Improvement in Earnings before Interest, Depreciation achieved a higher Interest Coverage Ratio for the Company.
Current Ratio	0.4	0.5	(20)	The Current Assets of the Company as on 31st March, 2019 was reduced due mainly due to lower Inventories, however, since there were no corresponding reduction in Current Liabilities during the said period had impacted the Current Ratio negatively.
Debt Equity Ratio	14.3	19.9	(28.1)	Repayment of existing debts resulted in significant improvement of the Debt Equity Ratio.
Operating Profit Margin (%)	15.0	14.3	4.9	Improvement in efficiency in operations resulted in improvement of Operating Profit margin.
Net Profit Margin (%)	23.6	8.8	168.2	Improvement in efficiency in operations resulted in improvement of EBIDT and recognition of Deferred Tax Assets improved the Net Profit Margin
Return On Net worth	1.7	0.7	142.9	Improvement in efficiency in operations resulted a turnaround in Profit after Tax which resulted in significant improvement of Return on Net Worth

## **HUMAN RESOURCE**

The Company continues to leverage the potential of Human Resource (HR) through job rotation, job enrichment and developing competencies through various HR development programmes. The Company identifies high potential and high performing individuals and focuses on their career development programmes for future succession planning. The Company creates future talent pool by recruiting fresh graduate/diploma engineers and ensures proper training and mentoring for developing them into future leaders.

The HR department is involved in CSR activities and has been working in the surrounding villages of its plants for sustainable development in areas of livelihood, capacity building, new techniques in agriculture, health, natural resource management and education.

## **APPRECIATION**

The Company has been getting all necessary support and cooperation from all sections of customers, suppliers, service providers, investors, authorities, lenders and all employees of the Company to whom the Company expresses its sense of appreciation.

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### **Cautionary Statement**

Statements in the management discussion and analysis report describing the Company's objectives, projections, estimates may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to Company's operations include, among others, economic conditions affecting demand / supply and price conditions in the domestic and overseas market in which the Company operates, changes in the government regulations, tax law and other statutes and incidental factors.

# REPORT OF THE BOARD OF DIRECTORS

*Dear Shareholders,*

The Board of Directors of Usha Martin Limited ("the Company") present the 33rd Annual Report and Audited Accounts for the Financial Year ended 31st March, 2019.

## FINANCIAL SUMMARY / HIGHLIGHTS

(Rs. in Crore)

	Stand Alone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Net Turnover	<b>1,690.48</b>	1,417.67	<b>2,469.52</b>	2,099.67
Earnings before Interest, Tax, Depreciation and Amortizations	<b>282.32</b>	226.78	<b>336.10</b>	294.93
Depreciation	<b>28.10</b>	28.96	<b>60.86</b>	60.26
Finance costs	<b>90.22</b>	76.48	<b>113.53</b>	92.48
Profit before tax from continuing operations	<b>164.00</b>	121.34	<b>161.71</b>	142.19
Tax expenses	<b>(234.68)</b>	-	<b>(227.46)</b>	5.11
Profit after tax from continuing operations	<b>398.68</b>	121.34	<b>389.17</b>	137.08
Profit after tax from discontinuing operations	<b>(339.68)</b>	(403.67)	<b>(342.71)</b>	(405.87)
<b>Profit after tax</b>	<b>59.00</b>	(282.34)	<b>49.30</b>	(267.95)
Other comprehensive income / (loss)	<b>(1.60)</b>	0.15	<b>6.97</b>	53.56
<b>Total comprehensive income / (loss)</b>	<b>57.40</b>	(282.19)	<b>56.27</b>	(214.39)

### Review of Operations

The turnover (net of excise) for the year was Rs. 2469.52 Cr on consolidated basis and Rs. 1,690.48 Cr on standalone basis as compared to Rs.2,099.67 Cr and Rs.1,417.67 Cr respectively in the previous year. The Earnings before Interest, Depreciation and Tax was Rs. 336.10 Cr on consolidated basis as compared to Rs.294.93 Cr in previous year and on standalone basis was Rs. 282.32 Cr as compared to Rs. 226.78 Cr in previous year.

A detailed discussion on review of operations under Steel and Wire & Wire Rope businesses has been included in Management Discussion and Analysis which forms part of this Report.

### Dividend & Reserves

The Board of Directors has decided it would be prudent not to recommend dividend for the year under review nor do they propose to carry any amount to reserves.

### Slump Sale of Steel Business Undertaking

During the year under review, with an objective to deleverage the Balance Sheet of the Company, a business transfer agreement was executed with Tata Sponge Iron Limited (TSIL) for transfer of the Steel Business Undertaking (inter alia comprising of steel manufacturing facility, an operative iron ore mine, coal mine under development, captive power plants, plant & machinery of straight bar facility) of the Company by way of slump sale on going concern basis.

### Outlook and Business

During the year under review, Wire & Wire Rope (WWR) business of the Company witnessed recovery and also an overall uptick in the demand

scenario which continued across most market segments. Though the Oil & Offshore market segment is yet to witness the anticipated upswing after prolonged slump for four years now, the Company's sale of large diameter ropes to this segment has substantially increased in the current fiscal. Other product segments such as general engineering ropes and LRPC strands continued to remain important areas of growth for your Company. There will be focused effort to increase market share in high contributory items like crane, elevator, fishing & mining ropes.

### TPM & Quality

During the year under review, the Company's steel division continued to have certification that includes ISO 9001:2015 Quality Management System, IATF 16949:2016 QMS for Automotive Industries, ISO 14001:2015 Environment Management System, ISO 50001:2011 Energy Management System and OHSAS 18001:2007. Further steel division was also certified by JIPMS, Japan for TPM excellence.

WWR division's Quality Management System Certification has transitioned from ISO 9001:2008 to ISO 9001:2015. The Environmental Management System Certification has transitioned from ISO 14001:2004 to ISO 14001:2015. Approval of manufacturing (AOM) by DNV-GL, ABS & Lloyd's are in place. The Division has approvals for manufacture of ropes of specification API Spec 9A issued by American Petroleum Institute. The Division continues to have product certification by SNI of Indonesia, Inmetro of Brazil, SONCAP of Nigeria & CCS of China. LRPC product is certified by ACRS of Australia & Testing Laboratory and has accreditation under ISO 17025: 2017.

In order to make fundamental changes in our way of thinking and working, the TQM journey of WWR Division is being pursued upon. The concept of Daily Management has successfully been implemented in

operation, maintenance and service areas. All the Key Process Indicators of different functions are being monitored regularly in a centralized place called Wire Rope Excellence Center. The TQM journey will further strengthen the competitiveness with respect to Quality, Cost and Delivery of Rope business.

### **Environment**

Steel Division and WWR Division operate under ISO 14001 Environment Management Systems (EMS) Standards.

WWR Division is ensuring improvement in environmental performance by periodic environmental monitoring, legal compliance & online monitoring of emission & effluent at its captive power plant. Fly ash utilization has gone up above 100% to ensure disposal of fly ash accumulated in last few years. Consumption of water has reduced as water is recycled and reused. In order to protect, maintain and improve natural environment, plantation of 2,500 saplings of native & ornamental tree species has been done for greenery and greenbelt development.

### **Subsidiaries & Joint Ventures**

The international subsidiaries provide significant synergy and support to the Company's WWR business and performance. All the operating subsidiaries of the Company have continued to perform reasonably well in the economic and business circumstances which prevailed during the year under review. A key joint venture formed by the Company namely Pengg Usha Martin Wires Private Limited has reported satisfactory results in the year under review. During the year under review there were no other entities which became or ceased to be subsidiaries, joint ventures and associates of the Company. A statement covering report on the performance and financial position of each of the subsidiaries, associates and joint ventures is provided separately and forms part of this Report.

### **Deposits**

During the year under review, the Company has not accepted any deposit under Section 73 of the Companies Act, 2013 ("the Act") and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). As on 31st March, 2019, there are no unclaimed deposits with the Company. The Company has not defaulted in repayment of deposits or payment of interest on deposits thereon in the past.

### **Share Capital**

The paid-up Equity Share Capital as on 31st March, 2019 stood at Rs. 30.54 Crore. The Company has not issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares, during the year under review.

### **Significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future**

During the year, no significant material orders were passed by any regulatory authority or court against the Company which may affect the going concern status of the Company.

### **Details in respect of adequacy of internal financial controls with reference to the financial statements**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company (with its inherent weaknesses), work performed by the internal, statutory, cost and secretarial auditors and external consultants specially appointed for this purpose, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and relevant board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended on 31st March, 2019.

### **Directors and Key Managerial Personnel**

Mr. Prashant Jhawar (DIN: 00353020) is retiring by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting. A brief profile of Mr. Jhawar is given in the Notice convening the forthcoming Annual General Meeting.

Since the tenure of Mr. Pravin Kumar Jain (DIN: 02583519) as Joint Managing Director [Wire & Wire Rope Business] of the Company ended on 15th January, 2019, the Board of Directors at its Meeting held on 5th February 2019 have, in accordance with the recommendation of the Nomination and Remuneration Committee reappointed him as Joint Managing Director [Wire & Wire Rope Business] for a further period till 31st January, 2020. The Members at the Extra Ordinary General Meeting held on 30th March, 2019 have approved the aforementioned re-appointment of Mr. Jain.

During the year under review Mrs. Aarthi Ramakrishnan (DIN: 07672826), an Independent Non-Executive Director of the Company had due to her various professional and personal commitments resigned from the Board effective 9th January, 2019. Mrs. Ramakrishnan has confirmed that there was no other material reason attributing to her resignation.

Consequent to the insertion of Regulation 17 (1A) in SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 every non-executive director who has attained the age of 75 years be appointed or continue to be in office as director beyond 31st March, 2019 subject to a special resolution passed by the shareholders for their appointment or continuation in office. Accordingly, an Extra Ordinary General Meeting of the Company was held on 30th March, 2019, wherein the Members approved the continuation of Mr. Brij Kishore Jhawar (DIN: 00086200) aged about 81 years as non-executive director and did not approve the Special Resolution for continuation of Mr. Basant Kumar Jhawar (DIN:00086237) aged about 83 years.

Mr. G N Bajpai (DIN: 00946138) due to his preoccupation expressed his intention not to continue as a Director beyond 31st March, 2019. Hence Mr. Bajpai has ceased to be an Independent Non-Executive Director of the Company effective 1st April, 2019. Further consequent to his cessation as a Director he also ceased to be the Chairman of the Board and of the Company.

Mr. Vijay Singh Bapna (DIN: 02599024) was appointed as an Additional Independent Director of the Company with effect from 27th May, 2019 and shall hold office till the date of forthcoming 33rd Annual General Meeting of the Company.

As required under provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Independent Directors of the Company have confirmed that they meet the requisite criteria of independence.

There has been no change in the Key Managerial Personnel during the year under review. However, effective close of business hours on 9th April, 2019, Mr. Rohit Nanda has ceased to be the Chief Financial Officer of the Company. The Board of Directors at its Meeting held on 8th April, 2019 appointed Mr. Anirban Sanyal as the Chief Financial Officer of the Company with effect from 10th April, 2019.

### **Directors' Responsibility Statement**

Pursuant to requirements under Section 134(5) of the Act, the Board, to the best of its knowledge and belief, confirms that:

- i) the applicable accounting standards have been followed in preparation of annual accounts for Financial Year ended 31st March, 2019 and proper explanations have been furnished relating to material departures;
- ii) accounting policies have been selected and applied consistently and prudent judgments and estimates have been made so as to give a true and fair view of state of affairs of the Company at end of financial year and of loss of the Company for year under review;
- iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts for Financial Year ended 31st March, 2019 have been prepared on a going concern basis;
- v) internal financial controls are in place and that such financial controls are adequate and operating effectively;
- vi) adequate systems to ensure compliance with the provisions of all applicable laws are in place and are operating effectively.

### **Board Evaluation**

The criteria and the manner has been formulated for formal evaluation of the individual Directors, the Board as a whole and the Board Committees. Every Director evaluates the performance of other Directors (excepting himself/herself), the Board as a whole and its Committees and provides feedback to the Nomination & Remuneration Committee. The Nomination & Remuneration Committee reviews the feedback and makes relevant recommendation to the Board for final evaluation.

### **Nomination & Remuneration Policy**

In accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company on recommendation of the Nomination &

Remuneration Committee has formulated the criteria for determination of qualification, positive attributes and independence of Directors along with remuneration of Directors, Senior Management Personnel (including Key Managerial Personnel) and other employees. The Remuneration Policy of the Company is annexed as part of this Report and also available on the website of the Company [www.ushamartin.com](http://www.ushamartin.com).

### **Vigil Mechanism and Whistle Blower Policy**

The Company has a coded Vigil Mechanism and Whistle Blower Policy available at [www.ushamartin.com/investor](http://www.ushamartin.com/investor). This Policy provides a framework to promote responsible and secure reporting of undesirable activities ("whistle blowing"). Through this Policy, the Company seeks to provide a mechanism to the whistleblower to disclose any misconduct, malpractice, unethical and improper practice taking place in the Company for appropriate action and reporting, without fear of any kind of discrimination, harassment, victimisation or any other unfair treatment or employment practice being adopted against the whistleblower.

### **Particulars of Employees & Managerial Remuneration**

The required disclosures in accordance with Section 197 of the Act read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended are provided separately and forms part of this report.

### **CEO and CFO Certification**

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Joint Managing Director and Chief Financial Officer of the Company have submitted the relevant certificate for the year ended 31st March, 2019 to the Board of Directors.

### **Additional Disclosures**

The Company had adopted effective from 1st April, 2016, the notified Indian Accounting Standards (Ind AS) and accordingly the Financial Statements (both standalone and consolidated) for the year ended 31st March, 2019 have been prepared under Ind AS. In line with requirements of applicable provisions of law, the Company has made necessary disclosures in respect of Consolidated Financial Statements, Related Party Transactions and Segmental Reporting.

### **Auditors**

In accordance with the provisions of Section 139 of the Act and pursuant to the shareholders approval at the 30th Annual General Meeting, S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) have been appointed as Statutory Auditors of the Company to hold office from the conclusion of the 30th Annual General Meeting till the conclusion of the 35th Annual General Meeting of the Company.

### **Cost Auditors**

Pursuant to Section 148 of the Act and Rules made thereunder, the

Board has appointed Messers Guha, Ghosh, Kar & Associates, Cost Accountants, to conduct cost audit of the Company for the Financial Year 2018-19 and had recommended their remuneration to the shareholders which was ratified at the Annual General Meeting held on 18th September, 2018.

The Board of Directors have re-appointed Messers Guha, Ghosh, Kar & Associates as the Cost Auditors for the Financial Year 2019-20 and their remuneration is sought to be ratified from the shareholders at the forthcoming Annual General Meeting and is included as an agenda item in the Notice convening the 33rd Annual General Meeting.

### **Secretarial Audit and Corporate Governance Report**

During the year under review, the Board of Directors had appointed M/s. A K Labh & Co. firm of Practicing Company Secretaries for conducting secretarial audit in accordance with the provisions of the Act and the Rules framed thereunder. The Secretarial Audit Report is annexed and forms part of this Report.

The Company has complied with the applicable requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and followed the practice of getting disclosures from directors and senior management personnel relating to any material financial and commercial transactions where they have any personal interest with a potential conflict of interest with the Company at large. A detailed Report on Corporate Governance is annexed and forms part of this Report. The Company has also complied with the Standards of Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India as applicable during the year ended 31st March, 2019.

### **Audit Committee**

Members of the Audit Committee as on 31st March, 2019 were Mr. Jitender Balakrishnan as Chairman, Mr. Salil Singhal and Mr. Ghyanendra Nath Bajpai as Members. The Company Secretary acts as the Secretary to the Audit Committee.

All the recommendations of the Audit Committee were duly accepted by the Board and there were no instances of any disagreement between the Committee and Board.

### **Corporate Social Responsibility (CSR)**

The Company has been deeply involved in sustainable development of communities in and around its areas of operations. The CSR policy of the Company is available on [www.ushamartin.com/investor](http://www.ushamartin.com/investor). The Company's commitment to its responsibilities towards society over the years has never been confined to the requirements of any statute. In accordance with the requirements of the Act, as on 31st March, 2019 the CSR committee comprised of Mr. B K Jhawar as Chairman, Mr. Brij Kishore Jhawar, Mr. P S Bhattacharyya as members. As per the provisions of Section 135 of the Act, the Company need not statutorily incur any social responsibility spending owing to absence of profits over the last three years. However, the annual report on CSR activities as required

in accordance with the Act and Rules made thereunder forms part of this Report.

### **Extract of Annual Return**

The details forming part of the extract from the Company's Annual Return in Form MGT 9 are annexed separately with this Report.

Further in accordance with the requirement of Section 92 (3) of the Companies Act, 2013 a copy of the Annual Return of the Company is hosted at [www.ushamartin.com/investors](http://www.ushamartin.com/investors).

### **Number of Meetings of Board and it's Committees**

The details regarding Meetings of the Board and Committees have been provided in the Corporate Governance Report forming part of this Report.

### **Particulars of Loans, Guarantees and Investments**

The particulars of loans, guarantees or investments are provided in the Financial Statements.

### **Particulars of contracts or arrangements with Related Parties**

During the year under review, in compliance with the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all related party transactions had been placed before the Audit Committee for approval. Necessary approval of the Board has also been obtained where required. Relevant disclosure has been made in Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 (as amended) given as an annexure to this Report. The Related Party Transaction Policy as approved by the Board is hosted on the Company's website [www.ushamartin.com](http://www.ushamartin.com).

### **Conservation of energy, technology absorption, foreign exchange earnings and outgo**

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 (as amended) is annexed separately and forms part of this report.

### **Risk Management**

The Company has a Risk Management Committee to assist the Board in discharging its responsibilities towards management of material business risk (material business risks include but is not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, legislative or regulatory and market related risks) including monitoring and reviewing of the risk management plan / policies in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee has formulated a Risk Organisation Structure as part of a risk mapping exercise which reviews risks, identifies ownership of risk, assesses the implication of such risks and the method to mitigate the same. For the year ended 31st March 2019, the committee consisted of Mr. P S Bhattacharyya as Chairman, Mr. Mukesh Rohtagi, Mr. P K Jain and Mr. Rajeev Jhawar as Members.

## Material changes between the end of the Financial Year and date of report

As already stated elsewhere in this Report, the sale of Steel Business undertaking was completed on 9th April 2019 except for transfer of mines and certain land parcels.

## Appreciation

Your Directors place on record their appreciation for the valuable co-operation and support of its employees, customers, suppliers, contractors, shareholders, investors, government authorities, financial institutions, banks and other stakeholders.

On behalf of the Board of Directors

Place : Kolkata  
Date : 27th May, 2019

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Jt. Managing Director [Wire & Wire Rope Business]  
DIN: 02583519

## Annexure to Directors Report

### Information as per Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, and forming part of the Directors' Report for the year ended 31st March, 2019

Name; Age (Years); Designation/ Nature of Duties; Gross Remuneration (Rs.); Qualifications; Experience (Years); Date of Commencement of Employment; Previous Employment - Designation

#### (A) Top ten employees in terms of remuneration drawn and having been employed throughout the financial year.

Karun Kant Dave; 53; President-Mining Division; 30,910,208; MBA (Marketing); Diploma (Mining & Mine Surveying); B.E. (Mining), MBM; Class 1 Mine Manager Certificate; Executive Development Programme; 33; 2-Nov-15; Vedanta Ltd.; Chief Operating Officer - Lanjigarh Refinery, Rohit Nanda; 46; Chief Financial Officer; 16,509,713; B.Com, C.A.; 24; 2-Nov-15; MTAR Technologies Pvt. Ltd.; Chief Financial Officer, Pravin Kumar Jain; 65; Jt Managing Director (Wire and Wire Rope Business); 15,861,573; B.Tech, MBA; 42; 1-Sep-09; Brunton Wolf Wire Ropes,FZCo; Managing Director, Rajeev Jhawar; 54; Managing Director; 15,756,196; B. Com (Hons); 34; 26-Nov-94; Usha Martin Industries Limited (Since Merged with the Company); Jt. Managing Director, Debasish Mazumdar; 55; President-Steel; 10,994,729; B.E (Metallurgy); 32; 1-Sep-11; Electrotherm India Limited; President-Works, Dhruv Jyoti Basu; 61; President-Human Resource; 9,439,614; B.Sc.(Hons),PGD Personnel Management & Industrial Relations; 39; 10-Apr-06; Larfarge India Ltd; Vice President-Human Resource, Devadip Bhowmik; 54; Vice President - CMO; 8,530,532; B.Sc-Physics,Chemistry,Mathematics; Diploma Electrical Engineering; PGD-Marketing Management; 28; 9-Aug-17; Usha Siam Steel Industries Public Company Limited; General Manager-Marketing, Jayanta Bhowmik; 52; Sr Vice President-IT; 7,636,955; Diploma Electrical Engineering; Mangement Development Program from XLRI; 29; 24-Feb-16; Apeejay Surrendra Group; Chief Information Officer, Ranajit Chakraborty; 60; Vice President- Power Plant; 6,979,834; B.Sc-Mathematics (Hons); B.Tech-Instrumentation & Electronics Engineering; 29; 20-Feb-14; Jindal Steel & Power Ltd; Associate Vice President, Bedanand; 43; Vice President-Commercial; 6,100,222; I.Sc. B.E-(Mechanical Engineering) Ex-PGDGM; 19; 1-Sep-14; Essar Steel India Ltd; General Manger.

#### (B) Names of every employee who draws a remuneration of Rupees one crore and two lakhs per annum and has not been mentioned in (A) above - **NIL**

#### (C) Employed for a part of the financial year and was in receipt of remuneration for any part of the year at a rate which in the aggregate was not less than Rs.850,000 per month - **NIL**

#### Notes :

- (1) The terms of appointment of Managing Director and Joint Managing Director are contractual. All other appointment are non-contractual and terminable by notice on either side.
- (2) Gross Remuneration comprises of salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.
- (3) None of the employees named above is a relative of any Director of the Company except, Mr Rajeev Jhawar who is a relative of Mr Brij K Jhawar, a Director of the Company.

On behalf of the Board of Directors

Place : Kolkata  
Date : 27th May, 2019

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Jt. Managing Director [Wire & Wire Rope Business]  
DIN: 02583519

## Annexure to Directors Report

### Information on Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3) of the Companies Act, 2013 read with Rule 8 of the Companies (Account) Rules, 2014 :

#### (A) Conservation of energy:

- i) Steps taken or impact on conservation of energy.
  - a) Developing of PLC logic for idle running of Flux Crushing & Screening System resulted in energy saving of 1.04 Lakhs KWH per annum at Sinter Plant.
  - b) Saving of power of 0.445 Lakhs KWH per annum at Sinter Plant in Fuel Crushing System through modification of PLC logic for idle running.
  - c) Saving of power of 0.462 Lakhs KWH per annum at Sinter plant in Iron ore fines/secondary waste charging system through modification of PLC logic for idle running.
  - d) Modification in existing water line of DRI 1 & 2 resulted in reduction in running hours of ABC pump of DRI-1 achieved saving of energy of 4.8 Lakhs KWH per annum.
  - e) Replacing of Soft Starter with VVFD for Filtration Sump Pump Motor achieved energy saving of 2.33 lakhs KWH per annum at Pellet Plant.
  - f) Saving of 1000 KWH per day of power consumption by commissioning of 2\*300 KVAR capacitor bank at Coke Oven Plant.
  - g) Savings of 177 KWH per day of power by controlled On & Off of lightings through PLC system at Coke Oven Plant.
  - h) Improvement of power factor from 0.82 to 0.92 after commissioning of capacitor bank in SMS#2 Aux side.
  - i) Reduction in the operation time to clean the DRI based WHRB 2 & 3 during the time of accretion by placing a manhole in the affected area which helped in fast and speedy work, such that 8 hrs, before Boiler is taken in line which resulted in to Energy saving of 6.72 Lakhs KWH/Annum at CPP.
  - j) Saving of energy of 7,500 KWH per start up by reducing start up time during bed material filling of the boiler start up.
  - k) Reduction of 0.61 Lakhs KWH per annum of auxiliary power consumption by stopping the SSF water pump permanently and supplying water from 30 MW Unit-1 cooling water pump.
  - l) Conversion of DC motor & drive by AC motor & drive resulted in approximate 30% saving in energy.
  - m) Replacement of conventional light by LED lights also resulted in saving of energy.
  - n) Plan to install all new ACs with Energy Efficient Five Star rating.
- ii) Steps taken by the Company for utilising alternate sources of energy:
  - a) Increasing gas based power generation and reducing coal based power generation. The percentage of gas based power generation has gone up to 59.46% of the total power generation in FY 18-19 in comparison to 48.76% in FY 2017-18.
  - b) Continuation of green building concepts have been taken by replacing opaque sheets with transparent sheet for roofing at chosen positions.
  - c) Using of briquette for water heating & energy conservation.
  - d) Evaluating usage of solar energy for energy conservation.
- iii) Capital investment on energy conservation equipment.
  - a) New recuperator to be installed in reheating furnace with goal for fuel saving of 2 Lt./MT.
  - b) VFD system to be introduced in Furnace Blower Motor for better control of air as well as Energy saving of 6160 KWH per day at

Wire Rod Mill.

- c) VFD system to be introduced at BF2 blower for Energy saving of 29,616 KWH per day.

#### (B) Technology absorption:

- i) Efforts made towards technology absorption:
  - a) Commissioning of Oxygen enrichment in Sinter Ignition Furnace to increase the furnace temperature and saving 2 KG/MT of fuel.
  - b) New vibration probe installed in CT fan #1 for feedback in DCS of 30 MW CPP Unit-1 in order to prevent blade failures due to high vibration.
  - c) The Company is constantly applying global benchmark in terms of quality, cost & performance and remains committed to TPM & TQM Process – QMS, EMS, OHSAS & EnMS on Plant System Improvement & Development.
  - d) Acquisition of new designs & technology from external technology houses, collaboration with Indian Institute of Technology, Kharagpur for better technology.
  - e) Replacement of defective motors with energy efficient motors class IE-2.
  - f) Replacement of conventional light fittings by energy efficient LED light fittings.
  - g) Introduction of biometric attendance system for employees.
  - h) Acquisition of new design & technology from external technology houses, collaboration with Indian Institute of Technology, Kharagpur.
- ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
  - a) In straight length, approvals received from various OEMs and ancillaries such as RKFL: STE500N for Kessler Axle Fork, 18CrNiMo7-6 for Kessler, 38xc, Happy Forge: 45C8 for crankshaft of ESCORTS, RKFL: 815M17(MOD) H & 20MnCr5 for AAM application, Sider Forge: ST62N for Rear Axle & LA Front Axle tubes for TML, Orbit & Galaxy Bearings: SAE52100 for Bearing Race application, RKFL: 45X for Defence - Engine Factory.
  - b) Development of various product grades of wire & wire rope for various reputed manufacturers such as Bekaert Industries, Hindusthan Fasteners, Precision Automotive, Kuduma Fasteners, Lincoln, Manisha Wire, etc.
  - c) Sustenance of previous customer approvals received from various OEMs for supply of Bars (including Bright bars) for the forging and machinery industry.
  - d) Continued development and supply of critical steel for medium and heavy commercial vehicles and auto ancillary producers.
  - e) Tie up with IIT, Kharagpur & NML, Jamshedpur for study of various failure analysis for in-house and failure at customer end and taking action accordingly.
  - f) Continuous effort to increase in market share of high end product.
  - g) Efficient and Productive utilization of Iron Ore and fines through conventional DRI, BF plants.
  - h) Tracking of Customer complaints in PPM level. The average Customer complaints in FY 18-19 is 467 PPM.
  - i) Planning to introduce environment friendly consumables and lubricants.
  - j) Steps taken to enhance performance of products compared to previously designed ropes.
  - k) Increased competitiveness in domestic & global market through low cost high quality products.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year):

Details of technology imported	Year of import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place and the reasons thereof
Celox sensor for Oxygen and Carbon measurement	2019	Yes	-

iv) Expenditure incurred on Research and Development:	Rs.396 Lakh
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**(C) Foreign exchange earnings and Outgo:** (Rs. In Lakh)

i. Foreign Exchange earned in terms of actual inflows during the year	42,819.3
ii. Foreign Exchange outgo during the year in terms of actual outflows	1,326.5

Place : Kolkata  
Date : 27th May, 2019

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

On behalf of the Board of Directors  
**Pravin Kumar Jain**  
Jt. Managing Director [Wire & Wire Rope Business]  
DIN: 02583519

**FORM NO. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1) Details of contracts or arrangements or transactions not at arm's length basis – **NIL**

a) Name(s) of the related party and nature of relationship	-
b) Nature of contracts/arrangements/transactions	-
c) Duration of the contracts/arrangements/transactions	-
d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
e) Justification for entering into such contracts or arrangements or transactions	-
f) Date of approval by the Board	-
g) Amount paid as advances, if any	-
h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	-

2) Details of material contracts or arrangement or transactions at arm's length basis – **NIL**

a) Name(s) of the related party and nature of relationship	-
b) Nature of contracts/arrangements/transactions	-
c) Duration of the contracts/arrangements/transactions	-
d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
e) Date(s) of approval by the Board, if any	-
f) Amount paid as advances, if any	-

Place : Kolkata  
Date : 27th May, 2019

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

On behalf of the Board of Directors  
**Pravin Kumar Jain**  
Jt. Managing Director [Wire & Wire Rope Business]  
DIN: 02583519

**Annexure to Directors Report**

**Details in terms of Sections 134 (3) (q) and 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) for the year ended 31st March, 2019:**

Sl. No.	Requirement	Disclosure
i.	The ratio of remuneration of each Director to the median remuneration of employees of the Company for the Financial Year.	a) Mr. Basant Kumar Jhavar, Chairman Emeritus, Non – Executive, Promoter – Director – 0.51:1* # b) Mr. Ghyanendra Nath Bajpai, Chairman, Non – Executive, Independent Director – 2.30:1* # c) Mr. Prashant Jhavar, Non – Executive, Promoter – Director – 0.43:1* d) Mr. Brij Kishore Jhavar, Non – Executive, Promoter – Director – 0.51:1* e) Mr. Salil Singhal, Non – Executive, Independent Director – 1.45:1* f) Mr. Jitender Balakrishnan, Non – Executive, Independent Director – 1.79:1* g) Mr. Partha Sarathi Bhattacharyya, Non – Executive, Independent Director – 1.28:1* h) Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Nominee Director – 0.60:1* i) Mr. Mukesh Rohatgi, Non – Executive, Independent Director – 0.77:1* j) Mrs. Aarathi Ramakrishnan, Non – Executive, Independent Director – 0.94:1* @ k) Mr. Rajeev Jhavar, Managing Director – 26.83:1 l) Mr. P K Jain, Joint Managing Director [Wire & Wire Rope Business] – 27.01:1 *constitutes of sitting fees only which are paid to every Non – Executive Director for attending Board and Committee meetings in which such Director is a member. # Ceased to be a Director with effect from 1st April, 2019. @ Ceased to be a Director with effect from 9th January, 2019.
ii.	Percentage Increase / (Decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year.	a) Mr. Basant Kumar Jhavar, Chairman Emeritus, Non – Executive, Promoter – Director – 50%* # b) Mr. Ghyanendra Nath Bajpai, Non – Executive, Independent Director – 17.39%* # c) Mr. Prashant Jhavar, Chairman, Non – Executive, Promoter – Director – 150%* d) Mr. Brij Kishore Jhavar, Non – Executive, Promoter – Director – NIL* e) Mr. Salil Singhal, Non – Executive, Independent Director – 41.67%* f) Mr. Jitender Balakrishnan, Non – Executive, Independent Director – 10.53%* g) Mr. Partha Sarathi Bhattacharyya, Non – Executive, Independent Director – 15.38%* h) Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Nominee Director – 16.67%* i) Mr. Mukesh Rohatgi, Non – Executive, Independent Director – NIL* j) Mrs. Aarathi Ramakrishnan, Non – Executive, Independent Director – 10%* @ k) Mr. Rajeev Jhavar, Managing Director – 0.23% l) Mr. P K Jain, Joint Managing Director [Wire & Wire Rope Business] – (14.26%) m) Mr. Rohit Nanda, Chief Financial Officer – 8.04%* n) Mrs. Shampa Ghosh Ray, Company Secretary – 26% *constitutes of sitting fees only which are paid to every Non – Executive Director for attending Board and Committee meetings in which such Director is a member. # Ceased to be a Director with effect from 1st April, 2019. @ Ceased to be a Director with effect from 9th January, 2019. & Ceased to be the Chief Financial Officer of the Company from close of business on 9th April, 2019.
iii.	Percentage increase in the median remuneration of employees in the Financial Year.	11.45%
iv.	Number of permanent employees on the rolls of the Company.	1756 [only officers of the Company as on 31st March, 2019 has been considered]
v.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase in salaries of employees during the last Financial Year was 19.30% compared to 14.03% of decrease in the aggregate remuneration paid to managerial personnel (i.e. MD and JMD).
vi.	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	Yes.

On behalf of the Board of Directors

**Rajeev Jhavar**  
 Managing Director  
 DIN: 00086164

**Pravin Kumar Jain**  
 Jt. Managing Director [Wire & Wire Rope Business]  
 DIN: 02583519

Place : Kolkata  
 Date : 27th May, 2019

## EXTRACTS FROM THE NOMINATION AND REMUNERATION POLICY OF USHA MARTIN LIMITED

The philosophy for remuneration of Directors, Senior Management Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy is aligned to this philosophy.

This Remuneration Policy has been prepared pursuant to the applicable provisions of the Act and SEBI LODR. In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

### (i) DIRECTORS

#### A) Non-Executive Directors

- 1) **Sitting Fees:** Every Non-Executive Director of the Company shall be entitled to a sitting fees or such amount as may be decided by the Board for attending every Board Meeting and Committee Meeting in which such Director is a member in accordance with the provisions of the Act and SEBI (LODR).
- 2) **Commission:** In case of adequate profit Non-Executive Directors shall be entitled to commission upto such percentage of the net profit calculated in the manner as prescribed and allowed under the Act. The above commission shall be apportioned in the manner as may be decided by the Board.
- 3) **Re-imbursment of travelling and hotel expenses:** Non-Executive Directors shall be entitled to reimbursement of expenses on account of travelling and hotel expenses for attending Board and / or Committee Meetings and / or visit to any place on Company's business.

#### B) Executive Directors

Remuneration payable to Executive Directors shall be fixed from time to time by the Nomination & Remuneration Committee, Board of Directors and Shareholders within the overall ceiling mentioned under the Act.

In case of loss or inadequate profits, the Executive Directors will receive the above remuneration as minimum remuneration subject to approval of Central Government, where applicable.

### (ii) SENIOR MANAGEMENT PERSONNEL

The remuneration of Senior Management Personnel shall generally have the following constituents:

- Basic salary
- House Rent Allowance
- Additional Allowance
- Special Allowance
- Conveyance
- Medical
- Leave Travelling Allowance
- Provident Fund
- Gratuity
- Superannuation

All senior management staff of the Company have fixed pay excepting the officers who are working in Company's subsidiaries or joint venture companies.

Senior Management Personnel are entitled to retiral benefits like gratuity, provident fund, superannuation, etc as per the Human Resource Policy of the Company. They are also entitled for benefits and perks as applicable as per Company's Policy.

The annual revision of the salary of senior management personnel will be based on performance as per the annual plan of the preceding year and will be prepared and recommended by Recruitment Committee consisting of Managing Director, Whole-time Director/(s) and Head – Human Resources,

to the Nomination and Remuneration Committee of the Board of Directors of the Company.

### (iii) OTHER EMPLOYEES

The Employees of the Company are basically divided into two categories viz. Non-Officers or Workmen and Officers or Executives. The Non-Officers or Workmen of the Company are unionised and their remuneration and other benefits are covered under the Long-term Settlement with Union, which is done in every 4 years. Besides the above, a Workman is entitled for a Production Incentive prevailing in the Plant, he is employed.

This Policy covers Officers/ Executives, which is explained below –

Officers of the Company are divided into 12-13 levels and all are having Fixed Salary based on the Components viz. Basic, House Rent Allowance, Conveyance, Additional Allowance, Special Allowance, Medical Allowance, Leave Travel Allowance and the contribution to the various Statutory/Retrial Benefits. The above components consist of the total Cost to the Company of the individual Officer. The yearly increment is given based on an Increment Matrix linked with the Appraisal Points, finalized by his immediate Superior and JMD/MD level. The yearly increments of DGM and above located at Plants will generally be finalised on recommendation of Plant Head based on performance and subsequently finalised by MD/JMD. Apart from the above, the Officers based in the Plants are entitled for Production Incentive. The following shall be considered for determining remuneration or revision of remuneration: -

#### A) Compensation Survey

To have an Officer Remuneration Survey of the Steel/Engineering Industry and to assess the present Compensation of the Officers given by the Company falls in what percentile of the highest paid Company. This Survey should also include the Entry Compensation of Graduate Engineer Trainees, Diploma Holder Trainees etc. It is also proposed to rationalize the so many prevailing grades of the Officers and align it with the similar Industry, so that Compensation Benchmarking can be more adequate and effective.

#### B) Salary Correction

The Salary Corrections are to be taken up during the annual increment. In this process, the high potential and high performing Officers are to be brought to the range of around 75 percentile of the best paid industry to raise the exit bar. The above average performers can be brought to 50-60 percentile or as decided by the Management. The average performers and below will get normal increment, if continued in the employment.

#### C) Introduction of Performance Pay

The General Manager and above (around 46 in number) are to be considered as Leadership positions in the Company. The position holders are generally Departmental Heads or other Key position holders in Commercial Departments. It is proposed that in case of future recruitment, the total Salary Package, which is a fixed salary is to be bifurcated into Fixed and Variable, linked with agreed quantifiable targets and overall performance of the Company unless otherwise decided jointly by the President (HR), Jt. Managing Director and Managing Director on case to case basis, as per the discretion of Management.

#### D) Rationalisation of Perquisites

Existing perquisites of the Company given to the Officers may be revisited as per the Human Resource Policy of the Company to be jointly decided by the President (HR), Jt. Managing Director and Managing Director.

# REPORT ON CORPORATE GOVERNANCE

## A. COMPLIANCE OF MANDATORY REQUIREMENTS

### I. Company's Philosophy on Corporate Governance

The philosophy of the Company on Corporate Governance envisages attainment of high level of transparency, accountability and equity in all areas of its operations and interactions with customers, shareholders, investors, employees, government authorities and lenders.

### II. Board of Directors

The Board of Directors of the Company as on 31st March, 2019 comprised of the following Directors:

Name of Directors	Promoter/ Executive/ Non Executive/ Independent	No. of Other* Directorships held	Name of other Listed Company in which Directorship is held & Category	Other committee positions held **		No. of Equity Shares held <sup>s</sup>	Relationship between directors
				As Chairman	As Member including Chairmanship		
Mr. Basant Kumar Jhawar@	Non Executive Chairman Emeritus, Promoter	1	-	None	None	82,310	Father of Mr. Prashant Jhawar
Mr. Ghyanendra Nath Bajpai#	Independent, Non Executive, Chairman	5	Future Consumer Limited, Independent Director	1	6	20,000	None
Mr. Prashant Jhawar	Non Executive, Promoter	5	Usha Martin Education & Solutions Limited, Non-Independent Director Peterhouse Investment India Limited, Non-Independent Director	None	None	20,60,788	Son of Mr. Basant Kumar Jhawar
Mr. Brij Kishore Jhawar	Non Executive, Promoter	0	-	None	None	9,45,865	Father of Mr. Rajeev Jhawar
Mr. Rajeev Jhawar	Managing Director, Promoter	4	Usha Martin Education & Solutions Limited, Non-Independent Director Orient Cement Ltd., Independent Director	1	3	15,61,741	Son of Mr. Brij Kishore Jhawar
Mr. Salil Singhal	Independent, Non Executive	5	Somany Ceramics Limited, Independent Director	None	1	Nil	None
Mr. Jitender Balakrishnan	Independent, Non Executive	9	Polypex Corporation Limited, Independent Director Sarda Energy & Minerals Limited, Independent Director Bharti Infratel Limited, Independent Director CG Power and Industrial Solutions Limited, Independent Director India Glycols Limited, Independent Director	2	7	Nil	None
Mr. Partha Sarathi Bhattacharyya	Independent, Non Executive	6	Deepak Fertilisers and Petrochemicals Corporation Limited, Non-Independent Director Ramakrishna Forgings Limited, Independent Director Tide Water Oil Co. India Limited, Independent Director	2	4	Nil	None
Mr. Venkatachalam Ramakrishna Iyer	Non Executive, Nominee of State Bank of India (Lender)	1	Canara Bank, Independent Director	1	1	Nil	None
Mr. Mukesh Rohatgi	Independent, Non Executive	None	-	None	None	NIL	None
Mr. Pravin Kumar Jain	Jt. Managing Director [Wire & Wire Rope Business], Executive	4	-	1	1	10,000	None

Mrs. Aarthi Ramakrishnan, Non-Executive Independent Director has resigned from the Board of Directors of the Company with effect from 9th January 2019 due to her various professional and personal commitments. She has also confirmed that apart from these reasons there were no other material reason for her resignation.

@ Mr. Basant Kumar Jhavar, aged about 83 years ceased to be a Director of the Company from 1st April 2019 as the requisite approval from the shareholders for his continuance as a Director beyond 31st March 2019 was not received at the Extra Ordinary General Meeting held on 30th March 2019.

The details mentioned in the above table pertaining to Mr. Basant Kr. Jhavar have been provided based on his last available disclosure with the Company.

# Mr. Ghyanendra Nath Bajpai, Non-Executive Independent Director (aged about 76 years) who was also the Chairman of the Board and of the Company resigned from Directorship of the Company with effect from 1st April 2019. SEBI has newly inserted a provision which requires that a Non-Executive Director above 75 years of age can continue his term beyond 31st March 2019 subject to shareholders' approval. Having attained the age of 76 years, Mr. G N Bajpai informed the Company about his unwillingness to continue as a Director beyond 31st March 2019 owing to his preoccupation. Mr. Bajpai has further confirmed that apart from the reasons as disclosed there were no other material reason.

Mr. Vijay Singh Bapna (DIN: 02599024) was appointed as an Additional Independent Director of the Company with effect from 27th May, 2019 and shall hold office till the date of forthcoming 33rd Annual General Meeting of the Company.

\* Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 ("the Act"), have not been considered for this purpose.

\*\* Only two Committees viz, Audit Committee and Stakeholders' Relationship Committee have been considered for this purpose.

\$ Apart from holding equity shares, Non – Executive Directors are not holding any convertible instruments of the Company.

All Independent Directors have confirmed their 'Independence' to the Board of the Company in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ["SEBI (LODR)"]. At the year-end declarations have been received from Directors informing their directorship and committee positions occupied in other companies except for Mr. Basant Kumar Jhavar who ceased to be a Director effective 1st April, 2019.

Details of familiarization programmes for Independent Directors of the Company are provided under 'Investor' section of the Company's website at www.ushamartin.com.

As per stipulations in Para VII of the Code for Independent Directors in Schedule IV of the Act and as per SEBI (LODR), separate meetings of the Independent Directors were held on 21st May 2018 and 11th June 2018.

#### Directors Attendance at Board Meetings and Annual General Meeting

Seven Board Meetings were held during the year on 21st May 2018, 11th June 2018, 13th August 2018, 22nd September 2018, 12th November 2018, 17th December 2018 and 5th February 2019. Annual General Meeting [AGM] was held on 18th September, 2018.

Name of Directors	Board Meetings during the year/ tenure		Attendance at last AGM
	Held	Attended	
Mr. Basant Kumar Jhavar@	7	5	No
Mr. Ghyanendra Nath Bajpai*	7	7	Yes
Mr. Prashant Jhavar	7	5	No
Mr. Brij Kishore Jhavar	7	3	No
Mr. Rajeev Jhavar	7	7	Yes
Mr. Salil Singhal	7	6	No

Name of Directors	Board Meetings during the year/ tenure		Attendance at last AGM
	Held	Attended	
Mr. Jitender Balakrishnan	7	6	Yes
Mr. Partha Sarathi Bhattacharyya	7	7	No
Mr. Venkatachalam Ramakrishna Iyer	7	7	No
Mr. Mukesh Rohatgi	7	5	Yes
Mrs. Aarthi Ramakrishnan <i>(ceased to be Director w.e.f 9th January 2019)</i>	6	5	Yes
Mr. Pravin Kumar Jain	7	7	Yes

@ Mr. Basant Kr. Jhavar ceased to be a director of the company with effect from 1st April, 2019.

\* Mr. G. N. Bajpai ceased to be a director of the company with effect from 1st April, 2019.

#### Code of Conduct

Pursuant to provisions of SEBI (LODR), the Board has framed a 'Code of Conduct for Board of Directors and Senior Management' ("Code of Conduct") and is available on the Company's website at www.ushamartin.com. All Directors and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct as at 31st March, 2019.

#### III. Audit Committee

The terms of reference of the Audit Committee include the powers and roles as set out in SEBI (LODR) and Section 177 of the Act. Among others the Audit Committee reviews related party transactions; internal control systems; financial statements and investments made by unlisted subsidiaries; use and application of funds raised through issue of shares, if any; business plans; management discussion and analysis of financial condition and results of operations.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board has approved the modification of 'Code of Conduct for Prevention of Insider Trading' (Code) and authorised the Audit Committee to implement and monitor various requirements as set out in the Code.

Six meetings of the Audit Committee were held during the year on 21st May 2018, 13th August 2018, 12th November 2018, 10th December 2018, 17th December 2018 and 5th February 2019.

#### Composition of the Audit Committee and attendance during the year were as under :

Particulars			No. of Meetings	
			Held	Attended
Mr. Jitender Balakrishnan	Chairman	Independent Non-Executive	6	6
Mr. Salil Singhal	Member	Independent Non-Executive	6	4
Mr. Ghyanendra Nath Bajpai*	Member	Independent Non-Executive	6	6

\* Mr. G N Bajpai ceased to be a Director of the Company with effect from 1st April 2019.

All the members of the Audit Committee are financially literate with considerable knowledge and expertise in finance and accounts.

The Managing Director, the Joint Managing Director, Chief Financial Officer, Business Heads, Finance Controller and Head of Internal Audit attend Meetings of the Audit Committee as invitees, as and when required.

The Statutory Auditors remain present during discussion and review of quarterly results and annual financial statements as invitees in Meetings of the Audit Committee. The Internal Auditors and Cost Auditors are invited to attend Meetings, as and when required.

The Company Secretary acts as the Secretary to the Audit Committee.

Mr. Jitender Balakrishnan, Chairman of the Audit Committee was present at last Annual General Meeting held on 18th September, 2018.

#### IV. Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee include the role set out in the SEBI (LODR) and Section 178 of the Act. Among others, the Committee shall formulate criteria for determining qualifications, positive attributes and independence of a Director; recommend a Policy relating to the remuneration of Directors, Key Managerial Personnel and other employees; review and recommend to the Board all remuneration payable to the Key Managerial Personnel and senior management; formulate criteria for evaluation of Independent Directors and the Board and devising a Policy on Board diversity and identifying persons who are qualified to become Directors as well as who may be appointed as Senior Management Personnel.

Two meetings of the Nomination and Remuneration Committee were held during the year on 21st May 2018 and 5th February 2019.

Mr. J Balakrishnan, Chairman of Nomination & Remuneration Committee was present at last Annual General Meeting held on 18th September, 2018.

#### Composition of the Nomination and Remuneration Committee and attendance during the year were as under:

Particulars			No. of Meetings	
			Held	Attended
Mr. Jitender Balakrishnan	Chairman	Independent, Non-Executive	2	2
Mr. Ghyandendra Nath Bajpai *	Member	Independent, Non-Executive	2	2
Mr. Salil Singhal	Member	Independent, Non-Executive	2	1

\* Mr. G N Bajpai ceased to be a Director of the Company with effect from 1st April 2019.

#### Performance Evaluation

Every Director of the Company individually evaluates performance of other Directors and submits their report to the Chairman of Nomination & Remuneration Committee based upon parameters like participation in discussion at Meetings, attendance and exercise of independent judgment. Thereafter on such individual assessment made by the Directors, the Chairman of Nomination & Remuneration Committee provides his overall report to the Chairman of the Board.

#### Remuneration Policy

The Company has a Remuneration Policy for Directors, Senior Management Personnel and other employees.

The aforementioned remuneration policy inter-alia covers salary, perquisites and retiral benefits payable to Executive Directors, Senior Management Personnel and other employees of the Company.

A copy of the same is annexed to the Directors Report and the same is also available on the Company's website at [www.ushamartin.com/investor](http://www.ushamartin.com/investor).

#### The break-up of remuneration paid to the Managing Director and Joint Managing Director for the Financial Year 2018-19 is given below:

(Rs. In Lakh)

Names	Mr. Rajeev Jhavar*	Mr. Pravin Kumar Jain**
Position	Managing Director	Jt. Managing Director [Wire and Wire Rope Business]
Period	FY 2018 – 19	FY 2018 – 19

Names	Mr. Rajeev Jhavar*	Mr. Pravin Kumar Jain**
Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	114.00	138.65
Value of perquisites u/s 17(2) of the Income-tax Act, 1961	24.12	12.23
Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
Others (includes PF, Gratuity, GPA, etc.)	19.44	7.74
Commission	-	-
Total	157.56	158.62
Service Contract	For a period from 19th May, 2013 to 18th May, 2018 which was further renewed till 18th May 2023.	For a period from 1st February, 2015 to 15th January, 2019 which was further renewed till 31st January 2020 from 5th February 2019.
Notice Period	6 months from either side	3 months from either side
Severance Fees	6 months' salary in lieu of notice.	3 months' salary in lieu of notice.
Stock Options	None	None

\* Mr. Rajeev Jhavar was re – appointed as Managing Director of the Company for a period of 5 years effective from 19th May, 2018 to 18th May, 2023. The remuneration to be paid to Mr. Jhavar shall not exceed Rs. 1.48 Crore per annum as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V of the Act) for the period commencing from 19th May, 2018 till 18th May, 2021. The said re-appointment and remuneration payable to Mr. Jhavar was approved by the shareholders at the Thirty Second Annual General Meeting of the Company.

\*\* Mr. Pravin Kumar Jain was re-appointed as Jt. Managing Director [Wire & Wire Rope Business] effective 1st February, 2015 to 15th January, 2019 which was subsequently approved by the shareholders at the Extra Ordinary General Meeting held on 16th March, 2015. Subsequently, the Central Government approved the remuneration payable to Mr. Jain as Jt. Managing Director at a consolidated minimum remuneration upto Rs.1.93 Cr p.a. for the period commencing from 1st February, 2015 till 31st January, 2018. The shareholders at the Thirty Second Annual General Meeting of the Company have approved payment of Rs.1.48 Cr. p.a. as minimum remuneration (computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V of the Act) to Mr. Pravin Kumar Jain for the period commencing from 1st February, 2018 to 15th January, 2019. Further, the Nomination & Remuneration Committee and Board of Directors, at their respective Meetings held on 5th February, 2019 subject to approval of shareholders, have approved the re-appointment of Mr. Pravin Kumar Jain as Jt. Managing Director [Wire & Wire Rope Business] for a period of about 1 year effective from 5th February, 2019 to 31st January, 2020. The remuneration to be paid to Mr. Jain shall not exceed Rs.1.44 Crore per annum (computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V of the Act) for the said period. Approval of shareholders in this regard has been obtained at the Extra – Ordinary General Meeting of the Company held on 30th March 2019.

Accordingly both Mr. Rajeev Jhavar and Mr. Pravin Kumar Jain were paid minimum remuneration for the Financial Year 2018-19. Further, in accordance with Schedule V of the Act, the minimum remuneration determined does not include the Company's 'Contribution to Provident Fund' and 'Contribution to Gratuity Fund'. No stock options have been given to any of the Directors.

**The break-up of remuneration paid to each of the Non-Executive Directors for the Financial Year 2018-19 is given below:**

(Rs. In Lakh)

Name of Non – Executive Directors	Sitting Fees	Commission
Mr. Basant Kumar Jhawar	3.00	-
Mr. Ghyanendra Nath Bajpai	13.50	-
Mr. Brij Kishore Jhawar	3.00	-
Mr. Prashant Jhawar	2.50	-
Mr. Salil Singhal	8.50	-
Mr. Jitender Balakrishnan	10.50	-
Mr. Partha Sarathi Bhattacharyya	7.50	-
Mr. Venkatachalam Ramakrishna Iyer	3.50	-
Mr. Mukesh Rohatgi	4.50	-
Mrs. Aarthi Ramakrishnan [ceased to be Director w.e.f. 9th January 2019]	5.00	-
<b>Total</b>	<b>62.00</b>	<b>-</b>

In case of profits, Non – Executive Directors, are from time to time paid commission in accordance with the provisions of the Act with necessary approval.

The criteria for making payments to Non – Executive Directors is available under the ‘investor’ section of the Company’s website at www.ushamartin.com.

Apart from the above, no other pecuniary relationships (including stock options) or transactions vis-à-vis the Company exists with any Director.

**V. Stakeholders’ Relationship Committee**

In accordance with the provisions of the Act and SEBI (LODR) the Company has a Stakeholders’ Relationship Committee. The terms of reference of this Committee inter-alia includes considering and resolving of grievances of stakeholders and speedy disposal of requests received from security holders and approving transfer and transmission of shares, issue duplicate share certificates and other documentation and activities related to shares. During the year, the Committee met four times on 21st May 2018, 13th August 2018, 12th November 2018 and 5th February 2019.

**Composition of the Stakeholders’ Relationship Committee and attendance during the year were as under:**

Particulars			No. of Meetings	
			Held	Attended
Mr. Ghyanendra Nath Bajpai*	Chairman	Independent, Non-Executive	4	4
Mr. Brij K Jhawar	Member	Non-Executive, Promoter	4	2
Mr. P K Jain	Member	Jt. Managing Director [Wire & Wire Rope Business], Executive	4	4

\* Mr. G N Bajpai ceased to be a Director of the Company with effect from 1st April 2019.

**Status of complaints of shareholders is given hereunder:**

Complaints pending as on 1st April, 2018	NIL
Number of complaints received during year ended 31st March, 2019	41
Number of complaints attended to/resolved during the year	41
Complaints pending as on 31st March, 2019	NIL

Compliance Officer : Mrs. Shampa Ghosh Ray, Company Secretary  
2A, Shakespeare Sarani  
Kolkata 700 071.  
Phone : 033 71006300; Fax : 033 71006415  
Email : investor@ushamartin.co.in

**VI. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprised of Mr. Basant Kumar Jhawar (Chairman, Non Executive Director), Mr. Brij Kishore Jhawar (Member, Non-Executive Director), Mr. P S Bhattacharyya, (Member, Independent Non-Executive Director) and Mrs. A Ramakrishnan (Member, Independent Non-Executive Director). The Committee assists the Board in discharging the responsibilities towards making the Company a responsible corporate citizen in accordance with the provisions of the Act and Rules made thereunder. During the year under review, the Committee had met once on 12th November 2018. Mrs. A Ramakrishnan and Mr. Basant Kumar Jhawar ceased to be Directors of the Company with effect from 9th January 2019 and 1st April 2019 respectively and consequently ceased to be members of the Committee.

**VII. Risk Management Committee**

Risk Management Committee comprises of Mr. Partha Sarathi Bhattacharyya, (Independent Non – Executive Director) as the Chairman, Mr. Rajeev Jhawar (Managing Director), Mr. Pravin Kumar Jain (Joint Managing Director) and Mr. Mukesh Rohatgi (Independent Non – Executive Director) as Members. The Committee assists the Board in discharging its responsibilities towards management of material business risk (material business risks include but not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, product quality, human resource, industry, legislative or regulatory and market related risks) including monitoring and reviewing of the risk management plan/policies in accordance with the provisions of SEBI (LODR). During the year under review, the Committee had met once on 30th March 2019.

**VIII. Finance Committee**

The Finance Committee of the Board of Directors comprised of Mr. G.N. Bajpai (Independent Non – Executive Director) as the Chairman, Mr. Prashant Jhawar (Non – Executive Director), Mr. J Balakrishnan, (Independent Non – Executive Director), Mr. P K Jain (Joint Managing Director), Mr. Rajeev Jhawar (Managing Director) and Mrs. A Ramakrishnan (Independent Non – Executive Director) as Members to inter-alia assist the Board in discharging its’ financial decision making responsibilities. During the year, the Committee met twice on 13th August, 2018 and 5th February 2019 respectively. Mrs. A Ramakrishnan and Mr. G.N. Bajpai ceased to be Directors of the Company with effect from 9th January 2019 and 1st April 2019 respectively and consequently ceased to be members of the Committee.

**IX. Investment & Strategy Committee**

As on 31st March, 2019, the Investment & Strategy Committee comprised of Mr. G. N. Bajpai (Independent Non – Executive Director) as the Chairman, Mr. Prashant Jhawar (Non – Executive Director), Mr. Rajeev Jhawar (Managing Director) and Mr. J Balakrishnan (Independent Non – Executive Director) as Members to inter-alia assist the Board in the decision making process for investments and divestments by the Company and to formulate strategies for achieving medium to long term objectives of the Company and monitoring implementation thereof. During the year, no meetings of the Committee were held. Mr. G.N. Bajpai ceased to be a Director of the Company with effect from 1st April 2019 and consequently ceased to be member of the Committee.

**X. Committee of Independent Directors**

The Committee of Independent Directors comprises of Independent Directors namely Mr. Jitender Balakrishnan as Chairman, Mr. G.N. Bajpai, Mr. Salil Singhal, Mr. Partha Sarathi Bhattacharyya, Mr. Mukesh Rohatgi [w.e.f 11th June 2018] and Mrs. A Ramakrishnan [w.e.f 11th June 2018] as Members to inter-alia assist the Board in exploring options for augmenting the financial resources of the Company and strategizing to revive Company’s performance on a sustainable basis. During the year under review, the Committee had met four times on 15th

June 2018, 13th August 2018, 22nd September 2018 and 12th November 2018. Mrs. A Ramakrishnan and Mr. G.N. Bajpai ceased to be Directors of the Company with effect from 9th January 2019 and 1st April 2019 respectively and consequently ceased to be members of the Committee.

#### XI. General Meetings

Date	Type	Venue	Time	No. of Special Resolutions
30th March, 2019	EGM	Vidya Mandir, Kolkata	11.00 A.M.	2*
10th November, 2018	EGM	Vidya Mandir, Kolkata	10.45 A.M.	1
18th September, 2018	AGM	Vidya Mandir, Kolkata	11.30 A.M.	1
21st September, 2017	AGM	Vidya Mandir, Kolkata	11.30 A.M.	1
9th August, 2016	AGM	Kala-Mandir, Kolkata	11.00 A.M.	2

During the year under review, no Resolution was passed by postal ballot and there is no proposal pending as on date for approval as Special Resolution through Postal Ballot.

\* The shareholders had approved the special resolution for continuation in office of Mr. Brij K Jhavar as a Non – Executive Director beyond 31st March, 2019 while the other special resolution for continuation of Mr. Basant Kumar Jhavar as a Non-Executive Director of the Company beyond 31st March, 2019 was not approved with requisite majority.

#### XII. Disclosures

- There were no materially significant related party transactions (i.e. transactions of the Company of material nature), in potential conflict with interests of the Company at large. Transactions with related parties are disclosed in Note 33 to the Accounts in Annual Report.
- There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non-compliance of any matter relating to Capital Market during last three years.
- The Board of Directors has adopted a Vigil Mechanism and Whistle Blower Policy to provide a framework to promote responsible and secure reporting of undesirable activities. During the year under report, there was no reporting of any undesirable activity by any person. No personnel of the Company have been denied access to the Audit Committee.
- During the Financial Year 2018 – 19, all mandatory requirements have been complied with.
- The Company has complied with all other requirements specified in Regulation 17 to 27 and Clause (b) to (i) of Sub Regulation (2) of Regulation 46 of SEBI (LODR).
- Various Policies and Codes including that of material subsidiaries and related party transactions are available under the 'investor' section of the Company's website at [www.ushamartin.com](http://www.ushamartin.com).
- Management Discussion and Analysis is annexed to the Directors' Report to shareholders and forms part of Annual Report.
- In order to manage the Company's Foreign Exchange exposure, the Company has in place a Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimize, to the extent possible, any adverse effect on the Company's earnings or fair values of assets and liabilities, without exposing the Company to any material risks associated with the transactions, which could be regarded as speculative. In terms of the Policy, generally forward contracts are used to cover exposures. However, other hedging techniques may be used like Currency Swaps and Currency Options etc. in consultation with management. The Company is not engaged in commodity hedging activities.

- As per disclosures received from Senior Management Personnel, they have not entered into any material, financial or commercial transactions which may have a potential conflict with interests of the Company at large.
- The Board of Directors has confirmed that in their opinion the Independent Directors fulfill the conditions specified in SEBI (LODR) and are independent of the Management.
- During the year under review, the Company continued to have the rating of BB+ assigned by India Ratings & Research as long term issuer ratings and rating of A4+ as short term ratings assigned by CARE Ratings.
- A certificate that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as Director of any Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority has been obtained from a Company Secretary in Practice which forms part of this Annual Report.
- During the year under review the Company did not raise any fund through preferential allotment or qualified institutional placement.
- During the year under review there were no instances of the Board not accepting the recommendations made to it by any of the statutory sub-committees of the Board.
- The requisite disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided separately in this Annual Report.
- Total fees for all services paid by the Company to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part has been disclosed in Note 28(ii) to the Accounts in Annual Report. The Statutory Auditor of the Company does not render services to any subsidiaries or associates of the Company.
- The core skills/ expertise/ competencies of Directors required for effective functioning are given hereunder :

Name of Directors	Identified Skill / Knowledge set for Directors				
	Operations Management	Finance/ Accounting/ Legal	Strategy Development	Industry Related experience	General Management
Mr. B K Jhavar*	✓	X	✓	✓	✓
Mr. G N Bajpai*	✓	✓	✓	X	✓
Mr. Brij K Jhavar	✓	X	✓	✓	✓
Mr. J Balakrishnan	✓	✓	✓	X	✓
Mr. Salil Singhal	✓	✓	✓	X	✓
Mr. Partha Sarathi Bhattacharyya	✓	✓	✓	✓	✓
Mrs. Aarthy Ramakrishnan**	✓	✓	✓	X	✓
Mr. Mukesh Rohatgi	✓	✓	✓	✓	✓
Mr. R Venkatachalam	✓	✓	✓	X	✓
Mr. P Jhavar	✓	X	✓	✓	✓
Mr. R Jhavar	✓	X	✓	✓	✓
Mr. P K Jain	✓	✓	✓	✓	✓

\* ceased to be a director w.e.f 1st April 2019

\*\* ceased to be a director w.e.f 9th January 2019

#### XIII. Means of communication

- a) The Company regularly intimates un-audited quarterly and audited annual financial results to Stock Exchanges immediately after they are approved and taken on record by the Board. During the year, the financial results were published in leading national newspapers viz. Financial Express (English editions) and Dainik Statesman (Bengali editions).
- b) The financial results and official press releases are also posted on the Company's website [www.ushamartin.com](http://www.ushamartin.com).
- c) As and when presentations are made to media, analysts, institutional

investors and fund managers the same are posted on the Company's website.

- d) Apart from statutory announcements, the Company shares information relating to financial performance with public and investors through press releases, business newspapers and magazines as and when required.

#### XIV. General Shareholders' Information

##### (a) Date, time and venue of Annual General Meeting

The Thirty-third Annual General Meeting of the Company will be held on 21st September, 2019 at 11.00 AM at "Kala Kunj", 48, Shakespeare Sarani, Kolkata – 700 017.

##### (b) Financial Calendar

Financial Year ended 31st March, 2019	Meetings held on	Next Financial Year ending 31st March, 2020	Meetings to be held on or before
First Quarter Results – June, 2018	13th August, 2018	First Quarter Results – June, 2019	14th August, 2019
Second Quarter Results – September, 2018	12th November, 2018	Second Quarter Results – September, 2019	14th November, 2019
Third Quarter Results – December, 2018	5th February, 2019	Third Quarter Results – December, 2019	14th February, 2020
Audited Results for the year ended 31st March, 2019	27th May, 2019	Audited Results for the year ended 31st March, 2020	30th May, 2020

##### (c) Book Closure Dates

The Share Transfer Books and Register of Members will be closed from 15th September, 2019 till 21st September, 2019 (both days inclusive).

##### (d) Dividend Payment Date

No dividend has been recommended during the year.

##### (e) Stock Exchanges where the Company's shares are listed and the Scrip Code numbers:

Sl. No.	Name of the Exchange	Scrip Code
1)	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	517146
2)	National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051	USHAMART
3)	Societe de la Bourse de Luxembourg (For GDRs) 35A Boulevard Joseph II, L-1840, Luxembourg	US9173002042

The listing fees for all above stock exchanges have been duly paid for Financial Year 2018-19.

##### (f) Stock Market Price Data

Month	BSE (Rs/Share)		NSE(Rs/Share)		VOLUME		TOTAL VOLUME
	HIGH PRICE	LOW PRICE	HIGH PRICE	LOW PRICE	BSE	NSE	
<b>2018</b>							
April	25.70	18.40	25.60	18.55	22,30,531	1,96,13,061	<b>2,18,43,592</b>
May	26.30	21.30	26.35	21.45	20,46,545	1,32,76,247	<b>1,53,22,792</b>
June	33.00	19.55	32.80	18.10	74,90,287	4,57,30,724	<b>5,32,21,011</b>
July	28.50	23.60	28.70	23.40	15,30,602	1,31,99,443	<b>1,47,30,045</b>
August	32.10	25.55	32.20	25.60	40,62,191	3,04,67,798	<b>3,45,29,989</b>
September	36.40	28.10	36.30	27.55	1,26,19,474	8,27,90,583	<b>9,54,10,057</b>
October	35.40	25.10	35.45	25.10	46,45,366	2,94,90,431	<b>3,41,35,797</b>

Month	BSE (Rs/Share)		NSE(Rs/Share)		VOLUME		TOTAL VOLUME
	HIGH PRICE	LOW PRICE	HIGH PRICE	LOW PRICE	BSE	NSE	
<b>2018</b>							
November	45.70	33.00	45.70	32.95	60,31,005	5,13,69,667	<b>5,74,00,672</b>
December	41.95	33.50	42.10	35.15	17,68,856	1,34,41,766	<b>1,52,10,622</b>
<b>2019</b>							
January	36.50	28.00	36.50	27.80	19,22,491	1,38,63,753	<b>1,57,86,244</b>
February	35.45	26.80	35.30	26.70	19,82,571	1,07,97,697	<b>1,27,80,268</b>
March	42.15	32.85	42.25	32.75	45,44,556	2,67,92,696	<b>3,13,37,252</b>

##### (g) Performance in comparison to broad based indices such as BSE Sensex and NSE Nifty

Month	Price at BSE (Rs./Share)	BSE Sensex	Price at NSE (Rs./Share)	NSE Nifty
<b>2018</b>				
April	23.45	35,160.36	23.45	10,739.35
May	23.30	35,322.38	23.10	10,736.15
June	27.70	35,423.48	27.55	10,714.30
July	27.00	37,606.58	27.00	11,356.50
August	30.05	38,645.07	30.10	11,680.50
September	30.50	36,227.14	30.45	10,930.45
October	32.90	34,442.05	32.85	10,386.60
November	38.15	36,194.30	38.30	10,876.75
December	36.00	36,068.33	36.15	10,862.55
<b>2019</b>				
January	32.80	36,256.69	32.70	10,830.95
February	32.70	35,867.44	32.65	10,792.50
March	40.30	38,672.91	40.50	11,623.90

##### (h) Registrar and Transfer Agent (both for demat and physical form of shares)

The contact details of the Registrar are as under:

MCS Share Transfer Agent Limited (Unit: Usha Martin Limited)

383, Lake Gardens, 1st Floor, Kolkata - 700045

Phone : +91 33 4072 4051/52/53

Fax : +91 33 4072 4050

Email : mcssta@rediffmail.com

Contact Person: Mr. Shankar Ghosh, Head–Eastern Region

##### (i) Share Transfer System

Requests for transfer of shares in physical form received by the Registrar and Share Transfer Agent of the Company are processed within a period of fifteen days from date of receipt, provided documents are in order. The Company Secretary has been authorised to endorse physical share transfer and transmission on behalf of the Company.

As the Company's shares are currently traded in de-materialised form, transfers are also processed and approved in the electronic form by NSDL/ CDSL with whom the Company has entered into separate agreements.

##### (j) Distribution of Shareholding as on 31st March, 2019

Range (No. of shares)	No. of Shareholders	%	Number of Shares	%
1-100	19,111	42.59	995,939	0.33
101-500	16,382	36.51	4,583,850	1.50
501-1000	4,253	9.49	3,561,298	1.17
1001-5000	3,645	8.12	8,974,447	2.95
5001-10000	611	1.36	4,794,981	1.57
10001 & above	866	1.93	281,831,265	92.48
<b>Total</b>	<b>44,868</b>	<b>100</b>	<b>30,47,41,780</b>	<b>100</b>
*Shareholding in Physical Form included in above	12,851	22.24	22,51,943	0.74

**(k) Pattern of Shareholding as on 31st March, 2019**

	Category	No. of Shares	% of Total Shareholding
<b>A</b>	<b>Promoter Holding</b>	<b>133,753,320</b>	<b>43.89</b>
<b>B</b>	<b>Public Holding</b>		
	- Mutual Fund	112,154	0.04
	- Financial Institution / Banks	637,660	0.21
	- Insurance Companies	3,079,103	1.01
	- Foreign Institutional Investors / Foreign Portfolio Investors	36,935,630	12.12
	- Bodies Corporate	47,330,878	15.53
	- Individual	59,126,819	19.40
	- IEPF	825,766	0.27
	<b>Total {B}</b>	<b>148,048,010</b>	<b>48.58</b>
<b>C</b>	<b>GDRs (@)</b>	<b>22,940,450</b>	<b>7.53</b>
	<b>GRAND TOTAL [A+B+C]</b>	<b>30,47,41,780</b>	<b>100.00</b>

@ As on 31st March 2019 Promoters and Promoters Group are holding 36,48,716 GDRs (representing 18,243,580 Equity Shares).

**(l) Dematerialisation of Shares and Liquidity**

As at 31st March, 2019, 99.56% of total Equity Shares of the Company were held in electronic form with NSDL/CDSL.

The Company's Equity Shares are being traded compulsorily in dematerialised form with effect from 21st March, 2000.

The ISIN of the Company's Equity Share is INE228A01035.

**(m) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

As on 31st March, 2019, there were 4,588,090 Global Depository Receipts (GDRs) outstanding representing 22,940,450 Equity Shares.

**(n) National Electronic Clearing Service (NECS)**

The Company has extended the NECS facility to shareholders to enable them to receive dividend through electronic mode in their bank account. The Company encourages Members to avail this facility as NECS provides adequate protection against fraudulent interception and encashment of dividend warrants in transit and correspondence with the Company on revalidation /issuance of duplicate dividend warrants.

**(o) Bank Details for Electronic Shareholding**

Members are requested to notify their Depository Participant (DP) about the changes in the bank details. Members are requested to furnish complete details of their bank accounts including the MICR codes of their banks to their DPs.

**(p) Permanent Account Number (PAN) of Members**

Members are requested to furnish their PAN to enable the Company to strengthen compliance with KYC norms and provisions of Prevention of Money Laundering Act, 2002 (as amended).

For transfer of shares in physical form, SEBI has made it mandatory for the transferee to submit a copy of PAN card to the Company / Registrar.

**(q) Plants/Mines Locations in India [as on 31st March, 2019]****Steel Business**

UAS Division, Adityapur, Jamshedpur-831 001

Iron Ore Mines, Barajamda, Jharkhand – 833 221

Coal Mines, Brinda & Sasai, Jharkhand

**Wire Rope Business**

Wire Ropes & Speciality Products Division, Tatisilwai, Ranchi – 835 103

Wire & Wire Rope Division-North, Hoshiarpur, Punjab – 146 024

Speciality Product Division – South, Sri Perumbudur, Tamil Nadu – 602 105

**(r) Address for Correspondence****(i) Usha Martin Limited**

2A, Shakespeare Sarani, Kolkata 700 071

Phone : +91 33 71006300, Fax : +91 33 71006415

**(ii) Person to be contacted for shareholder's queries / complaints**

Mrs. Shampa Ghosh Ray, Company Secretary

2A, Shakespeare Sarani, Kolkata 700 071

Phone: +91 33 71006300, Fax: +91 33 71006415

Email: investor@ushamartin.co.in

**B. STATUS OF ADOPTION OF THE NON MANDATORY REQUIREMENTS****Shareholder Rights**

The Company from time to time uploads the quarterly and half – yearly financial performance on the website of the Company. However, the hard copies of the same are not sent to the shareholders.

**Separate Chairperson and Chief Executive Officer**

During the year under review, the Board was headed by a Non-Executive Chairman and his position was separate from that of the Managing Director.

**Reporting of the Internal Auditor**

The Internal Auditor of the Company reports to the Audit Committee.

**Other Item**

The items mentioned under Non Mandatory Requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are being reviewed and will be implemented by the Company as and when required or deemed necessary by the Board.

**Declaration**

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that all Board Members and Senior Management Personnel of the Company have affirmed their compliance of the Company's "Code of Conduct for Directors and Senior Management Personnel" for Financial Year ended 31st March, 2019.

Place : Kolkata

Date : 27th May, 2019

**R. Jhavar**  
Managing Director  
DIN: 00086164

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members of  
Usha Martin Limited**

2A, Shakespeare Sarani  
Kolkata - 700071  
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Usha Martin Limited having CIN : L31400WB1986PLC091621 and having registered office at 2A, Shakespeare Sarani, Kolkata - 700071, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Salil Singhal	00006629	12.05.2009
2.	Mr. Jitender Balakrishnan	00028320	10.06.2010
3.	Mr. Rajeev Jhawar	00086164	19.05.1998
4.	Mr. Brij Kishore Jhawar	00086200	27.10.2004
5.	Mr. Mukesh Rambihari Rohatgi	00136067	09.12.2016
6.	Mr. Partha Sarathi Bhattacharyya	00329479	31.07.2014
7.	Mr. Prashant Jhawar	00353020	24.06.1992
8.	Mr. Venkatachalam Ramakrishna Iyer	02194830	04.11.2015
9.	Mr. Pravin Kumar Jain	02583519	27.07.2010
10.	Mr. Ghyanendra Nath Bajpai	00946138	18.03.2010

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. K. LABH & Co.  
Company Secretaries**

(CS Atul Kumar Labh)  
Practising Company Secretary  
FCS – 4848 / CP – 3238

Place : Kolkata

Dated : 27th May, 2019

### **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Protection and Redressal) Act, 2013**

The Company has put in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in accordance with the requirement of the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013'. In accordance with the above Policy, Internal Complaints Committee has been set up to redress complaints regarding sexual harassment. All employees of the Company are covered under the aforementioned Policy.

The summary of complaints received and disposed – off during the Financial Year 2018 – 19 were as under:

Number of complaints received : NIL

Number of complaints disposed – off : Not Applicable

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### **CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of Usha Martin Limited

We have examined the compliance of conditions of Corporate Governance by Usha Martin Limited ("the Company") in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations") for the year ended 31.03.2019.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A. K. LABH & Co.**

**Company Secretaries**

(CS A. K. LABH)

Practicing Company Secretary

FCS – 4848 / CP No -3238

Place : Kolkata

Date : 27th May, 2019

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### **Annexure to Directors Report**

#### **SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2019**

***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

**To,  
The Members,  
Usha Martin Limited  
2A, Shakespeare Sarani  
Kolkata – 700 071, West Bengal**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Usha Martin Limited having its Registered Office at 2A, Shakespeare Sarani, Kolkata - 700071, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

#### **Auditors' Responsibility**

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the

best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2019 according to the provisions of (as amended) :

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulations) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Act:

1. The Mines and Minerals (Development and Regulation) Act, 1957;
2. The Mines Act, 1952;
3. The Prevention of Food Adulteration Act, 1954;
4. The Petroleum Act, 1934 and the Petroleum Rules, 2002;
5. Legal Metrology Act, 2009;
6. The Boiler Act, 1923;
7. The Arms Act, 1959; and
8. Explosives Act, 1884

to the extent of its applicability to the Company during the financial year ended 31.03.2019 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (ii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

- (a) The Company has adopted new Memorandum of Association of the Company in substitution and to the entire exclusion of the Clauses contained in the erstwhile Memorandum of Association of the Company during the year under report.
- (b) The Company has sold its steel business undertaking to Tata Steel Limited or its subsidiaries through a slump sale on a going concern basis for which the approval of the shareholders was accorded at the Extra-ordinary General Meeting of the Company held on 10.11.2018.
- (c) The resolution proposed under Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, for continuation of directorship of Mr. Basant Kumar Jhwar as Non-Executive Director was not passed with requisite majority by the shareholders at the Extra-ordinary General Meeting of the Company held on 30.03.2019.
- (d) The matter relating to application under Sections 241 and 242 of the Companies Act, 2013 submitted during the previous financial year 2017-18 before the National Company Law Tribunal, Kolkata Bench against the Company and its Managing Director, Mr. Rajeev Jhwar is sub-judice and still pending before the Bench.

**For A.K. Labh & Co.  
Company Secretaries**

(CS A.K. LABH)  
Practicing Company Secretary  
FCS No. 4848  
CP. No. 3238

Place : Kolkata  
Date : 27th May, 2019

**Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
Part "A" : Subsidiaries**

(Rs. in Lakh)

Serial No.	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Name of the subsidiary	U M Cables Limited	Usha Martin Power & Resources Limited	Bharat Minex Private Limited	Gustav Wolf Speciality Cords Limited	Usha Siam Steel Industries Public Company Limited	Usha Martin Americas Inc	Brunton WolfWire Ropes FZCo	Usha Martin Singapore Pte. Limited	Usha Martin Australia Pty Limited	PT Usha Martin Indonesia	Usha Martin Vietnam Company Limited	Usha Martin China Company Ltd	Usha Martin International Limited	De Ruyter Staalkabel BV Sliedrecht	Usha Martin Italia S.R.L. #	Usha Martin Europe B.V.	Usha Martin UK Limited	Brunton Shaw UK Limited	European Management and Marine Corporation Limited
Reporting period for the subsidiary	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19	FY 2018-19
Reporting Currency	INR	INR	INR	INR	THB	USD	AED	USD	A \$	USD	VND	CNY	GBP	EURO	EURO	EURO	GBP	GBP	GBP
Exchange Rate as on 31st March, 2019 (used for conversation C/Y Vs INR)	-	-	-	-	2.180	69.1550	18.8305	69.1550	49.0200	69.1550	0.0030	10.2875	90.5239	77.6749	77.6749	77.6749	90.5239	90.5239	90.5239
Share Capital	1,113	5	20	15	3,117	2,766	3,578	396	98	69	188	317	5,349	14	8	14	3,485	-	-
Reserves and Surplus	1,904	(3)	(15)	225	8,902	927	3,824	8,885	1,649	975	262	(3,531)	3,456	5,184	122	78	21,365	-	-
Total Assets	14,241	4	44	286	33,209	6,133	13,513	20,020	2,790	1,572	1,074	1,319	9,001	11,443	268	1,356	36,306	-	-
Total Liabilities	11,224	2	40	46	21,190	2,440	6,111	10,739	1,043	528	624	4,532	196	6,245	138	1,264	11,456	-	-
Investments	-	-	-	-	-	-	-	251	-	-	-	-	6,391	-	-	-	-	-	-
Turnover (Net)	10,108	-	-	477	32,062	5,822	15,901	9,496	4,525	3,981	2,126	1,038	-	11,318	698	3,062	32,871	-	-
Profit/(Loss) before Taxation	(3,332)	*	(5)	9	275	135	336	(822)	257	582	55	(264)	165	607	155	147	826	-	-
Provision for Taxation	18	-	-	2	93	5	-	(5)	71	142	11	-	33	144	36	29	(189)	-	-
Profit/(Loss) after Taxation	(3,350)	*	(5)	6	182	130	336	(817)	186	440	44	(264)	131	463	120	117	1,015	-	-
Proposed Dividend	-	-	-	-	-	-	727	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	97.98%	100%	60%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

\* Amount is below rounding off norm adopted by the Company

# Financial information is based on Unaudited Results.

(1) Name of subsidiary which are yet to commence operations - None

(2) Name of subsidiaries which have been liquidated or sold during the year - None

(3) The annual accounts of the above subsidiary companies will be made available to the shareholders for inspection at the Annual General Meeting and also kept for inspection at the Registered Office of the Company.

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014  
related to Associate Companies and Joint Ventures  
Part "B" : Associates and Joint Ventures**

(Rs. in Lakh)

Serial No.	1	2	3
<b>Name of the Associates /Joint Ventures</b>	<b>Pengg Usha Martin Wires Private Limited (PUMWPL)</b>	<b>CCL Usha Martin Stressing Systems Limited (CUMSSL)</b>	<b>Tesac Usha Wirerope Company Limited (TUWCL)</b>
<b>Latest Audited Balance Sheet Date</b>	31-Mar-19	31-Mar-19	31-Mar-19
<b>Shares of Associate/Joint Ventures held by the company on the year end</b>			
<b>Number</b>	Equity Shares - 10,800,000 *	Equity Shares - 473,195 *	Ordinary Shares - 1,250,000 *#
<b>Amount of Investment in Associates/Joint Venture</b>	1,080	31	2,350
<b>Extent of Holding %</b>	40.00%	49.99%	50.00%
<b>Description of how there is significant influence</b>	PUMWPL is a joint venture company, wherein the Company is holding 40% of equity in PUMWPL under a Shareholders Agreement.	CUMSSL is a joint venture Company wherein the Company is a hoding 49.99% of the equity in CUMSSL under a Shareholders Agreement.	TUMCL is a joint venture of Usha Siam Steel Industries Public Company Limited, a subsidiary of the Company.
<b>Reason why the associate/joint venture is not consolidated</b>	The financial statement of PUMWPL is taken into consideration for consolidation of financial statements of the Company to the extent of Company's interest therein.	The financial statement of CUMSSL is taken into consideration for Consolidation of financial statements of the Company to the extent of Company's interest therein.	The financial statement of TUWCL is taken into consideration for consolidation of financial statements of the Company to the extent of the Company's interest therein.
<b>Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	2,465	42	1,760
<b>Profit / Loss for the year</b>	1,208	3	(133)
<b>Considered in Consolidation</b>	483	2	(67)
<b>Not Considered in Consolidation</b>	725	2	(67)

\* Denotes actual number of shares.

# Denotes shares held by subsidiaries of the Company.

**Notes:**

- (1) Name of associates or joint ventures which are yet to commence operation - None
- (2) Name of associates or joint ventures which have been liquidated or sold during the year - None
- (3) The annual accounts of the above associates/joint ventures companies will be made available to the shareholders for inspection at the Annual General Meeting and also kept for inspection at the Registered Office of the Company.

On behalf of the Board of Directors

**Place :** Kolkata

**Date :** 27th May, 2019

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Jt. Managing Director  
[Wire & Wire Rope Business]  
DIN: 02583519

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

## INDEPENDENT AUDITOR'S REPORT

To the Members of Usha Martin Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Usha Martin Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Emphasis of Matter

We draw attention to Note 36 (i) (a) regarding recoverability of book values of Rs. 14,199 lakhs (net of discounting impact of Rs. 990 lakhs) of moveable and immoveable assets including 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 recoverable amounts. Pending outcome of such measures, no adjustments to the financial statements in this regard have been considered necessary by the management. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures,

including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting for discontinued operations [as described in note 2A (h) and 36 (ii) of the standalone Ind AS financial statements]	Our audit procedures included the following:- <ul style="list-style-type: none"> <li>• Obtained and reviewed the Business Transfer Agreement (BTA) September 22, 2018 and novation agreement dated October 24, 2018 to identify assets, liabilities, contingent liabilities (including net working capital adjustments) that are to be transferred in terms of those agreements. Further, we assessed whether the assets / liabilities covered by the BTA have been segregated and classified as assets held for sale.</li> <li>• Reviewed segregation of income/ expenditures of the discontinued business for the year with reference to accounting records maintained by the Company and detailed workings prepared from such accounting records.</li> <li>• Reviewed disclosures pertaining to the operations of the discontinued business in the Notes to these financial statements.</li> </ul>
Provisions and Contingencies [as described in note 2A (p), 16 and 31C of the standalone Ind AS financial statements]	Our audit procedures included the following:- <ul style="list-style-type: none"> <li>• Obtained listing of all disputes pending before various judicial or relevant tax/ regulatory authorities.</li> <li>• Enquired and discussed the above listing with Head of Legal and Heads of relevant Functions to assess the completeness and management position with regard to the probability of unfavorable outcome of disputes and provision recognised towards matter under disputes.</li> </ul>
The Company has provided in Note 16 Rs. 1,675 lakhs for continuing operations and disclosed in Note 31C contingent liabilities of Rs. 51,853 lakhs and Rs. 7,508 lakhs for continuing operations and discontinued operations respectively as at March 31, 2019.	Our audit procedures included the following:- <ul style="list-style-type: none"> <li>• Obtained listing of all disputes pending before various judicial or relevant tax/ regulatory authorities.</li> <li>• Enquired and discussed the above listing with Head of Legal and Heads of relevant Functions to assess the completeness and management position with regard to the probability of unfavorable outcome of disputes and provision recognised towards matter under disputes.</li> </ul>

<p>Claims and exposures relating to litigation have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<ul style="list-style-type: none"> <li>Engaged with our relevant in-house tax specialists for taxation matters under dispute to assess management's position of outcome of significant cases and provisions recognised.</li> <li>Reviewed opinions obtained by the management from relevant external legal experts to assess management's position of outcome of significant matters under dispute and provisions recognised.</li> <li>Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.</li> </ul>
<p>Recognition of deferred tax assets (net) of the standalone Ind AS financial statements]</p>	<p>[as described in note 2A (k) and 6 (ii)]</p>
<p>As at March 31, 2019, the Company has recognized net deferred tax asset (DTA) of Rs. 23,846 lakhs in its financial statements. The DTA relates mainly to unabsorbed depreciation and carried forward business losses. The valuation and recoverability of DTA depend on:</p> <p>-The taxable profits the Company expects to generate in future</p> <p>-Set off against long-term capital gain arising on sale of SBB business</p> <p>As such, the valuation and future use of DTA imply significant judgments from the management. These judgments mainly relate to the forecasted taxable income, the length of tax loss and available and feasible tax planning strategies.</p> <p>Therefore, considering its significance as well as the fact that its recognition depends on management estimates and various legal frameworks, the balance of DTA mainly arising from unabsorbed depreciation and tax losses carried forward is defined as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the controls supporting the Company's process followed to book deferred tax assets arising from unabsorbed depreciation and carried forward business losses.</li> <li>Assessed the compliance of the methodology applied by the Company with Ind AS 12: Income Taxes. In association with our tax specialists, our audit approach also consisted in assessing the business plans used and thus the likelihood that Company would be able to utilize deferred tax assets in the future.</li> <li>Assessed the underlying projections and assumptions, and their consistency with the latest management estimates as calculated and the reliability of the process by which the estimates were calculated, by assessing the reasons for differences between projected and actual performances.</li> <li>Assessed the reliability of the process and workings by which the long-term capital gains on disposal of the SBB business were estimated by management by assessing the terms of the BTA and actual consideration receivable.</li> </ul>
<ul style="list-style-type: none"> <li>Revenue recognition [as described in note 2A (d) and 21 of the standalone Ind AS financial statements]</li> </ul>	

<p>For the year ended March 31, 2019, the Company recognized revenue from operations of Rs 466,800 lakhs (Including Rs. 169,048 lakhs in respect of continuing operation). Revenue is measured taking into account discounts and rebates earned by the customers on the sales. The Company also provides a right of return to its customers for certain products. These arrangements result in deductions to gross sales in arriving at turnover and give rise to obligations for the Company to provide customers with rebates, discounts, allowances and the right of return, which for unsettled amounts are recognized as an accrual.</p> <p>The terms of sales arrangements, including the timing of transfer of control, the nature of discounts and rebate arrangements and delivery specifications, create complexity and judgement in determining sales revenue. The risk is therefore, that revenue is not recognized in accordance with Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter.</p>	<p>Our audit procedures included the following:-</p> <ul style="list-style-type: none"> <li>Obtained an understanding of the policies and procedures applied to revenue recognition including testing the design and operating effectiveness of controls related to revenue recognition processes employed by the Company.</li> <li>Performed procedures by analyzing the cost of sales related to discounts, incentives, rebates and margins to total revenue recognized as compared with prior year.</li> <li>Assessed the relevant estimates made by the management in connection with discounts, incentives and rebates at year's end.</li> <li>Performed procedures for a sample of revenue transactions at year end to assess whether they were recognized at the correct period by corroborating the date of revenue recognition to third party support such as bills of lading, lorry receipt etc.</li> <li>Analyzed other adjustments and credit notes issued after the reporting date.</li> </ul>
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**Other Information**

The Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in Management Discussion and Analysis and Board's report including Annexures to Board's Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes

maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether

the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial

position in its standalone Ind AS financial statements – Refer Note 16 and Note 31C to the standalone Ind AS financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 27, 2019

**Annexure 1 referred to in paragraph 1 of the section on “Report on Other Legal and Regulatory Requirements” of our report of even date**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment and assets held for sale are held in the name of the Company except for the following:

Sl. No.	Class of asset	No. of cases	Gross block (Rs. in lakhs)	Net block (Rs. in lakhs)
1	Freehold land #	7	3,128	3,128
2	Freehold land (included in assets held for sale)	122	Not Applicable	282
3	Leasehold land	2	16	3
4	Buildings	3	42	8

# Includes three plots of land of Rs. 742 lakhs as at 31st March, 2019 located at Jamshedpur, in respect of which conveyance deed is yet to be executed in favour of the Company as explained in Note 36 (ii) of the standalone Ind AS financial statements.

- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the director is interested to which provisions of section 185 of the

Companies Act, 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.

- v. The Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in respect of manufacture of steel and steel products and are of the opinion that, prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, there have been delays in large number of cases in depositing undisputed statutory dues by the Company in respect of goods and service tax with the appropriate authorities. The Company has been regular, except in few cases, in deposit of duty of custom, provident fund, cess, income tax and other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees’ state insurance, income-tax, duty of custom, duty of excise, goods and service tax, employees’ state insurance, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

**Statement of arrears of statutory dues outstanding for more than six months**

Name of the Statute	Nature of the Dues	Amount (Rs. in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Central Excise Act, 1944	Duty of Excise including interest and penalty	307	April 2017 to May 2017	June 2017	April 20, 2019
Jharkhand Public Demand Recovery Act	Land revenue	313	April 2012 to September 2018	Mar 31st of respective year	Not yet paid
Mines and Minerals (Regulation and development) Act, 1957	Royalty	517	May 2018 to September 2018	September 2018	April 29 and 30, 2019
Goods and Services Tax Act, 2017	Interest on GST	1,377	January 2018 to September 2018	October 2018	April 25, 2019
Goods and Services (Compensation to States) Act, 2017	Interest on compensation cess on char fines	53	July 2017 to September 2018	October 2018	Not yet paid

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount * (Rs. in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central and State Sales Tax / Value Added Tax Act	Duty of Central and State Sales Tax, Value Added Tax and Entry tax	1,662	1985-86 to 1986-87, 2003-04 to 2004-05, 2009-10 to 2011-12, 2014-15, 2015-16	Sales Tax Appellate Tribunal
		3,754 #	2011-12 to 2014-15	Joint Commissioner of Commercial Taxes
		9	2010-11	Additional Commissioner of Commercial Taxes
		2	2010-11	Madhya Pradesh High Court
		2,078 #	2008-09 to 2013-14	Deputy Excise and Taxation Commissioners (Appeal)
		596	2014-15 to 2016-17	Ranchi High Court
		16	2003-04	Chennai High Court
Central Excise Act, 1944	Duty of excise	13,606	2001-02 to 2012-13	Central Excise and Service Tax Appellate Tribunal
		3,869	2001-02 to 2012-13	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service tax	18	2001-02	Joint Commissioner of Central Excise
		714	2016-17 to 2017-18	Commissioner (Appeals)
		104	2006-07 to 2007-08, 2013-14	Central Excise and Service Tax Appellate Tribunal
Goods & Service Tax Act, 2017	Goods and Services Tax	443	2017-18	Assistant Commissioner
Customs Act, 1962	Duty of customs	16	1995-96 to 1996-97, 1998-99, 2000-01 and 2008-09	Deputy Commissioner of Customs
		1,464	1989-90, 1992-93 to 1993-94, 2012-13 to 2013-14	Central Excise and Service Tax Appellate Tribunal
		73	1989-90, 1996-97, 2002-03, 2004-05, 2014-15 to 2015-16	Assistant Commissioner of Customs

Income Tax Act, 1961	Income tax	552	Assessment Year 1998-99	Ranchi High Court
		1,120	Assessment Year 2007-08	Income Tax Appellate Tribunal, Ranchi
		844	Assessment Year 2007-08 to 2009-10	Commissioner of Income Tax (Appeals)
	Tax collection at source	490	Assessment Year 2013-14 to 2017-18	Commissioner of Income Tax (Appeals)

\* Net of amounts paid under protest

# Includes demand received by the Company which is disputed along with other entry tax matters as explained in Note 31C of the standalone Ind AS financial statements

- viii. In our opinion and according to the information and explanations given by the management, there are no defaults by the Company at the year-end towards repayment of loans or borrowings to financial institutions or banks. The Company did not have any loans or borrowing in respect of government or dues to debenture holders during the year.
- ix. In our opinion, and according to the information and explanations given by the management, monies raised by way of term loans were applied, on an overall basis, for the purposes for which they were raised. The Company has not raised any moneys by way of public offer (including debt instrument) during the year.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares, or fully or partly convertible debentures during the year under review. Accordingly, reporting requirements under clause 3(xiv) are not applicable to the Company and, hence, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 27, 2019

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF USHA MARTIN LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Usha Martin Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements,

whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Ind AS standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS standalone financial statements and such internal financial controls over financial reporting with reference to these Ind AS standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Bhaswar Sarkar**

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 27, 2019

## Standalone Balance Sheet as at 31st March, 2019

(All amounts in Rs. lakhs)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3	40,567	4,29,095
(b) Capital work-in-progress	3	877	2,924
(c) Intangible assets	4	831	3,404
(d) Financial assets			
(i) Investments	5 (i)	15,065	15,065
(ii) Loans	5 (ii)	1,179	1,386
(iii) Other financial assets	5 (iii)	2,710	2,050
(e) Advance income tax assets (net)	6 (i)	3,976	3,779
(f) Deferred tax assets (net)	6 (ii)	23,846	-
(g) Other non-current assets	7	16,921	11,131
<b>Total non-current assets</b>		<b>1,05,972</b>	<b>4,68,834</b>
<b>Current assets</b>			
(a) Inventories	8	24,296	87,226
(b) Financial assets			
(i) Trade receivables	9 (i)	21,705	55,764
(ii) Cash and cash equivalents	9 (ii)	620	1,046
(iii) Other bank balances	9 (iii)	2,766	1,243
(iv) Loans	9 (iv)	53	1,094
(v) Other financial assets	9 (v)	11,108	12,846
(c) Other current assets	10	3,348	9,457
Assets held for sale	36(i)	2,607	4,734
<b>Total current assets</b>		<b>66,503</b>	<b>1,73,410</b>
<b>Assets of discontinued operations classified as held for sale</b>	36(ii)	<b>4,28,796</b>	-
<b>Total assets</b>		<b>6,01,271</b>	<b>6,42,244</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	11	3,054	3,054
(b) Other equity	12	20,039	14,301
<b>Total equity</b>		<b>23,093</b>	<b>17,355</b>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	13	2,26,973	2,65,579
(b) Provisions	14	1,409	4,536
(c) Government grants	15	-	3,152
(d) Other non-current liabilities	16	1,675	1,592
<b>Total non-current liabilities</b>		<b>2,30,057</b>	<b>2,74,859</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17 (i)	66,256	82,516
(ii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	17 (ii)	7	1,436
(B) Total outstanding dues of creditors other than micro and small enterprises	17 (ii)	21,828	1,82,830
(iii) Other financial liabilities	17 (iii)	51,946	49,135
(b) Provisions	18	626	1,356
(c) Current tax liabilities (net)	19	175	110
(d) Other current liabilities	20	10,593	32,647
<b>Total current liabilities</b>		<b>1,51,431</b>	<b>3,50,030</b>
<b>Liabilities of discontinued operations classified as held for sale</b>	36(ii)	<b>1,96,690</b>	-
<b>Total liabilities</b>		<b>5,78,178</b>	<b>6,24,889</b>
<b>Total equity and liabilities</b>		<b>6,01,271</b>	<b>6,42,244</b>

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

per **Bhaswar Sarkar**, Partner  
Membership No. 055596

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Joint Managing Director  
[Wire & Wire Rope Business]  
DIN: 02583519

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place : Kolkata

Date : 27th May, 2019

## Standalone Statement of Profit and Loss for the year ended 31st March, 2019 (All amounts in Rs. lakhs)

Particulars	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	21	1,69,048	1,41,767
Other income	22	4,720	7,515
<b>Total income</b>		<b>1,73,768</b>	<b>1,49,282</b>
<b>Expenses</b>			
Cost of materials consumed	23	1,15,529	88,068
Purchase of stock-in-trade		519	514
(Increase) / decrease in inventories of finished goods, work-in-progress, stock -in- trade and scrap/by-product	24	(6,743)	3,250
Excise duty on sale of goods		-	3,102
Employee benefits expense	25	11,387	10,446
Finance costs	26	9,022	7,648
Depreciation and amortisation expense	27	2,810	2,896
Other expenses	28	24,844	21,224
<b>Total expenses</b>		<b>1,57,368</b>	<b>1,37,148</b>
<b>Profit before tax from continuing operations</b>		<b>16,400</b>	<b>12,134</b>
<b>Tax expenses of continuing operations</b>	6(ii)		
Current tax		65	-
Adjustment of tax relating to earlier periods		227	-
Deferred tax charge/(credit)		(23,760)	-
		<b>(23,468)</b>	<b>-</b>
<b>Profit for the year from continuing operations</b>		<b>39,868</b>	<b>12,134</b>
<b>Discontinued operations [refer note 36 (ii)]</b>			
<b>Profit / (loss) for the year from discontinued operations</b>		<b>(33,968)</b>	<b>(40,368)</b>
<b>Profit / (loss) for the year (from continuing and discontinued operations)</b>		<b>5,900</b>	<b>(28,234)</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
Remeasurement (loss) /gain on defined benefit plans (net of tax)		(160)	15
<b>Total other comprehensive income / (loss) for the year, net of tax</b>		<b>(160)</b>	<b>15</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>5,740</b>	<b>(28,219)</b>
<b>Earnings per equity share in Rs. (Nominal value per share Re 1 each (31st March, 2018- Re 1 each))</b>	29		
a) Basic and diluted earnings per equity share- continuing operations		13.08	3.98
b) Basic and diluted earnings per equity share- discontinued operations		(11.15)	(13.25)
c) Basic and diluted earnings per equity share - continuing and discontinued operations		1.93	(9.27)

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

per **Bhaswar Sarkar**, Partner  
Membership No. 055596

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Joint Managing Director  
[Wire & Wire Rope Business]  
DIN: 02583519

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place : Kolkata

Date : 27th May, 2019

## Standalone Statement of cash flows for the year ended 31st March, 2019

(All amounts in Rs. lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax from continuing operations</b>	16,400	12,134
<b>Profit / (loss) before tax from discontinued operations</b>	(33,968)	(40,368)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortisation expenses	26,642	27,357
Gain on disposal of property, plant and equipment (net)	(844)	(3,173)
Unrealised derivative loss/(gain) [net]	(82)	79
Finance costs	58,037	57,098
Bad Debts / advances written off	247	465
Allowance for credit impaired debts and advances (net)	1,296	1,871
Tangible assets / capital work-in-progress written off	3	127
Interest income on financial assets carried at amortised cost	(627)	(593)
Gain on derivative contracts / cancellation of forward contracts (net)	-	(1,385)
Dividend income	(513)	(246)
Unrealised foreign exchange differences (net)	430	1,701
Liabilities no longer required written back	(4,474)	(2,102)
Discounting of financial assets	1,052	-
Impairment of non financial assets	87	-
<b>Operating profit before working capital changes</b>	<b>63,686</b>	<b>52,965</b>
Working capital adjustments:		
Decrease in inventories	32,170	13,637
Decrease / (increase) in trade receivables	9,611	(2,922)
Decrease / (increase) in loans and advances	58	(192)
(Increase) in other financial assets	(81)	(1,111)
(Increase) / decrease in other assets	(3,774)	1,844
(Decrease) / increase in trade payables	(5,621)	13,807
Increase in provisions	905	83
Increase / (decrease) in other financial liabilities	1,900	(4,183)
(Decrease) / increase in other liabilities	(1,534)	14,790
<b>Cash generated from operations</b>	<b>97,320</b>	<b>88,718</b>
Direct taxes (paid)	(425)	(279)
<b>Net cash flows from operating activities</b>	<b>96,895</b>	<b>88,439</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(7,545)	(7,129)
Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale	2,314	4,430
Loans (given to) /received back from related party (net)	1,074	(1,000)
Interest received	751	2,066
Investment in bank deposits (with original maturity more than 3 months)	(1,523)	(1,193)
Dividend received	513	246
<b>Net cash flows used in investing activities</b>	<b>(4,416)</b>	<b>(2,580)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from long term borrowings	1,250	24,750
Repayment of long term borrowings	(33,770)	(54,460)
Repayment of working capital loan from bank	-	(12,995)
(Repayment of) / proceeds from short term borrowings	(4,664)	13,633
Interest paid	(55,499)	(56,143)
Dividend transferred to Investor Education and Protection Fund	(13)	-
<b>Net cash flows used in financing activities</b>	<b>(92,696)</b>	<b>(85,215)</b>
<b>Net (decrease) /increase in cash and cash equivalents (A+B+C)</b>	<b>(217)</b>	<b>644</b>

## Standalone Statement of cash flows for the year ended 31st March, 2019

(All amounts in Rs. lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,046</b>	<b>402</b>
<b>Cash and cash equivalents at the year end</b>	<b>829</b>	<b>1,046</b>
<b>Reconciliation of cash and cash equivalent as per statement of cash flows</b>		
Balances with banks:		
On current account - continuing operations	25	61
On current account - discontinued operations	1	-
Deposits with original maturity less than 3 months -continuing operations	-	533
Remittance in transit - continuing operations	570	429
Remittance in transit - discontinued operations	201	-
Cash on hand - continuing operations	25	23
Cash on hand - discontinued operations	7	-
	<b>829</b>	<b>1,046</b>

**Note:**

1. The figures in bracket indicate outflows.
2. The above statement of cash flows has been prepared under the indirect method as set out in "Indian Accounting Standard - 7" - Statement of Cash flows.

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

**For S.R. Batliboi & Co. LLP**

Chartered Accountants  
ICAI Firm Registration number : 301003E/E300005

**per Bhaswar Sarkar**, Partner  
Membership No. 055596

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Joint Managing Director  
[Wire & Wire Rope Business]  
DIN: 02583519

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place : Kolkata  
Date : 27th May, 2019

## Standalone Statement of changes in equity for the year ended 31st March, 2019

(All amounts in Rs. lakhs)

### A) Equity share capital (refer note 11)

Equity shares of Re 1 each issued, subscribed and fully paid	Number of shares	Amount
<b>As at 31st March, 2017</b>	30,47,41,780	3,054 *
Changes in equity share capital during the year	-	-
<b>As at 31st March, 2018</b>	<b>30,47,41,780</b>	<b>3,054 *</b>
Changes in equity share capital during the year	-	-
<b>As at 31st March, 2019</b>	<b>30,47,41,780</b>	<b>3,054 *</b>

\* Including share forfeited Rs. 7 lakhs (31st March, 2018 : Rs. 7 lakhs)

### B) Other equity (refer note 12)

Particulars	Reserves and surplus						Total
	Securities premium account	Capital reserve	Capital redemption reserve	General reserve	Retained earnings	Other reserves	
<b>As at 31st March, 2017</b>	<b>85,584</b>	<b>369</b>	<b>2,285</b>	<b>54,575</b>	<b>(1,06,643)</b>	<b>6,350</b>	<b>42,520</b>
Profit /(loss) for the year	-	-	-	-	(28,234)	-	(28,234)
Other comprehensive income /(loss) for the year, net of tax	-	-	-	-	15	-	15
<b>Total Comprehensive income</b>	-	-	-	-	<b>(28,219)</b>	-	<b>(28,219)</b>
<b>As at 31st March, 2018</b>	<b>85,584</b>	<b>369</b>	<b>2,285</b>	<b>54,575</b>	<b>(1,34,862)</b>	<b>6,350</b>	<b>14,301</b>
Profit /(loss) for the year	-	-	-	-	5,900	-	5,900
Other comprehensive income /(loss) for the year, net of tax	-	-	-	-	(160)	-	(160)
<b>Total Comprehensive income</b>	-	-	-	-	<b>5,739</b>	-	<b>5,739</b>
<b>As at 31st March, 2019</b>	<b>85,584</b>	<b>369</b>	<b>2,285</b>	<b>54,575</b>	<b>(1,29,124)</b>	<b>6,350</b>	<b>20,039</b>

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

**per Bhaswar Sarkar**, Partner  
Membership No. 055596

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Joint Managing Director  
[Wire & Wire Rope Business]  
DIN: 02583519

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place : Kolkata

Date : 27th May, 2019

**1. Company overview**

Usha Martin Limited (the 'Company') is a public limited company incorporated and domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in the following businesses:

- Steel and Bright Bar – Manufacture and sale of steel wire rods, bright bar, rolled products, billets, pig iron and allied products.
- Wire and Wire ropes – Manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, etc.
- Others – Manufacture and sale of wire drawing and allied machines

The Board of Directors and shareholders of the Company at their respective meetings held on September 22, 2018 and November 10, 2018, approved the sale and transfer of the Company's Steel Business and plant and machinery of the bright bar business (together termed as "SBB Business" henceforth) to Tata Steel Limited (TSL) or its subsidiaries on a going concern basis under a slump sale arrangement. The SBB Business includes a specialised steel alloy manufacturing plant, an operative iron ore mine, a coal mine under development, captive power plants and plant and machinery of bright bar business. Accordingly, a Business Transfer Agreement ('BTA') was executed on September 22, 2018 between the Company and TSL. Subsequently, on October 24, 2018, the Company has entered into a novation agreement with TSL and Tata Sponge Iron Limited (the 'Purchaser'), a subsidiary of TSL whereby all rights and obligations of TSL under the terms of the BTA was assumed by the Purchaser. [Refer note 36 (ii)].

The equity shares of the Company are listed on two recognised stock exchanges in India and its GDRs are listed on stock exchange in Luxembourg. The registered office of the Company is located at 2A, Shakespeare Sarani, Kolkata - 700071. The Company caters to both domestic and international markets.

**2A. Significant Accounting Policies****a. Basis of preparation and compliance with Ind AS**

- (i) These Standalone Ind AS financial statements of the Company have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 (the 'Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies have been applied consistently over the periods presented in the financial statements.
- (ii) These financial statements were approved for issue by the Board of Directors on May 27, 2019.
- (iii) These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs.

**b. Current versus non-current classification**

The Company presents assets and liabilities in the Balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current only.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**c. Basis of measurement****Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**d. Revenue from contract with customers**

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with effect from April 1, 2018 using the modified retrospective method. The application of Ind AS 115 did not have any significant impact on retained earnings as at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on the recognition and measurement of revenue and related items in the financial results for the year ended March 31, 2019 [also refer note

2(C) changes in accounting policies and disclosures].

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

#### **Contract balances**

##### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

##### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

##### **Interest income**

Interest income is included in other income in the Statement of Profit and Loss. For all debt instruments, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

##### **Dividends**

Dividends are recognised when the Company's right to receive the payment is established which is generally when shareholders approve the dividend.

##### **Rental Income**

Rental income from subletting of properties is recognised on a straight line basis over the term of the relevant agreements.

#### **e. Property, plant and equipment**

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended

use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **(i) Capital work-in-progress**

Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any. Assets in the course of construction are capitalized in capital work-in-progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

#### **(ii) Depreciation**

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line method basis over its expected useful life (determined by the management based on technical estimates), as follows.

Particulars	Useful economic life
Building	30-68 years
Plant and equipment	10-35 years
Railway siding	15 years
Electrical installation	10-30 years
Water treatment and supply plant	30 years
Office equipment	3-5 years
Furniture and fixture	8-22 years
Vehicles	8-10 years

Leasehold land is amortised over the tenure of respective leases. Mining lease and development [under discontinued operation as disclosed in note 36(ii)] is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment, electrical installation and water treatment and supply over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such cost. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

#### f. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The Company has intangible assets with finite useful lives.

Computer softwares are amortised on straight-line method at the rates determined based on estimated useful lives which vary from 2 years to 5 years.

Expenditure related to development of mines [under discontinued operation as disclosed in note 36(ii)] are amortized on unit of production basis in proportion to mineral resources expected to be economically recoverable.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

#### Research and development costs

Research costs are expensed as incurred. Development expenditure on an individual project are recognised as an intangible asset when the Company can demonstrate:

- (i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (ii) Its intention to complete and its ability and intention to use or sell the asset
- (iii) How the asset will generate future economic benefits
- (iv) The availability of resources to complete the asset
- (v) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins

when development is complete and the asset is available for use. It is amortised over the period of expected future benefit and the expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

#### g. Site restoration[under discontinued operation as disclosed in note 36(ii)]

An obligation to incur restoration arises due to development or ongoing production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in profit and loss.

#### h. Non-current assets held for sale and discontinued operations

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell / distribute will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit/ loss after tax from discontinued operations in the Statement of Profit and Loss.

As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period i.e. year ended March 31,

2018.

Basis of segregation into discontinued operations are provided in note 30(i) and additional disclosures in respect of discontinued operations are provided in note 36(ii) to the financial statements.

**i. Foreign currencies**

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

The Company had applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101: First time adoption of Indian Accounting Standards gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized up to March 31, 2016 has been capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are depreciated over the remaining useful lives of the assets. From accounting periods commencing on or after April 1, 2016, exchange differences arising on translation/settlement of long-term foreign currency monetary items, acquired post April 1, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

**j. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, income is estimated on the basis of fulfilment of related obligations. Export benefits related to sale of goods are accounted on recognition of export sales under other income in the Statement of Profit and Loss.

**k. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**GST paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

**l. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**m. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs [See note 2A(i)].

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**n. Inventories**

Inventories are valued at the lower of cost and net realisable value and include those that are expected to be realised after twelve months.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing materials, Stores and spares parts and Loose tools: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Work-in-progress and finished goods : Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Scrap / by products are valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

**o. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of

disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**p. Provisions, contingent liabilities and contingent assets**

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in the statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

**q. Employee benefit schemes****(i) Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**Compensated absences:**

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availing or encashment or where the availing or encashment is not expected

to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

#### (ii) Post-employment benefits

##### • Defined contribution plan

Retirement benefits in form of superannuation is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the superannuation fund. The Company recognizes contribution payable to the superannuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Contribution towards Provident Fund for certain employees of coal mines and straight bar and wire mill of Jamshedpur unit are made to the regulatory authorities. Such provident fund benefit is classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the statement of profit and loss.

**Defined benefit plans** – Gratuity, Provident fund and long term service award

##### Gratuity

The Company has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Presently the Company's gratuity plan is funded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

##### Provident fund

Eligible employees (other than employees of coal mines and straight bar and wire mill of Jamshedpur unit) of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the 'Usha Martin Employees Provident Fund Trust'. The trust invests in specific designated instruments as prescribed by the Government. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

##### Long term service award

Employees of the Company rendering greater than twenty years of service will receive long service award on all causes of exit as per the Company's policy. The cost of providing benefits under this plan is determined by actuarial valuation using the projected unit credit method by independent qualified actuaries at the year end.

#### r. Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

##### Initial recognition and measurement

All financial assets are initially measured at fair value. Transaction costs that are attributable to the acquisition of the financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories :

#### (i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from

impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**(ii) Debt instrument at Fair Value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

**(iii) Debt instrument at Fair Value through Profit and Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**(iv) Equity investments**

All equity investments in scope of Ind AS 109: Financial Instruments are measured at fair value except equity investments in subsidiaries and joint ventures which are measured at cost as per Ind AS 27: Separate Financial Statements. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL all subsequent fair value changes are recognised in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

**Impairment of financial assets**

In accordance with Ind AS 109: Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its

initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as expense / (income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' / ('other income') in the statement of profit and loss.

As a practical expedient, the Company uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial Liabilities at Fair Value through Profit and Loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 : Financial instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109: Financial instruments are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain

or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has designated forward exchange contracts as at fair value through profit and loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### s. Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as foreign exchange contracts to hedge its exposure to movements in foreign exchange rates relating to the underlying transactions. The Company does not hold derivative financial instruments for speculation purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and the resulting profit and loss is taken to the statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### t. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral

part of the Company's cash management.

#### u. Cash dividend distributions to equity holders

The Company recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### v. Earnings per share

Basic earnings per share is calculated by dividing the net profit and loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit and loss before OCI for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### w. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "unallocated revenue/expenses/assets/liabilities".

#### x. Use of estimates and critical accounting judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### 2B. Recent accounting pronouncements

#### Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

#### Appendix C to Ind AS 12 : Uncertainty over income tax treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances
- An entity has to determine whether to consider each uncertain tax treatment

separately or together with one or more other uncertain tax treatments.

The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. These amendments shall have no material impact on the financial statements of the Company.

#### **Amendments to Ind AS 109: Prepayment features with negative compensation**

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have no impact on the financial statements of the Company.

#### **Amendments to Ind AS 19: Plan amendment, curtailment or settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

#### **Annual improvement to Ind AS (2018);**

##### **These improvements include:**

#### **Amendments to Ind AS 12: Income taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

#### **Amendments to Ind AS 23: Borrowing costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when

substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

#### **Ind AS 116: Leases**

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-Balance Sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

## **2C. Changes in accounting policies and disclosures**

### **New and amended standards**

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

#### **Ind AS 115 - Revenue from contracts with customers**

Ind AS 115 - Revenue from contracts with customers was issued on 28 March 2018 and supersedes Ind AS 11: Construction contracts and Ind AS 18: Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

The standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard only to the contracts that are not completed as at 1 April 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

There is no impact to be recognised at the date of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2018. The comparative information was also not restated as there is no change even after adoption of Ind AS 115 and continues to be reported under Ind AS 18.

## Notes to the financial statements

(All amounts in Rs. lakhs)

### 3. Property, plant and equipment

Particulars	Freehold land [Refer Note (b) (i) below]	Leasehold land [Refer Note (b) (ii) below]	Mining lease and development	Buildings [Refer Note (b) (iii) below]	Plant and equipment	Railway siding	Electrical installation	Water treatment and supply plant	Office equipment	Furniture and fixture	Vehicles	Total	Capital work-in-progress
<b>Gross block</b>													
<b>As at 31st March, 2017</b>	<b>10,299</b>	<b>208</b>	<b>2,676</b>	<b>29,918</b>	<b>3,99,879</b>	<b>2,012</b>	<b>54,606</b>	<b>743</b>	<b>489</b>	<b>251</b>	<b>621</b>	<b>5,01,702</b>	<b>4,469</b>
Additions (refer note c)	68	-	-	546	6,803	-	371	-	80	25	48	7,941	1,822
Disposals	93	-	-	42	700	-	9	18	1	2	46	911	3,367
<b>As at 31st March, 2018</b>	<b>10,274</b>	<b>208</b>	<b>2,676</b>	<b>30,422</b>	<b>4,05,982</b>	<b>2,012</b>	<b>54,968</b>	<b>725</b>	<b>568</b>	<b>274</b>	<b>623</b>	<b>5,08,732</b>	<b>2,924</b>
Additions-continuing operations (refer note c)	-	3	-	352	-	-	2	-	30	2	23	412	314
Additions-discontinued operations (refer note c)	661	-	-	271	3,846	-	51	-	60	8	30	4,927	1,086
Disposals-continuing operations	-	-	-	-	42	-	-	-	4	1	12	59	131
Disposals-discontinued operations	-	-	-	-	208	-	-	-	8	-	26	242	829
Transferred to discontinued operations [refer note 36(ii)]	6,381	148	2,676	20,194	3,75,594	2,012	53,303	240	494	191	168	4,61,401	2,487
<b>As at 31st March, 2019</b>	<b>4,554</b>	<b>63</b>	-	<b>10,499</b>	<b>34,336</b>	-	<b>1,718</b>	<b>485</b>	<b>152</b>	<b>92</b>	<b>470</b>	<b>52,369</b>	<b>877</b>
<b>Accumulated Depreciation</b>													
<b>As at 31st March, 2017</b>	-	<b>20</b>	<b>647</b>	<b>5,961</b>	<b>41,129</b>	<b>452</b>	<b>4,820</b>	<b>36</b>	<b>163</b>	<b>91</b>	<b>216</b>	<b>53,535</b>	
Charge for the year- continuing operations (refer note 27)	-	1	-	441	1,989	-	51	11	21	9	64	2,587	
Charge for the year -discontinued operations [refer note 36(ii)]	-	2	250	2,009	18,999	226	2,332	8	87	22	38	23,973	
Disposals / adjustments	-	-	-	6	412	-	1	1	1	1	36	458	
<b>As at 31st March, 2018</b>	-	<b>23</b>	<b>897</b>	<b>8,405</b>	<b>61,705</b>	<b>678</b>	<b>7,202</b>	<b>54</b>	<b>270</b>	<b>121</b>	<b>282</b>	<b>79,637</b>	
Charge for the year- continuing operations (refer note 27)	-	-	-	438	1,948	-	50	11	19	5	59	2,530	
Charge for the year discontinued operations [refer note 36(ii)]	-	3	233	629	19,755	227	2,338	8	87	21	31	23,332	
Disposals / adjustments -continuing operations	-	-	-	-	6	-	-	-	3	-	3	12	
Disposals / adjustments -discontinued operations	-	6	-	-	-	-	-	-	6	-	15	27	
Transferred to discontinued operations [refer note 36(ii)]	-	20	1,130	7,689	74,067	905	9,379	28	264	88	88	93,658	
<b>As at 31st March, 2019</b>	-	-	-	<b>1,783</b>	<b>9,335</b>	-	<b>211</b>	<b>45</b>	<b>103</b>	<b>59</b>	<b>266</b>	<b>11,802</b>	-
<b>Net block</b>													
<b>As at 31st March, 2019</b>	<b>4,554</b>	<b>63</b>	-	<b>8,716</b>	<b>25,001</b>	-	<b>1,507</b>	<b>440</b>	<b>49</b>	<b>33</b>	<b>204</b>	<b>40,567</b>	<b>877</b>
As at 31st March, 2018	10,274	185	1,779	22,017	3,44,277	1,334	47,766	671	298	153	341	4,29,095	2,924

a) For lien/charge against property, plant and equipment refer note 13, note 17(i) and note 17 (iii).

b) **I. Freehold land includes :**

- Two plots of land of Rs. 2,315 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 2,315 lakhs ) located at Ranchi, acquired pursuant to a scheme of arrangement which are held in the name of the transferor company.
- One plot of land of Rs. 29 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 29 lakhs) located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
- One plot of land of Rs. 42 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 42 lakhs) located at Kolkata in respect of which title deeds are not readily traceable.

**II. Leasehold land includes :**

Two plots of land gross block and net block of Rs. 5 lakhs and Rs. 3 lakhs as at 31st March, 2019 (31st March, 2018 : gross block Rs. 5 lakhs and net block Rs. 3 lakhs) located at Ranchi in respect of which lease deeds are yet to be executed in favour of the Company.

**III. Buildings include :**

- One property (gross block and net block of Rs. 1 lakh and Rs. 1 lakh as at 31st March, 2019 (31st March, 2018 : gross block Rs. 1 lakh and net block Rs. 1 lakh)) located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
- Two properties (gross block and net block of Rs. 8 lakhs and Rs. 7 lakhs as at 31st March, 2019 (31st March, 2018 : gross block Rs. 8 lakhs and net block Rs. 7 lakhs)) located at Kolkata in respect of which title deeds are not readily traceable.

c) Additions comprise adjustments on account of exchange loss of Rs. Nil (31st March 2018 : Rs. 2,136 Lakhs)

## Notes to the financial statements

(All amounts in Rs. lakhs)

### 4. Intangible assets

Particulars	Computer software	Mining rights	Total intangible assets
<b>Gross block</b>			
<b>As at 31st March, 2017</b>	<b>3,325</b>	<b>1,389</b>	<b>4,714</b>
Additions	96	-	96
<b>As at 31st March, 2018</b>	<b>3,421</b>	<b>1,389</b>	<b>4,810</b>
Additions-continuing operations	12	-	12
Transferred to discontinued operations [refer note 36(ii)]	1,773	1,389	3,162
<b>As at 31st March, 2019</b>	<b>1,660</b>	<b>-</b>	<b>1,660</b>
<b>Accumulated amortisation</b>			
<b>As at 31st March 2017</b>	<b>377</b>	<b>232</b>	<b>609</b>
Charge for the year-continued operations (refer note 27)	309	-	309
Charge for the year-discontinued operations [refer note 36(ii)]	343	145	488
<b>As at 31st March, 2018</b>	<b>1,029</b>	<b>377</b>	<b>1,406</b>
Charge for the year-continuing operations (refer note 27)	280	-	280
Charge for the year-discontinued operations [refer note 36(ii)]	355	145	500
Transferred to discontinued operations [refer note 36(ii)]	835	522	1,357
<b>As at 31st March, 2019</b>	<b>829</b>	<b>-</b>	<b>829</b>
<b>Net book value</b>			
<b>As at 31st March, 2019</b>	<b>831</b>	<b>-</b>	<b>831</b>
As at 31st March, 2018	2,392	1,012	3,404

### Financial assets

5 (i) Investments	As at 31st March, 2019	As at 31st March, 2018
<b>Investments - at cost unless otherwise stated</b>		
<b>Investment in equity instruments (unquoted)</b>		
<b>(a) Investment in subsidiary companies</b>		
Usha Martin International Limited 59,09,388 (31st March, 2018 : 59,09,388 ) ordinary shares of GBP 1 each, fully paid	6,181	6,181
Usha Siam Steel Industries Public Company Limited # 1,32,00,000 (31st March, 2018 : 1,32,00,000) ordinary shares of Thai Baht 10 each, fully paid	2,620	2,620
Usha Martin Singapore Pte Limited 10,00,000 (31st March, 2018 : 10,00,000) ordinary shares of SGD 1 each, fully paid	268	268
Brunton Wolf Wire Rope, FZCo # 114 (31st March, 2018 : 114) ordinary shares of AED 1,00,000 each, fully paid	1,777	1,777
Usha Martin Americas Inc. ## 40,00,000 (31st March, 2018 : 40,00,000) shares of USD 1 each, fully paid	1,660	1,660
Gustav Wolf Speciality Cords Limited 150,000 (31st March, 2018 : 150,000) equity shares of Rs.10 each, fully paid	168	168
UM Cables Limited 1,11,29,660 (31st March, 2018 : 1,11,29,660) equity shares of Rs.10 each, fully paid	1,271	1,271
Usha Martin Power and Resources Limited 50,000 (31st March, 2018 : 50,000) equity shares of Rs. 10 each, fully paid [Cost Rs. 5 lakhs (31st March, 2018 : Rs 5 lakhs), Rs 1 lakhs (31st March, 2018 : Rs 1 lakhs), impaired]	4	4
Bharat Minex Private Limited 2,00,000 (31st March, 2018 : 2,00,000) equity shares of Rs. 10 each, fully paid [Cost Rs. 20 lakhs (31st March, 2018 : Rs 20 lakhs), Rs 20 lakhs (31st March, 2018 : Rs 20 lakhs), impaired]	-	-
<b>Total</b>	<b>13,949</b>	<b>13,949</b>

## Notes to the financial statements

(All amounts in Rs. lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>(b) Investment in joint ventures</b>		
Pengg Usha Martin Wires Private Limited ## 1,08,00,000 (31st March, 2018 : 1,08,00,000) equity shares of Rs.10 each, fully paid	1,080	1,080
CCL Usha Martin Stressing System Limited 4,73,195 (31st March, 2018 : 4,73,195) equity shares of Rs.10 each, fully paid [Cost Rs. 47 lakhs (31st March, 2018 : Rs 47 lakhs), Rs 16 lakhs (31st March, 2018 : Rs 16 lakhs), impaired]	31	31
<b>Total</b>	<b>1,111</b>	<b>1,111</b>
<b>Investments - at fair value through profit and loss</b>		
<b>Investment in equity instruments (unquoted)</b>		
<b>(c) Investment in other companies</b>		
Adityapur Toll Bridge Company Limited 1,00,000 (31st March, 2018 : 1,00,000) equity shares of Rs.10 each, fully paid [Cost Rs. 10 lakhs (31st March, 2018 : Rs 10 lakhs), Rs 5 lakhs (31st March, 2018 : Rs 5 lakhs), impaired]	5	5
Usha Communications Technology Limited BVI 1,21,10,242 (31st March, 2018 : 1,21,10,242) ordinary shares of USD 0.50 each, fully paid [Cost Rs. 28 lakhs (31st March, 2018 : Rs 28 lakhs), Rs 28 lakhs (31st March, 2018 : Rs 28 lakhs), fully impaired]	-	-
UMI Special Steel Limited (in liquidation) 1,80,68,472 (31st March, 2018 : 1,80,68,472) equity shares of Rs.10 each, fully paid	*	*
Adityapur Auto Cluster Limited 1,000 (31st March, 2018 : 1,000) equity shares of Rs.1,000 each, fully paid [Cost Rs. 10 lakhs (31st March, 2018 : Rs 10 lakhs), Rs 10 lakhs (31st March, 2018 : Rs 10 lakhs), fully impaired]	-	-
<b>Total</b>	<b>5</b>	<b>5</b>
<b>Total investments</b>	<b>15,065</b>	<b>15,065</b>
<b>Aggregate amount of unquoted investments</b>	<b>15,065</b>	<b>15,065</b>

# The Company's stake has been pledged as per terms of loan taken by Usha Siam Steel Industries Public Company Limited and Brunton Wolf Wire Rope, FZCo (subsidiaries).

## Refer note 31B(iii)(b)

\* Amount is below the rounding off norm adopted by the Company

<b>5 (ii) Loans</b>	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good unless otherwise stated)		
Loans to related parties (Refer note 33)	1,090	1,274
Loans to employees	89	112
<b>Total</b>	<b>1,179</b>	<b>1,386</b>

<b>5 (iii) Other financial assets</b>	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good unless otherwise stated)		
Bank deposits with more than 12 months maturity	-	7
Security deposits	873	1,593
Interest accrued but not due on deposits	71	169
Advance against Coal Mines [refer note 36(i)(a)]	1,485	-
Export incentive receivable	281	281
<b>Total</b>	<b>2,710</b>	<b>2,050</b>

## Income taxes

6 (i) Advance income tax assets (net)	As at 31st March, 2019	As at 31st March, 2018
Advance payment of income tax [net of provision for tax - Rs. Nil (31st March, 2018 : Rs. 42 lakhs)]	3,976	3,779
6 (ii) Deferred tax assets (net)	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets (DTA)		
On expenses allowable against taxable income in future years	7,108	2,958
On carry-forward unabsorbed depreciation *	89,548	62,994
On carry-forward business losses	6,999	12,109
<b>Total DTA</b>	<b>103,655</b>	<b>78,061</b>
Deferred tax liabilities (DTL)		
Arising out of temporary difference in depreciable assets	79,411	77,571
Others	398	490
<b>Total DTL</b>	<b>79,809</b>	<b>78,061</b>
Deferred tax assets (net)	<b>23,846</b>	-
Unabsorbed depreciation which can be carried forward for an indefinite period on which no DTA has been recognised	-	69,468

\*Till previous year ended March 31, 2018, the Company was recognising deferred tax assets (DTA) arising on unabsorbed depreciation and brought forward business losses to the extent of aggregate deferred tax liabilities only and balance were not recognised in view of prudence and uncertainty of recovery of such assets against future taxable income. Pursuant to sale of SBB business during the year, the Company has recognised net DTA of Rs 23,846 lakhs as part of continuing business. Management believes that it is probable that such DTA can be utilised against long-term capital gain arising from sale of SBB business and balance against future taxable income arising from the continuing business.

(a) Tax charge/(credit) recognised in the statement of profit and loss	Year ended 31st March, 2019	Year ended 31st March, 2018
Current tax	65	-
Adjustment of tax relating to earlier periods	227	-
Deferred tax charge/(credit)	(23,760)	-
<b>Total</b>	<b>(23,468)</b>	-

(b) A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated is as follows:		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Accounting profit / (loss) before tax	(17,568)	(28,234)
Statutory income tax rate	34.944%	34.944%
<b>Tax Profit /(loss) at statutory income tax rate</b>	<b>(6,139)*</b>	<b>(9,866)</b>
* recognised in the current year		
Adjustments:		
Deferred tax on unabsorbed depreciation and brought forward business losses recognised out of opening balance	(17,806)	-
Unrecognised tax assets	-	8,273
Disallowable expenses/other non-deductible differences	185	1,593
Tax on dividend received	65	-
Adjustment of tax relating to earlier periods	227	-
<b>Total</b>	<b>(23,468)</b>	-

## Notes to the financial statements

(All amounts in Rs. lakhs)

<b>7. Other non current assets</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(Unsecured, considered good unless otherwise stated)		
Capital advances		
Considered good	34	2,759
Considered credit impaired	-	309
Less : Allowance for credit impaired capital advances	-	(309)
Lease hold prepayments*	-	624
Prepaid expenses	18	55
Balances with Government authorities		
Excise / service tax	59	60
Sales tax / value added tax	933	1,194
Deposits with land authority (refer note 41)	8,641	-
Deposit for legal case	1,025	325
Deposit for fuel surcharge / other electricity matter	2,885	2,885
Claims receivable	475	378
Advance against coal mines [refer note 36(i)(a)]	2,851	2,851
<b>Total</b>	<b>16,921</b>	<b>11,131</b>

\*Represents prepayments in respect of land taken under arrangements in the nature of operating leases, being amortised over the period of lease. Leasehold prepayments as at 31st March, 2019 is part of discontinued operations.

### Current Assets

<b>8. Inventories</b> (at lower of cost and net realisable value)	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Raw materials (including packing materials)	3,163	23,973
Goods-in transit	568	514
	<b>3,731</b>	<b>24,487</b>
Work-in-progress	<b>15,518</b>	<b>30,708</b>
Finished goods	2,378	17,133
Goods-in transit	618	3,800
	<b>2,996</b>	<b>20,933</b>
Stock-in-trade	<b>94</b>	<b>44</b>
Stores and spare parts	1,458	4,214
Goods-in transit	-	663
	<b>1,458</b>	<b>4,877</b>
Loose tools	<b>309</b>	<b>699</b>
Scrap / by-product	<b>190</b>	<b>5,478</b>
<b>Total</b>	<b>24,296</b>	<b>87,226</b>

Note : The value of inventories recognised as an expense includes Rs. 87 lakhs (31st March, 2018 : Rs. 968 lakhs) in respect of write-downs to net realisable value and provision for slow moving.

## Notes to the financial statements

(All amounts in Rs. lakhs)

9. Financial assets	As at 31st March, 2019	As at 31st March, 2018
<b>(i) Trade receivables</b>		
Unsecured considered good	20,764	52,323
Receivables which have significant increase in credit risk (unsecured)	941	3,441
Unsecured considered credit impaired	197	1,616
Less : Allowance for credit impaired trade receivables	(197)	(1,616)
<b>Total</b>	<b>21,705</b>	<b>55,764</b>
<b>Of the above, trade receivables from:</b>		
- related parties (refer note 33)	7,316	12,481
- others	14,389	43,283
<b>Total</b>	<b>21,705</b>	<b>55,764</b>

(i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Trade receivables are generally on terms of 30 to 90 days.

(iii) For lien / charge against trade receivables, refer Note 17(i). Below is the details of trade receivables discounted with recourse available to the bank against the Company and hence not meeting de-recognition criteria :

Transferred receivables	2,550	23,565
Associated borrowings [refer note 17(i)]	2,550	23,565

(iv) Refer Note 35B(a) for information about credit risk and market risk on receivables

	As at 31st March, 2019	As at 31st March, 2018
<b>(ii) Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	25	61
Deposits with original maturity less than 3 months	-	533
Remittances-in-transit	570	429
Cash on hand	25	23
<b>Total</b>	<b>620</b>	<b>1,046</b>

	As at 31st March, 2019	As at 31st March, 2018
<b>(iii) Other bank balances</b>		
Unpaid dividend accounts #	3	16
Deposits with original maturity for more than 3 months but up to 12 months ##	2,763	1,227
<b>Total</b>	<b>2,766</b>	<b>1,243</b>

# Earmarked for payment of unclaimed dividend

## Earmarked as margin money against issue of letter of credit

	As at 31st March, 2019	As at 31st March, 2018
<b>(iv) Loans</b>		
(Unsecured considered good unless otherwise stated)		
Loans to related parties (Refer note 33)	-	1,000
Loans to employees		
Considered good	53	94
Considered credit impaired	10	10
Less: Allowance for credit impaired loans to employees	(10)	(10)
<b>Total</b>	<b>53</b>	<b>1,094</b>

## Notes to the financial statements

(All amounts in Rs. lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>(v) Other financial assets</b>		
(Unsecured considered good unless otherwise stated)		
<b>Derivative not designated as hedges</b>		
Foreign exchange forward contracts#	82	-
<b>Other financial assets at amortised cost</b>		
Accrued interest on loan to subsidiaries (refer note 33)	-	26
Accrued interest on deposits and others	12	14
Interest receivable on deposits and others	104	-
Advance against land - coal mines [refer note 36(i)(a)]	8,458	10,532
Claims /advances receivable	485	447
Security deposits	146	131
Export incentive receivables		
Considered good	973	1,067
Considered credit impaired	53	-
Less: Allowance for credit impaired balance	(53)	-
Balances with related parties (refer note 33)	793	629
Other receivables	55	-
<b>Total</b>	<b>11,108</b>	<b>12,846</b>

# Financial assets at fair value through profit and loss.

Derivative instruments at fair value through profit and loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 35B for details regarding the nature and extent of risks arising from financial instruments to which the Company is exposed at the end of the reporting year.

<b>10. Other current assets</b>	As at 31st March, 2019	As at 31st March, 2018
(Unsecured considered good unless otherwise stated)		
Advances to suppliers *		
Considered good	634	4,707
Considered credit impaired	12	927
Less: Allowance for credit impaired advances	(12)	(927)
Balance with statutory / Government authorities		
Considered good	2,469	3,230
Considered credit impaired	635	615
Less: Allowance for credit impaired balance	(635)	(615)
Prepaid expenses	245	1,492
Leasehold land prepayments **	-	28
<b>Total</b>	<b>3,348</b>	<b>9,457</b>

\* Represents the amount paid towards purchase of goods and are non-interest bearing.

\*\*Represents prepayments in respect of land taken under arrangements in the nature of operating leases, being amortised over the period of lease. Leasehold prepayments as at 31st March, 2019 is part of discontinued operations.

## Equity

11. Share capital	As at 31st March, 2019	As at 31st March, 2018
<b>Authorised</b>		
50,00,00,000 (31st March, 2018 : 50,00,00,000) equity shares of Re. 1 each	5,000	5,000
1,00,00,000 (31st March, 2018 : 1,00,00,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000
	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid-up</b>		
30,47,41,780 (31st March, 2018 : 30,47,41,780) equity shares of Re. 1 each	3,047	3,047
Add: Shares forfeited (amount originally paid-up)	7	7
<b>Total</b>	<b>3,054</b>	<b>3,054</b>

a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year :

		As at 31st March, 2019	As at 31st March, 2018
Number of equity shares outstanding at the beginning and end of the year	Numbers	30,47,41,780	30,47,41,780
Amount of equity shares outstanding at the beginning and end of the year	Amount in Rs. lakhs	3,047	3,047

b) 2,29,40,450 (31st March, 2018 : 2,34,52,950) equity shares of face value of Re 1 each are represented by Global Depository Receipts (GDRs). Each GDR represents five underlying equity shares.

(c) Rights, preference and restrictions attached to equity shares

The Company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share (except in case of GDRs). The holders of GDRs do not have voting right with respect to shares. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

(d) Details of shares held by shareholders holding more than 5 % of the aggregate equity shares in the Company:

Name of the shareholder	As at 31st March, 2019	As at 31st March, 2018
Equity shares of Re 1 each fully paid-up		
UMIL Share & Stock Broking Services Limited	3,88,88,369	3,88,88,369
% holding	12.76%	12.76%
Deutsche Bank Trust Company Americas#	2,29,40,450	2,34,52,950
% holding	7.53%	7.70%
Peterhouse Investments India Limited	2,07,67,330	2,07,67,330
% holding	6.81%	6.81%
Usha Martin Ventures Limited	2,06,27,588	2,06,27,588
% holding	6.77%	6.77%
Peterhouse Investments Limited#	2,44,71,455	2,39,71,455
% holding	6.23%	7.87%

# As on 31st March, 2019 ; 45,88,090 GDRs (representing 2,29,40,450 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 2,44,71,455 equity shares and 16,85,691 GDRs (representing 84,28,455 underlying equity shares) and Kenwyn Overseas Limited holds 1,43,64,680 equity shares and 19,63,025 GDRs (representing 98,15,125 underlying equity shares).

As on 31st March, 2018, 46,90,590 GDRs (representing 2,34,52,950 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 2,39,71,455 equity shares and 17,85,691 GDRs (representing 89,28,455 underlying equity shares) and Kenwyn Overseas Limited holds 1,43,64,680 equity shares and 19,63,025 GDRs (representing 98,15,125 underlying equity shares).

(e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

## Notes to the financial statements

(All amounts in Rs. lakhs)

12. Other equity	As at 31st March, 2019	As at 31st March, 2018
<b>Securities premium</b> (Securities premium represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013)	85,584	85,584
<b>Capital reserve</b> (Capital reserve represents mainly state capital subsidy received from different state Governments)	369	369
<b>Capital redemption reserve</b> (Capital redemption reserve is created on redemption of preference shares as per statutory requirement and can be utilised in accordance with the provisions of the Companies Act, 2013)	2,285	2,285
<b>General reserve</b> (General reserve mainly represents appropriation from the statement of profit and loss and can be utilised in accordance with the provisions of the Companies Act, 2013)	54,575	54,575
<b>Retained earnings</b> (Retained earnings represent the cumulative profit / (loss) of the Company and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013)	(1,29,124)	(1,34,862)
<b>Other reserves</b> (represent money received against equity warrants earlier forfeited and can be utilised in accordance with the provisions of the Companies Act, 2013)	6,350	6,350
<b>Total</b>	<b>20,039</b>	<b>14,301</b>

### Non - Current Liabilities

13. Financial liabilities	As at 31st March, 2019	As at 31st March, 2018
<b>Borrowings</b>		
<b>Secured</b>		
<b>Term loans</b>		
-Banks (Rupee loans)	2,07,027	2,46,246
-Financial institution (Rupee loan)	19,750	18,671
-From a body corporate (Rupee loan)	196	662
<b>Total *</b>	<b>2,26,973</b>	<b>2,65,579</b>

\* Net of unamortised borrowing cost of Rs.370 lakhs (31st March, 2018 : 1,122 lakhs)

	Term loans (secured)	Nature of security	As at 31st March, 2019	As at 31st March, 2018
	<b>From banks</b>			
(i)	State Bank of India [note (a) below]	A, B, C, D	83,231	89,307
(ii)	ICICI Bank Limited [note (b) below]	A, D	7,498	10,107
(iii)	ICICI Bank Limited [note (c) below]	A, B, C, D	9,151	9,836
(iv)	ICICI Bank Limited [note (e) below]	A, D	10,000	15,000
(v)	State Bank of India [note (e) below]	A, D	12,500	18,748
(vi)	State Bank of India [note (e) below]	A, B, C, D	56,481	61,827
(vii)	HDFC Bank Limited [note (e) below]	A, B, D	1,716	1,915
(viii)	RBL Bank Limited	A, B, D	-	9,739
(ix)	Bank of Baroda [note (e) below]	A, B, D	10,312	12,078
(x)	Axis Bank Limited [note (e) below]	A, B, C, D	16,138	17,689
			<b>207,027</b>	<b>246,246</b>
	<b>From financial institution</b>			
(xi)	Export Import Bank of India [note (e) below]	A, B, C, D	19,750	18,671
			<b>19,750</b>	<b>18,671</b>
(xii)	From a body corporate [note (d) below]	E	196	662
			<b>196</b>	<b>662</b>
	<b>Total</b>		<b>226,973</b>	<b>265,579</b>

**Loan covenants**

Bank loans contain certain debt covenants relating to net debt to EBITDA, debt service coverage ratio, fixed assets coverage ratio etc. The Company's applications to a lender for the financial year 2017-18 in respect of certain covenants not being met for the relevant year is under consideration. The management believes that the Company's borrowings classified as non-current borrowings will continue to be on the same repayment terms and conditions as was agreed at the time of disbursement.

**Nature of security**

- (A) These are secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders and second pari-passu charge in favour of lenders of working capital loans.
- (B) These are secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- (C) Personal guarantee of Mr. Rajeev Jhavar, Managing Director of the Company.
- (D) Pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.
- (E) These are secured against assets procured from proceeds of borrowings.

**Secured term loan - interest rate and terms of repayment**

- (a) Out of the rupee term loan from a bank amounting to Rs. 83,231 lakhs (31st March, 2018 : Rs. 89,307 lakhs), Rs.25,076 lakhs has been subsequently prepaid and the balance amount of loan for Rs. 58,155 lakhs

is repayable within 30th September, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 4.50% p.a.

- (b) Out of the rupee term loan from a bank amounting to Rs. 7,498 lakhs (31st March, 2018 : Rs. 10,107 lakhs), Rs.2,500 lakhs has been subsequently prepaid and the balance amount of loan for Rs. 4,998 lakhs is repayable in seven quarterly instalments from 31st March 2021, to 30th September, 2022. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 2.15% p.a.
- (c) Rupee term loan from a bank amounting to Rs. 9,151 lakhs (31st March, 2018 : Rs. 9,836 lakhs) is repayable in twenty three quarterly instalments from 30th June, 2020 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 2.15% p.a.
- (d) Rupee loan from a body corporate amounting to Rs. 196 lakhs (31st March, 2018 : Rs. 662 lakhs) is repayable in quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2019 to 1st April, 2021. Interest is payable on quarterly basis at 11.81% p.a.
- (e) Subsequently prepaid by 11th of April, 2019 after receiving the cash consideration from Tata Sponge Iron Limited on 9th April, 2019 towards sale of Steel and Bright Bar business
- (f) Outstanding balances of loans and terms of repayment as indicated in (a) to (d) above are exclusive of current maturities of such loans as disclosed in Note 17(iii)

<b>Changes in liabilities arising from financing activities</b>					
<b>Particulars</b>	<b>1st April 2018</b>	<b>Cash flows</b>	<b>EIR adjustment</b>	<b>Others*</b>	<b>31st March, 2019</b>
Non Current borrowings	2,65,579	1,250	(1,549)	(38,307)	2,26,973
Current maturities of long term borrowings	32,222	(32,222)	244	38,307	38,551
Loans repayable on demand	48,061	10,097	-	-	58,158
Buyer's credit including acceptances from banks	10,740	(10,740)	-	-	-
Loan from a related party	150	5,398	-	-	5,548
Indian Rupee bill discounting#	23,565	(9,420)	-	-	14,145
<b>Total liabilities from financing activities</b>	<b>3,80,317</b>	<b>(35,637)</b>	<b>(1,305)</b>	<b>-</b>	<b>3,43,375</b>

# include figures from continued and discontinued operations (Rs. 11,595 lakhs).

<b>Particulars</b>	<b>1st April 2017</b>	<b>Cash flows</b>	<b>EIR adjustment</b>	<b>Others*</b>	<b>31st March, 2018</b>
Non Current borrowing	2,72,801	24,750	-	(31,972)	2,65,579
Current maturities of long term borrowing	54,460	(54,460)	250	31,972	32,222
Loans repayable on demand	31,851	16,210	-	-	48,061
Working capital loans from banks	12,995	(12,995)	-	-	-
Buyer's credit including acceptances from banks	16,292	(5,552)	-	-	10,740
Loan from a related party	150	-	-	-	150
Indian Rupee bill discounting	20,589	2,976	-	-	23,565
<b>Total liabilities from financing activities</b>	<b>4,09,138</b>	<b>(29,071)</b>	<b>250</b>	<b>-</b>	<b>3,80,317</b>

\* Includes the effect of reclassification of non-current portion of borrowings.

## Notes to the financial statements

(All amounts in Rs. lakhs)

14. Provisions	As at 31st March, 2019	As at 31st March, 2018
<b>Provision for employee benefits</b>		
Gratuity (refer note 32)	1,345	2,553
Long service award (refer note 32)	64	57
<b>Others</b>		
Provision for site restoration and rehabilitation	-	1,926
<b>Total</b>	<b>1,409</b>	<b>4,536</b>
<b>Site restoration and rehabilitation</b>		
	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
<b>Opening balance</b>	<b>1,926</b>	<b>1,739</b>
Less: reversal of Provisions under discontinued operations	1,133	-
Add: unwinding of discount	-	187
Less: transferred to discontinued operations	793	-
<b>Closing balance</b>	<b>-</b>	<b>1,926</b>

15. Government grants	As at 31st March, 2019	As at 31st March, 2018
Grants relating to property, plant and equipment	-	3,152

Represents Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as Government grant. Grants relating to Property, Plant & Equipment as at 31st March, 2019 is part of discontinued operations as disclosed in note 36(ii). Contingencies attached to these grants has been disclosed in note 31B(ii).

16. Other non-current liabilities	As at 31st March, 2019	As at 31st March, 2018
Accruals for various obligations (towards obligations in respect of entry tax, sales tax and other legal cases)	1,675	1,592

### Current Liabilities

17. Financial liabilities	As at 31st March, 2019	As at 31st March, 2018
<b>(i) Borrowings</b>		
<b>Secured *</b>		
Loans repayable on demand	58,158	48,061
Buyer's credit including acceptances from banks	-	10,740
<b>Unsecured</b>		
From related parties # (refer note 33)	5,548	150
Indian rupee bill discounting ##	2,550	23,565
<b>Total</b>	<b>66,256</b>	<b>82,516</b>

\* **Nature of security** - Secured by hypothecation of all current assets of the Company. Further such loans from banks are also secured by charge on certain immovable properties, subject to prior charges in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company. Further, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis. The loans are repayable on demand and carry interest @ 11.10% to 16.25% p.a. payable at monthly rests.

# The loan of Rs.150 lakhs and Rs. 5398 lakhs carries interest @ 8.75% & 11.00% p.a. respectively and is repayable on demand.

## The Company has discounted trade receivables on recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. These bills are discounted @ 8.25% to 10.50% p.a. and are repayable within 180 days.

## Notes to the financial statements

(All amounts in Rs. lakhs)

	As at 31st March, 2019	As at 31st March, 2018
<b>(ii) Trade payables</b>		
Total outstanding dues of micro and small enterprises (refer note 38)	7	1,436
Total outstanding dues of creditors other than micro and small enterprises	15,711	69,223
Dues to related parties (refer note 33)	403	383
Acceptances	5,714	1,13,224
	<b>21,828</b>	<b>1,82,830</b>
<b>Total</b>	<b>21,835</b>	<b>1,84,266</b>

Trade payables are non-interest bearing and are normally settled upto 365 day terms.

Acceptances have been prepaid subsequently, carry interest @ 8.35% to 10.50% p.a.

Acceptances are secured by hypothecation of all current assets of the Company. Further such acceptances are also secured by charge on certain immovable properties, subject to prior charges in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company. Further, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.

Refer note 35B(b) for explanations on the Company's liquidity risk management processes.

<b>(iii) Other financial liabilities</b>	As at 31st March, 2019	As at 31st March, 2018
<b>Derivatives not designated as hedges</b>		
Foreign exchange forward contracts #	-	79
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long-term borrowings ###	38,551	32,222
Interest accrued but not due on borrowings	3,156	2,356
Interest accrued but not due on borrowings from related party	234	-
Interest accrued on trade payables and others	152	2,059
Unclaimed dividends ##	3	16
Equity warrant application money received in excess	-	10
Security deposits received	331	779
Liability towards project vendors	5,198	6,705
Payable relating to coal mines	1,384	1,384
Payable to a related party (refer note 33)	25	25
Employee benefits payable @	2,388	3,080
Other payables	524	420
<b>Total</b>	<b>51,946</b>	<b>49,135</b>

# Financial liabilities at fair value through profit and loss

Derivative instruments at fair value through profit and loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 35B for details regarding the nature and extent of risks arising from financial instruments to which the Company is exposed at the end of the reporting year.

## There are no amount due for payment to the Investor Education and Protection Fund under Section 125C of the Companies Act, 2013 as at the year end.

### Interest rate, nature of security and terms of repayment are:

## Notes to the financial statements

(All amounts in Rs. lakhs)

	Term Loan (secured)	Nature of security	As at 31st March, 2019	As at 31st March, 2018
	<b>From banks</b>			
(i)	ICICI Bank Limited [note (a) below]	A, B, C, D	700	25
(ii)	State Bank of India [note (b) below]	A, B, C, D	6,300	225
(iii)	ICICI Bank Limited [note (b) below]	A, D	2,625	1,875
(iv)	State Bank of India [note (b) below]	A, D	6,248	1,876
(v)	State Bank of India [note (b) below]	A, B, C, D	5,373	4,144
(vi)	HDFC Bank Limited [note (b) below]	A, B, D	285	71
(vii)	RBL Bank Limited [note (b) below]	A, B, D	7,300	1,400
(viii)	Bank of Baroda [note (b) below]	A, B, D	2,063	1,125
(ix)	ICICI Bank Limited [note (b) below]	A, D	5,000	3,750
(x)	Axis Bank Limited [note (b) below]	A, B, C, D	1,850	1,013
			<b>37,744</b>	<b>15,504</b>
	<b>From financial institutions</b>			
(xi)	Export Import Bank of India [note (b) below]	A, B, C, D	250	-
(xii)	Export Import Bank of India [note (b) below]	A, B, D	-	16,250
			<b>250</b>	<b>16,250</b>
(xiii)	From a body corporate [note (c) below]	E	557	468
			<b>557</b>	<b>468</b>
	<b>Total</b>		<b>38,551</b>	<b>32,222</b>

### Nature of security

- (A) These are secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders and second pari-passu charge in favour of lenders of working capital loans.
- (B) These are secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- (C) Personal guarantee of Mr. Rajeev Jhavar, Managing Director of the Company.
- (D) Pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.
- (E) These are secured against assets procured from proceeds of borrowings.

### Secured term loan - interest rate and terms of repayment

- (a) Rupee term loan from a bank amounting to Rs. 700 lakhs (31st March, 2018 : Rs. 25 lakhs) is repayable in four quarterly instalments from 30th June, 2019 to 31st March, 2020. Interest is payable on monthly basis at base rate of the bank plus 2.15% p.a.
- (b) Subsequently prepaid by 11th of April, 2019 after receiving the cash consideration from Tata Sponge Iron Limited on 9th April, 2019 towards sale of Steel and Bright Bar business.
- (c) Rupee loans from a body corporate amounting to Rs. 557 lakhs (31st March, 2018 : Rs. 468 lakhs) is repayable in quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2019 to 31st March, 2020. Interest is payable on quarterly basis at 11.81% p.a.
- @ Includes payable to key management personnel Rs 27 lakhs (31st March, 2018 : Rs 20 lakhs) [refer note 33].

18. Provisions	As at 31st March, 2019	As at 31st March, 2018
<b>Provision for employee benefits</b>		
Gratuity (refer note 32)	10	287
Leave encashment	612	1,054
Long service award (refer note 32)	4	15
<b>Total</b>	<b>626</b>	<b>1,356</b>
<b>19. Current tax liabilities (net)</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Provision for income tax [net of taxes paid Rs 713 lakhs (31st March, 2018 : Rs 713 lakhs)]	175	110
<b>20. Other current liabilities</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Contract liabilities *		
- related parties (refer note 33)	296	-
-others	2,536	11,655
Statutory dues payable #	3,894	18,136
Advance received against sale of land	15	390
Other liabilities ##	3,852	2,466
<b>Total</b>	<b>10,593</b>	<b>32,647</b>

\* Contract liabilities are short-term advances received towards sale of goods and are non-interest bearing

# Statutory dues primarily includes payable in respect of Goods and Services Tax (GST), excise duty, royalties, tax deducted at source etc.

## Represent liability towards renewable power obligation

## Notes to the financial statements

(All amounts in Rs. lakhs)

21. Revenue from operations	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of goods	1,64,774	1,37,665
Sale / rendering of services	545	675
Other operating revenue:		
Product scrap sales	3,289	3,001
Sale of captive power	440	426
<b>Total</b>	<b>1,69,048</b>	<b>1,41,767</b>

Sale of goods includes excise duty collected from customers of Rs. Nil (31st March, 2018: Rs. 3,102 lakhs).

Revenue for the period upto June 30 2017, is grossed up for Central Excise Duty. Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, Central Excise was also abolished from that date and revenue from operations is disclosed net of GST. As mandated by Ind AS 115 and Schedule III of Companies Act 2013, GST is not to be included as part of revenue and hence revenue from operations for the year ended March 31, 2019 is not comparable with revenue from operations for the year ended March 31, 2018 presented in the financial statements.

21A. Disaggregated revenue information	Year ended 31st March, 2019	Year ended 31st March, 2018
Segment (refer note 34)		
Wire and Wire ropes	1,68,750	1,41,029
Others	298	738
<b>Total revenue from contracts with customers</b>	<b>1,69,048</b>	<b>1,41,767</b>

India	1,27,834	1,06,235
Outside India	41,214	35,532
<b>Total revenue from contracts with customers</b>	<b>1,69,048</b>	<b>1,41,767</b>

21B. Contract balances	Year ended 31st March, 2019	Year ended 31st March, 2018
Trade receivables [refer note 9(i)]	21,705	55,764
Contract liabilities (refer note 20)	2,832	11,655

21C. Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the contracted prices	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue as per contracted prices	1,70,552	1,43,071
Less: discount	1,504	1,303
<b>Revenue from contract with customers</b>	<b>1,69,048</b>	<b>1,41,767</b>

22. Other income	Year ended 31st March, 2019	Year ended 31st March, 2018
Dividend income	513	246
Miscellaneous scrap sales	58	33
Exchange differences (net)	124	22
Gain on derivative contracts / cancellation of forward contracts (net)	250	59
Liabilities no longer required written back	132	1,018
Claims received	11	14
Gain on disposal of property, plant and equipment (net) #	609	3,361
Export Incentive	1,755	1,500
Miscellaneous income	766	705
Interest income on financial assets carried at amortised cost	502	557
<b>Total</b>	<b>4,720</b>	<b>7,515</b>

# Includes Rs. 612 lakhs on account of profit on sale from Agra plant (31st March, 2018 : Rs. 3,335 lakhs on account of profit on sale of land at Ranchi)

## Notes to the financial statements

(All amounts in Rs. lakhs)

23. Cost of materials consumed	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Stock	3,961	2,812
Add: Purchases	1,15,299	89,217
	<b>1,19,260</b>	<b>92,029</b>
Less: Closing stock	3,731	3,961
<b>Cost of materials consumed *</b>	<b>1,15,529</b>	<b>88,068</b>

\* Cost of materials consumed includes packing materials amounting to Rs 3,629 lakhs (31st March, 2018 : Rs. 3,415 lakhs)

24. (Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>(A) Finished goods</b>		
Opening stock	3,590	3,601
Less : Closing stock	2,996	3,590
Adjustment on account of discontinued operations	(325)	(73)
	<b>269</b>	<b>(62)</b>
<b>(B) Work-in-progress</b>		
Opening stock	8,966	11,527
Less : Closing stock	15,518	8,966
Adjustment on account of discontinued operations	(693)	(650)
	<b>(7,245)</b>	<b>1,911</b>
<b>(C) Stock-in-trade</b>		
Opening stock	44	22
Less : Closing stock	94	44
Adjustment on account of discontinued operations	1	-
	<b>(49)</b>	<b>(22)</b>
<b>(D) Scrap/by-product</b>		
Opening stock	473	1,904
Less : Closing stock	190	473
Adjustment on account of discontinued operations	(1)	(8)
	<b>282</b>	<b>1,423</b>
<b>Net (increase) / decrease in inventories [(A) + (B) + (C) + (D)]</b>	<b>(6,743)</b>	<b>3,250</b>

25. Employee benefits expense	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries, wages and bonus	9,662	8,831
Contribution to provident and other funds	820	760
Gratuity expense (refer note 32)	331	204
Staff welfare expenses	574	651
<b>Total</b>	<b>11,387</b>	<b>10,446</b>

26. Finance costs	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest expense on financial liabilities measured at amortised cost	8,486	7,219
Other borrowing costs (includes letter of credit opening and retirement charges, loan processing fees etc.)	536	429
<b>Total</b>	<b>9,022</b>	<b>7,648</b>

27. Depreciation and amortisation expenses	Year ended 31st March, 2019	Year ended 31st March, 2018
Depreciation of property, plant and equipment (refer note 3)	2,530	2,587
Amortization of intangible assets (refer note 4)	280	309
<b>Total</b>	<b>2,810</b>	<b>2,896</b>

## Notes to the financial statements

(All amounts in Rs. lakhs)

28. Other expenses	Year ended 31st March, 2019		Year ended 31st March, 2018	
Power and fuel [refer note (i) below]		9,469		8,311
Freight and forwarding charges		5,608		4,695
Consumption of stores and spares / loose tools		2,334		1,619
Material handling charges		231		197
Operations and maintenance :				
Plant and machinery		3,344		3,329
Buildings		80		154
Processing charges		141		133
Allowance for credit impaired debts and advances (net)		209		11
Insurance		187		183
Travelling and conveyance		249		264
Rent and hire charges		46		88
Bad Debts / advances written off	65		-	
Less: adjusted against provision for credit impaired debts and advances	14	51	-	-
Rates and taxes		88		35
Remuneration to auditors [refer note (ii) below]		26		26
Directors' sitting fees		21		17
Excise Duty on increase/(decrease) in inventories		-		(436)
Miscellaneous expenses [refer note (iii) below]		2,760		2,598
<b>Total</b>		<b>24,844</b>		<b>21,224</b>

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>(i) The following expenses are included in power and fuel expenses in the Statement of Profit and Loss :</b>		
Consumption of stores and spares / loose tools	119	87
Material handling charges	127	123
Operations and maintenance: plant and machinery	333	298
Operations and maintenance: buildings	6	3
Miscellaneous expenses	24	17
<b>Total</b>	<b>609</b>	<b>528</b>
<b>(ii) Remuneration to auditors comprises of :</b>		
As auditor:		
As auditor - for statutory audit and limited reviews	20	20
Tax audit fee	2	2
For other services	2	2
Reimbursement of expenses	2	2
<b>Total</b>	<b>26</b>	<b>26</b>
<b>(iii) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 396 lakhs (31st March, 2018: Rs 315 lakhs), and are recognised in miscellaneous expenses.</b>		
<b>Details of CSR expenditure :</b>		
a) Gross amount required to be spent by the Company during the year	NA	NA
b) Amount spent during the year		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
<b>Total</b>	-	-

29. Earnings / (loss) per equity share (EPS)	Year ended 31st March, 2019	Year ended 31st March, 2018
The following reflects the income and share data used in the basic and diluted EPS computations :		
<b>Net profit /(loss) before OCI attributable to equity holders for basic and diluted EPS from continuing operations (a)</b>	<b>39,868</b>	<b>12,134</b>
<b>Net profit /(loss) before OCI attributable to equity holders for basic and diluted EPS from discontinued operations (b)</b>	<b>(33,968)</b>	<b>(40,368)</b>
<b>Profit/(loss) for the period [(c) = (a) + (b)]</b>	<b>5,900</b>	<b>(28,234)</b>
Weighted average number of equity shares outstanding for the purpose of basic and diluted EPS	30,47,41,780	30,47,41,780
Basic and diluted earnings / (loss) per equity share (Rs.) from continuing operations	13.08	3.98
Basic and diluted earnings / (loss) per equity share (Rs.) from discontinued operations	(11.15)	(13.25)
Basic and diluted earnings / (loss) per equity share (Rs.) from continuing and discontinued operations	1.93	(9.27)
Nominal value per share (Re.)	1	1

Till previous year ended March 31, 2018, the Company was recognising deferred tax assets (DTA) arising on unabsorbed depreciation and brought forward business losses to the extent of aggregate deferred tax liabilities only and balance were not recognised in view of prudence and uncertainty of recovery of such assets against future taxable income. Pursuant to transfer of steel division subsequent to balance sheet date as per the terms of BTA /Supplemental BTA with TSIL, the Company has recognised net DTA of Rs 23,846 lakhs as part of continuing business. Management believes that it is probable that such DTA can be utilised against long-term capital gain arising from sale of SBB business and balance against future taxable income arising from the continuing business.

The earnings per share of continuing operations for the year ended 31st March, 2019 are hence not comparable with the earnings per share of the previous periods reported.

### 30. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts and the disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared and these are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the reported amounts and disclosures.

#### (i) Discontinued operations [refer note 36(ii)]

The Steel and Bright Bar Business (SBB Business) include only those assets and liabilities (including contingencies) that are to be acquired by the Purchaser under the terms of the BTA subject to the amendments and substitution vide Supplemental BTA (assumed assets, assumed liabilities and assumed litigations).

The assumed assets and assumed liabilities, related income and expenses and allocated expenses including interest cost and corporate shared service expenses have been reported in the SBB Business in accordance with recognition, measurement, recognition principles prescribed by Ind AS.

As per BTA subject to the amendments and substitution vide Supplemental BTA, "Bright Bar Unit" means all the plant and machinery pertaining to the bright bar business of the Company located at Ranchi and Chennai respectively. Accordingly, only plant and machinery pertaining to the bright bar business of the Company located at Ranchi and Chennai has been considered.

The SBB Business has historically operated as part of the Company and not as a standalone entity. Financial statements representing the operations of the SBB Business have been derived from the Company's accounting records. As part of the Company, the SBB Business is dependent upon the Company for all of its working capital and financing requirements as the Company uses a centralized approach to cash management and financing of its operations. All long-term borrowings including current maturities and short term borrowings representing working capital loans and loans repayable on demand are not assumed liabilities of discontinued operations under the terms of BTA.

Assets, liabilities, income and expenses recognised in the SBB Business are those which are directly attributable to these Business and are based on the books of account and underlying accounting records maintained by the SBB Business.

Assets, liabilities, income and expenses recognised in the SBB Business that are either not readily identifiable from the books of account maintained by the Company or not directly attributable to SBB Business have been allocated on a reasonable basis as below -

- The historical costs include an allocation for certain corporate and shared service functions historically provided by the Company to the SBB Business, including, but not limited to, accounting, treasury, tax, legal, human resources and other shared services. These expenses have been allocated to SBB Business on the basis of direct utilisation where identifiable and in other cases allocated on the basis of turnover of the business vis a vis the turnover of the Company as a whole.
- Finance costs relating to borrowings have been recognised in SBB Business because the proceeds from borrowings were used to fund the operations of the SBB Business during the year. An appropriate amount of interest charge based on the portion of the debt pertaining to the SBB Business has been allocated and recognised.
- Income and expenses pertaining to bright bar business have been allocated on a reasonable basis taking into consideration the percentage of production, turnover, employee head count, etc.
- Unrealised profit/ loss arising on account of sale of wire rod by SBB Business to the Company's other businesses and included in period end inventories of those other businesses have been eliminated from profits of the SBB Business with corresponding adjustments against such period end inventories.

Pursuant to the terms of the BTA, certain assets pertaining to SBB Business are pass through in nature (i.e. the beneficial ownership of these assumed assets continued to be with the Company) such as export incentives receivable, claims receivables, deposit for fuel surcharge matter/electricity matter and deposit for a legal mining case which would be transferred immediately to the Company by the Purchaser whenever received post-closing date. Consequently, such receivables have been retained by the Company and is forming part of the continuing operations.

As per BTA subject to the amendments and substitution vide Supplemental BTA, the costs that may have to be incurred for transfer of plant and machinery of bright bar business from their current location to the Purchaser's premises and other transaction costs in respect of appraisal cost, professional fees, documentation, legal expenses, counsel's fees etc. will not be borne by the SBB Business.

Contingent liabilities of the SBB Business have been reported on the basis of list of assumed litigations read with excluded liabilities as per the terms specified in the BTA subject to the amendments and substitution vide Supplemental BTA.

**(ii) Useful economic lives of property, plant and equipment and impairment considerations**

Property, plant and equipment are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Company also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Company's business plans and changes in regulatory environment are taken into consideration.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

**(iii) Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows. The Company has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

**(iv) Provisions for site restoration and rehabilitation [under discontinued operation as disclosed in note 36(ii)]**

The iron ore mines is being governed by Mineral Conservation and Development Rules, 1988 (MCDR), which requires final mines closure plan to be submitted before two years from the date of intended closure. The mining lease operation is valid up to the year 2055 and accordingly, final mining closure plan is required to be submitted in the year 2053 or any earlier date when mine is intended to be closed due to any reason in future, which is not visible in next two years.

MCDR requires mining plan to be approved for every 5 years which consists of progressive mine closure plan which is being reviewed for implementation at every occasion of approval in 5 years and devised for

next 5 years. As such, in case of iron ore mine there will be no incremental activities required at the stage of final mine closure plan beyond the activities of progressive mine closure plan.

Accordingly, provision has been recognised in respect of site restoration and rehabilitation based on best estimate in respect of progressive mine closure plan.

**(v) Defined benefit plans**

The cost and the present value of the defined benefit gratuity plan and long term service award are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**(vi) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Till previous year ended March 31, 2018, the Company was recognising deferred tax assets (DTA) arising on unabsorbed depreciation and brought forward business losses to the extent of aggregate deferred tax liabilities only and balance were not recognised in view of prudence and uncertainty of recovery of such assets against future taxable income. Pursuant to transfer of steel division subsequent to Balance Sheet date as per the terms of BTA /Supplemental BTA with TSIL, the Company has recognised net DTA as disclosed in note 6(ii) as part of continuing business. Management believes that it is probable that such DTA can be utilised against long-term capital gain arising from sale of SBB business and balance against future taxable income arising from the continuing business.

**(vii) Fair value measurement**

When fair value of financial assets and financial liabilities recorded in the balance sheet can not be measured based on quoted prices in active markets, their fair value are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future.

**(viii) Non-current assets held for sale**

Assets and liabilities of non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sale. The determination of fair value less costs to sale include use of management estimates and assumptions. The fair value has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

**(ix) Valuation of inventories**

The Company follows suitable provisioning norms for writing down the value of slow-moving, non-moving and surplus inventory. This involves various judgements and assumptions that may differ from actual developments in the future.

**31. Commitments and contingencies****A Leases****Operating lease commitments — Company as lessee**

The Company had two non-cancellable operating lease agreements, in connection with establishment and operation of plants, by the lessor, for production of gaseous oxygen to cater to the Company's Steel Plant at Jamshedpur. One of such agreements became operative in 2001-02 (Lease A) and the other one has become operative in 2005-06 (Lease B). Both these lease agreements shall stand automatically extended for a further period up to 31st March 2032 and either party shall be entitled to terminate the agreement, at anytime after 31st March, 2027. The Company paid minimum lease rent and fixed, as well as, variable operating and maintenance charges for both the leases. There were no subleases and contingent rent in the lease arrangements.

Future minimum rentals payable under all non-cancellable operating leases are as follows:

Lease rent*	As at 31st March, 2019	As at 31st March, 2018
Within one year	-	1,373
After one year but not more than five years	-	4,245
More than five years	-	3,033

Operation and maintenance charges*	As at 31st March, 2019	As at 31st March, 2018
Within one year	-	350
After one year but not more than five years	-	1,265
More than five years	-	1,270

\* These leases have been transferred to discontinued operations, hence information as at March 31, 2019 have not been shown above.

The above amounts are exclusive of taxes and duties. The Company has charged the following amount in the Statement of Profit and Loss on account of the aforesaid leases:

Rs. 1,663 lakhs (31st March, 2018 : Rs. 2,086 lakhs) and Rs. 310 lakhs (31st March, 2018 : Rs. 358 lakhs) are booked under consumption of stores and spares / loose tools and Rent and hire charges respectively under other expenses in discontinued operations against the above leases.

The Company has entered into cancellable operating lease arrangements for accommodation for office spaces and employees residential accommodation etc. Tenure of leases generally vary between 1 and 10 years. There are no subleases and contingent rent in the lease arrangements. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs. 46 lakhs (31st March, 2018 : Rs. 88 lakhs) have been debited to rent and hire charges under continuing operations.

**B Commitments**

	As at 31st March, 2019	As at 31st March, 2018
<b>(i) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	358	799
<b>(ii) Other commitments</b>		
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme. The Company is reasonably certain to receive the discharge certificates in respect of its pending export obligations, hence it does not anticipate a liability with respect to its obligations	1,46,000	2,29,144
<b>(iii) Guarantees</b>		
(a) Corporate guarantee given by the Company to banks / third parties to secure the financial assistance / accommodation extended on behalf of subsidiaries.	6,762	5,015
(b) The Company has provided a letter of comfort to a bank that has provided credit facilities to its joint venture company, Pengg Usha Martin Limited. Such facilities have been utilised to the extent of Rs. 3,659 lakhs as at 31st March, 2019 (Rs 4,875 lakhs as at 31st March, 2018) by the joint venture company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that joint venture company and to provide full support to its operations.		
<b>(iv) Bank guarantees</b>		
The Company has given bank guarantees details of which are as below:		
(a) in favour of the nominated authority, New Delhi against the allocation of Brinda and Sasai coal block ###	-	13,371
(b) in favour of the regional controller of mines against the progressive mines closure plan ###	-	189
(c) in favour of various parties against various contracts	362	1,466
The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.		

### These items have been transferred to discontinued operations, hence information as at March 31, 2019 have not been shown above.

## C Contingent liabilities

	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Continuing Operations</b>		
<b>Claims against the Company not acknowledged as debt ##</b>		
Tax and duty for which the Company has preferred appeal before appropriate authorities:		
Demand for income tax matters	3,006	4,491
Demand for sales tax, entry tax and electricity duty **	11,015	10,110
Demand for excise duty and service tax	13,500	12,965
Demand for customs duty	1,553	1,603
Outstanding labour disputes	65	60
Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	6,790	13,443
Electricity demand on account of low power factor pending with appropriate authority	-	4,715
Demand for mining matter is pending with appropriate authority #	-	4,784
Demand for differential royalty on different grade of coal extracted	-	5,734
Demand for compensation on account of mining and dump/infrastructure/colony established outside approved mining lease area	1,710	27,146
Demand for financial assurance amount in Escrow account	226	226
Disputed claims by parties not acknowledged by the Company	5,347	465
Demand for land rent etc. by Adityapur Industrial Development Authority	8,641	-

\*\* Includes demand aggregating to Rs. 2,067 lakhs (31st March, 2018 : Rs. 2,968 lakhs) received by the Company towards entry tax in West Bengal and Punjab. Subsequent to the decision of the Hon'ble Supreme Court of India, vide order dated 11th November, 2016, upholding the rights of State Governments to impose entry tax, the Company has filed petitions before the Hon'ble High Courts of the aforesaid States and also Jharkhand on grounds that entry tax imposed by respective State legislations is discriminatory in nature. Pending decisions by the Hon'ble High Courts, the Company's obligation, if any, towards entry tax is not ascertainable. Based on legal opinion obtained, management believes that there will be no adverse impact on the Company.

# In respect of one case, the Company has given an undertaking to deposit Rs. 1,922 lakhs in six instalments within a period of six months from January 2018. Against the same, the Company had deposited Rs. 300 lakhs upto 31st March, 2018.

<b>(b) Discontinued Operations</b>	As at 31st March, 2019	As at 31st March, 2018
<b>Claims against the Company for SBB business not acknowledged as debt * ##</b>		
Duty for which the Company has preferred appeal before appropriate authorities for SBB business :		
Outstanding labour disputes	13	-
Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	4,190	-
Demand for mining matter is pending with appropriate authority @	2,862	-
Demand for Goods and Service Tax	443	-

@ The Company has given an undertaking to deposit Rs. 1,922 lakhs in six instalments within a period of six months from January 2018. Against the same, the Company had deposited Rs. 1,000 lakhs upto 31st March, 2019 and subsequent to the balance sheet date, the Company has deposited Rs 922 lakhs by April 24, 2019.

## Pending necessary clarification, the Company has complied with the order of the Hon'ble Supreme Court of India regarding applicability of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 to certain fixed elements of remuneration paid/payable to employees with effect from the date of such order, i.e., February 28, 2019. Any additional provision in respect of earlier periods will be recognised as and when further clarifications will be available.

\* Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above mentioned matters and hence no provision there against is considered necessary.

**32. Post employment defined contribution plans and post employment defined benefit plans****(a) Post employment defined contribution plans**

	Year ended 31st March, 2019	Year ended 31st March, 2018
Amount recognised in the statement of profit and loss		
(i) Pension fund paid to the authorities	305	299
(ii) Superannuation fund - contribution payable / paid to a Trust	195	158
<b>Total</b>	<b>500</b>	<b>457</b>

**(b) Post employment defined benefit plans****I. Gratuity plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

**II. Long term service award**

Employees of the Company rendering greater than twenty years of service will receive long service award on all causes of exit as per the Company's policy. The cost of providing benefits under this plan is determined by actuarial valuation using the projected unit credit method by independent qualified actuaries at the year end.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the above defined benefit plans:

A	Expenses recognised in the statement of profit and loss	Year ended 31st March, 2019		Year ended 31st March, 2018	
		Gratuity	Long term service award	Gratuity	Long term service award
1	Current / past service cost	371	5	142	55
2	Net Interest cost	219	5	174	(55)
3	Less: Amount recognised in statement of profit and loss- discontinued operations	(259)	(4)	(112)	-
4	<b>Amount recognised in statement of profit and loss Continuing operations (i)</b>	<b>331</b>	<b>6</b>	<b>204</b>	<b>-</b>
	<b>Expenses recognised in other comprehensive income</b>				
5	Remeasurement (gains)/losses on defined benefit plans				
	Arising from changes in experience	78	36	64	-
	Arising from changes in financial assumptions	130	2	(103)	-
	Less: Amount recognised in current year-discontinued operations	(149)	(23)	54	-
6	<b>Total (ii)</b>	<b>59</b>	<b>15</b>	<b>15</b>	<b>-</b>
7	<b>Total expense (i)+(ii)</b>	<b>390</b>	<b>21</b>	<b>219</b>	<b>-</b>
B	Net asset / ( liability ) recognised in the balance sheet	As at 31st March, 2019		As at 31st March, 2018	
		Gratuity	Long term service award	Gratuity	Long term service award
1	Present value of defined benefit obligation	2,976	68	4,961	72
2	Fair value of plan assets	1,621	-	2,121	-
3	Net asset / ( liability )	(1,355)	(68)	(2,840)	(72)
C	Change in the present value of the defined benefit obligation during the year	As at 31st March, 2019		As at 31st March, 2018	
		Gratuity	Long term service award	Gratuity	Long term service award
1	<b>Present value of defined benefit obligation at the beginning of the year</b>	<b>4,961</b>	<b>72</b>	<b>5,022</b>	<b>77</b>
2	Current service cost /plan amendments	371	5	142	55
3	Interest cost	359	5	365	(55)
4	Benefits paid	(600)	(10)	(553)	(5)
5	Remeasurement (gains)/losses	208	38	(39)	-
6	Return on plan assets greater/(lesser) than discount rate	(43)	-	-	-
7	Less Amount recognised in Discontinued operation	(2,280)	(42)	-	-
8	<b>Present value of defined benefit obligation at the end of the year</b>	<b>2,976</b>	<b>68</b>	<b>4,937</b>	<b>72</b>

## Notes to the financial statements

(All amounts in Rs. lakhs)

		As at 31st March, 2019	As at 31st March, 2018		
<b>D</b>	<b>Change in the fair value of plan assets during the year</b>	<b>Gratuity</b>			
1	Plan assets at the beginning of the year	2,121	2,483		
2	Interest income	140	191		
3	Contribution by employer	3	-		
4	Actual benefits paid	(600)	(553)		
5	Return on plan assets greater/(lesser) than discount rate	(43)	-		
<b>5</b>	<b>Plan assets at the end of the year</b>	<b>1,621</b>	<b>2,121</b>		
<b>E</b>	In 2019-20, the Company expects to contribute Rs. 10 lakhs to gratuity fund.				
<b>F</b>	<b>The major categories of plan assets as a percentage of the fair value of total plan assets</b>	As at 31st March, 2019	As at 31st March, 2018		
	Investments with insurer	98%	96%		
	Cash and cash equivalent	2%	4%		
	<b>Total</b>	<b>100%</b>	<b>100%</b>		
<b>G</b>	<b>Actuarial assumptions</b>	<b>As at 31st March, 2019</b>		<b>As at 31st March, 2018</b>	
		<b>Gratuity</b>	<b>Long term service award</b>	<b>Gratuity</b>	<b>Long term service award</b>
1	Discount rate	7.50%	7.50%	7.70%	7.70%
2	Expected rate of return on plan assets	7.50%	NA	7.70%	NA
3	Mortality pre retirement	IALM 2006-2008	IALM 2006-2008	IALM 2006-2008	IALM 2006-2008
4	Mortality post retirement	LIC(1996-98) Ultimate	NA	LIC(1996-98) Ultimate	NA
5	Employee turnover rate	1%	1%	1%	1%
<b>H</b>	The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
<b>I</b>	<b>Maturity profile of the defined benefit obligation (undiscounted amount)</b>	<b>Gratuity</b>		<b>Long term service award</b>	
		<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
	<b>Expected benefit payments for the year ending</b>				
	Not later than 1 year	288	334	4	8
	Later than 1 year and not later than 5 years	994	989	27	23
	Later than 5 years and not later than 10 years	1,879	1,225	43	21
	More than 10 years	10,023	3,924	15	21
	<b>Total expected payments</b>	<b>13,184</b>	<b>6,472</b>	<b>89</b>	<b>73</b>
<b>J</b>	<b>Sensitivity analysis</b>				
	The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:				
	<b>Increase/ (decrease) in defined benefit obligation</b>	<b>As at 31st March, 2019</b>		<b>As at 31st March, 2018</b>	
		<b>Gratuity</b>	<b>Long term service award</b>	<b>Gratuity</b>	<b>Long term service award</b>
	<b>Discount rate</b>				
	Increase by 1%	(290)	(104)	(127)	(2)
	Decrease by 1%	184	24	134	2
		<b>As at 31st March, 2019</b>		<b>As at 31st March, 2018</b>	
	<b>Expected rate of increase in compensation level of covered employees</b>	<b>Gratuity</b>	<b>Long term service award</b>	<b>Gratuity</b>	<b>Long term service award</b>
	Increase by 1%	185	*	58	2
	Decrease by 1%	(355)	*	(65)	(2)

	As at 31st March, 2019		As at 31st March, 2018	
	Gratuity	Long term service award	Gratuity	Long term service award
<b>Expected rate of increase in attrition rate</b>				
Increase by 0.5%	*	*	3	*
Decrease by 0.5%	*	*	(3)	*
	As at 31st March, 2019		As at 31st March, 2018	
<b>Expected rate of increase in mortality rate</b>	Gratuity	Long term service award	Gratuity	Long term service award
Increase by 0.5%	*	*	25	*
Decrease by 0.5%	*	*	(25)	*

\* Amount is below the rounding off norm adopted by the Company.

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the project unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

### K Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

#### (i) Interest risk

A decrease in the interest rate on plan assets will increase the plan liability.

#### (ii) Longevity risk/Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### (iii) Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

#### (iv) Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

### III Provident Fund

Provident Fund contributions in respect of employees are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. Both the employer and the employees contribute to this Fund and such contributions together with interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of services by the employee. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. In terms of the guidance on implementing Indian Accounting Standard 19 on Employee Benefits, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using projected unit credit method and deterministic approach as outlined in the guidance note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Group as at the balance sheet date. Further during the period, the Group's contribution Rs 320 lakhs (31st March, 2017 : Rs 303 lakhs\*) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

\* for continuing operations only.

#### Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

	As at 31st March, 2019	As at 31st March, 2018
Discount Rate	7.50%	7.70%
Expected rate of increase in compensation level of covered employees	5.00%	5.00%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate
EPFO Return	8.55%	8.65%

## Notes to the financial statements

(All amounts in Rs. lakhs)

33.	Related party disclosures	
(i)	Related parties	
(a)	Subsidiaries	Usha Martin International Limited (UMIL)
		Usha Martin UK Limited (UMUK) @
		European Management and Marine Corporation Limited (EMMC) @
		Brunton Shaw UK Limited (BSUK) @
		De Ruiter Staalkabel B.V. (De Ruiter) @
		Usha Martin Europe B.V. (UMEBV) @
		Usha Martin Italia S.R.L (UMISRL) @
		Usha Martin Singapore Pte. Limited (UMSPL)
		Usha Martin Vietnam Co. Limited (UMVCL) @
		Usha Martin Australia Pty Limited (UM AUS) @
		P. T. Usha Martin Indonesia (PTUMI) @
		Usha Martin China Company Limited (UMCCL) @
		Usha Martin Americas Inc. (UMAI)
		Usha Siam Steel Industries Public Company Limited (USSIL)
		Brunton Wolf Wire Ropes FZCo. (BWWR)
		U M Cables Limited (UMCL)
		Usha Martin Power and Resources Limited (UMPR)
		Bharat Minex Private Limited (BMPL)
		Gustav Wolf Speciality Cords Limited (GWSCL)
(b)	Joint ventures	Pengg Usha Martin Wires Private Limited (PUMWPL)
		CCL Usha Martin Stressing Systems Limited (CCLUMSSL)
		Tesac Usha Wire rope Company Limited (TUWCL)*
(c)	Key managerial personnel	Mr. Basant Kumar Jhawar, Chairman Emeritus (till 31st March,2019)
		Mr. G.N.Bajpai, Chairman (till 31st March,2019)
		Mr. Brij K Jhawar, Director
		Mr. Prashant Jhawar, Director
		Mr. Salil Singhal, Director
		Mr. Jitender Balakrishnan, Director
		Mr. P.S.Bhattacharyya, Director
		Mr. M. Rohatgi, Director
		Ms. A. Ramakrishnan, Director (till 9th January, 2019)
		Mr. V. Ramakrishna Iyer, Director
		Mr. Rajeev Jhawar, Managing Director
		Mr. P.K.Jain, Joint Managing Director (Wire and Wire Rope Business)
		Mr. Rohit Nanda, Chief Financial Officer (till 9th April,2019)
		Ms. Shampa Ghosh Ray, Company Secretary
		Mr. Anirban Sanyal, Chief Financial Officer (w.e.f 10th April 2019)
(d)	Substantial interest in the voting power of the entity	UMI Special Steel Limited (UMISSL) (under liquidation)
(e)	Others	Usha Martin Employee Provident Fund Trust

@ Represents step-down subsidiaries

\* Represents step-down joint venture

## Notes to the financial statements

(All amounts in Rs. lakhs)

33. Related party disclosures		Transactions during the period														
(ii) Particulars of transactions		The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial period:														
Name and relationship		Sale of products and services	Sale of property, plant and equipment	Purchase of goods	Dividend received	Interest expenses/(income) (net)	Key management personnel's remuneration #	Brokerage and discount on sale of products	Reimbursement/(recoveries) of expenses (net)	Receiving/(recoveries) of management and other services	Directors' sitting fees	Loans/ advances (taken)	Repayment of Loans/ advances taken	Loans/ advances given	(Receipt) of Loans/ advances given	Contribution to employees provident fund trust
<b>Subsidiary Companies</b>																
UMIL	31st March, 2019	-	-	-	-	-	-	-	-	190	-	-	-	-	-	-
	31st March, 2018	-	-	-	-	-	-	-	-	166	-	-	-	-	-	-
UMAI	31st March, 2019	2,973	-	-	-	-	-	-	-	(25)	-	-	-	-	-	-
	31st March, 2018	2,330	-	-	-	-	-	-	-	(28)	-	-	-	-	-	-
UMUK	31st March, 2019	8,328	-	5	-	(1)	-	20	-	-	-	-	-	-	-	-
	31st March, 2018	5,906	-	39	-	(1)	-	6	-	-	-	-	-	-	-	-
UMVCL	31st March, 2019	959	-	-	-	-	-	9	*	-	-	-	-	-	-	-
	31st March, 2018	920	-	-	-	-	-	9	*	-	-	-	-	-	-	-
UMMAUS	31st March, 2019	1,182	-	-	-	-	-	1	-	6	-	-	-	-	-	-
	31st March, 2018	1,840	-	-	-	-	-	5	-	-	-	-	-	-	-	-
BMPL	31st March, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31st March, 2018	-	-	-	-	-	-	-	-	(40)	-	-	-	4	-	-
PTUMI	31st March, 2019	-	-	-	-	-	-	-	*	-	-	-	-	-	-	-
	31st March, 2018	-	-	-	-	-	-	-	*	-	-	-	-	-	-	-
USSIL	31st March, 2019	8,492	-	84	-	(65)	-	21	-	(121)	-	-	-	-	-	-
	31st March, 2018	5,771	-	294	-	(55)	-	15	-	(119)	-	-	-	-	-	-
UMSPL	31st March, 2019	4,409	-	-	-	-	-	10	-	(32)	-	-	-	-	-	-
	31st March, 2018	4,598	-	-	-	-	-	31	(20)	(36)	-	-	-	-	-	-
BWWR	31st March, 2019	12,136	-	-	433	-	-	-	-	18	-	-	-	-	-	-
	31st March, 2018	8,684	-	73	166	-	-	13	(1)	35	-	-	-	-	-	-
UMCL	31st March, 2019	43	-	-	-	67	-	-	-	(131)	-	(10,900)	5,502	-	(1,000)	-
	31st March, 2018	28	-	-	-	21	-	-	(59)	(133)	-	(1,265)	1,265	1,130	(130)	-
GWSCL	31st March, 2019	460	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31st March, 2018	875	-	-	-	13	-	-	3	-	-	-	-	-	-	-
<b>Total</b>	<b>31st March, 2019</b>	<b>38,982</b>	<b>89</b>	<b>433</b>	<b>1</b>	<b>1</b>	<b>61</b>	<b>61</b>	<b>(77)</b>	<b>(95)</b>	<b>(10,900)</b>	<b>5,502</b>	<b>5,502</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>-</b>
	<b>31st March, 2018</b>	<b>30,952</b>	<b>406</b>	<b>166</b>	<b>(22)</b>	<b>(22)</b>	<b>70</b>	<b>70</b>	<b>(77)</b>	<b>(155)</b>	<b>(1,265)</b>	<b>1,265</b>	<b>1,265</b>	<b>1,134</b>	<b>(130)</b>	<b>-</b>
<b>Joint Ventures</b>																
PUMWPL	31st March, 2019	4,666	-	6	80	-	-	-	(55)	-	-	-	-	-	-	-
	31st March, 2018	4,669	2,355	-	80	-	-	-	(31)	-	-	-	-	-	-	-
<b>Total</b>	<b>31st March, 2019</b>	<b>4,666</b>	<b>6</b>	<b>80</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(55)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>31st March, 2018</b>	<b>4,669</b>	<b>2,355</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

(All amounts in Rs. lakhs)

Name and relationship	Transactions during the period														
	Sale of products and services	Sale of property plant and equipment	Purchase of goods	Dividend received	Interest expenses/(income) (net)	Key management personnel's remuneration #	Brokerage and discount on sale of products	Reimbursement/(recoveries) of expenses (net)	Receiving/(recoveries) of management and other services	Directors' sitting fees	Loans/ advances (taken)	Repayment of Loans/ advances taken	Loans/ advances given	(Receipt) of Loans/ advances given	Contribution to employees provident fund trust
<b>Key managerial personnel</b>															
Mr. Rajeev Jhawar	-	-	-	-	-	158	-	-	-	-	-	-	-	-	-
31st March, 2019	-	-	-	-	-	125	-	-	-	-	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
Mr. Brij K Jhawar	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31st March, 2018	-	-	-	-	-	159	-	-	-	-	-	-	-	-	-
Mr. P. K. Jain	-	-	-	-	-	142	-	-	-	-	-	-	-	-	-
31st March, 2019	-	-	-	-	-	165	-	-	-	-	-	-	-	-	-
31st March, 2018	-	-	-	-	-	116	-	-	-	-	-	-	-	-	-
Mr. Rohit Nanda	-	-	-	-	-	34	-	-	-	-	-	-	-	-	-
31st March, 2019	-	-	-	-	-	19	-	-	-	-	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Basant Kumar Jhawar	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
Mr. Prashant Jhawar	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	10	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	9	-	-	-	-	-
Mr. Jitender Balakrishnan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	13	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	11	-	-	-	-	-
Mr. G.N.Bajpai	-	-	-	-	-	-	-	-	-	9	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	8	-	-	-	-	-
Mr. Salil Singhal	-	-	-	-	-	-	-	-	-	7	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	4	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	3	-	-	-	-	-
Mr. P.S. Bhattacharyya	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-
Mr. V. Ramakrishna Iyer	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-
Mr. M. Rohatgi	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-
31st March, 2019	-	-	-	-	-	-	-	-	-	5	-	-	-	-	-
31st March, 2018	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-
Ms. A. Ramakrishnan	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-
31st March, 2019	-	-	-	-	-	516	-	-	-	64	-	-	-	-	-
31st March, 2018	-	-	-	-	-	402	-	-	-	52	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31st March, 2019	43,648	2,355	95	513	1	516	61	(55)	(95)	64	(10,900)	5,502	-	(1,000)	320
31st March, 2018	35,621	406	246	(22)	402	70	(108)	(155)	52	(1,265)	1,265	1,134	(130)	554	
<b>Grand Total</b>															

# Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is included above on payment basis.

\* Amount is below the rounding off norm adopted by the Company.

33. Related party disclosures									
(iii) Balance outstanding at the year end 31st March, 2019									
Name and relationship		Balance outstanding at the year end							
		Corporate / other guarantees given	Trade receivables	Trade payables/ other financial liabilities / Other current liabilities	Loans taken (Short-term)	Loans and advances given (long-term / short-term) / other financial assets	Investments in equity shares	Company's contribution to related party trust	
<b>Substantial interest in voting power of the Company</b>									
<b>UMISSL</b>	<b>31st March, 2019</b>	-	-	-	-	-	-	*	-
	31st March, 2018	-	-	-	-	-	-	*	-
<b>Total</b>	<b>31st March, 2019</b>	-	-	-	-	-	-	*	-
	31st March, 2018	-	-	-	-	-	-	*	-
<b>Subsidiary companies</b>									
<b>UMIL</b>	<b>31st March, 2019</b>	-	-	<b>190</b>	-	<b>145</b>	<b>6,181</b>	-	-
	31st March, 2018	-	-	63	-	53	6,181	-	-
<b>UMAI</b>	<b>31st March, 2019</b>	<b>1,556</b>	<b>816</b>	<b>11</b>	-	<b>73</b>	<b>1,660</b>	-	-
	31st March, 2018	1,792	1,068	7	-	45	1,660	-	-
<b>UMUK</b>	<b>31st March, 2019</b>	-	<b>1,122</b>	<b>115</b>	-	-	-	-	-
	31st March, 2018	-	2,032	-	-	-	-	-	-
<b>UMVCL</b>	<b>31st March, 2019</b>	-	<b>258</b>	-	-	-	-	-	-
	31st March, 2018	-	301	-	-	-	-	-	-
<b>UM AUS</b>	<b>31st March, 2019</b>	-	<b>234</b>	-	-	-	-	-	-
	31st March, 2018	-	522	-	-	-	-	-	-
<b>UM PRL</b>	<b>31st March, 2019</b>	-	-	-	-	<b>2</b>	<b>4</b>	-	-
	31st March, 2018	-	-	-	-	4	4	-	-
<b>BMPL</b>	<b>31st March, 2019</b>	-	-	-	-	<b>2</b>	-	-	-
	31st March, 2018	-	-	38	-	8	-	-	-
<b>USSIL</b>	<b>31st March, 2019</b>	<b>2,987</b>	<b>129</b>	<b>83</b>	-	<b>1,537</b>	<b>2,620</b>	-	-
	31st March, 2018	3,223	2,823	103	-	1,373	2,620	-	-
<b>UMSPL</b>	<b>31st March, 2019</b>	-	<b>2,411</b>	-	-	<b>62</b>	<b>268</b>	-	-
	31st March, 2018	-	1,892	-	-	38	268	-	-
<b>BWWR</b>	<b>31st March, 2019</b>	<b>2,219</b>	<b>2,138</b>	<b>89</b>	-	<b>10</b>	<b>1,777</b>	-	-
	31st March, 2018	-	2,347	96	-	3	1,777	-	-
<b>UMCL</b>	<b>31st March, 2019</b>	-	-	<b>234</b>	<b>5,398</b>	<b>52</b>	<b>1,271</b>	-	-
	31st March, 2018	-	12	-	-	1,404	1,271	-	-
<b>GW SCL</b>	<b>31st March, 2019</b>	-	<b>144</b>	<b>236</b>	<b>150</b>	-	<b>168</b>	-	-
	31st March, 2018	-	299	101	150	1	168	-	-
<b>Total</b>	<b>31st March, 2019</b>	<b>6,762</b>	<b>7,252</b>	<b>958</b>	<b>5,548</b>	<b>1,883</b>	<b>13,949</b>	-	-
	31st March, 2018	5,015	11,296	408	150	2,929	13,949	-	-
<b>Joint venture companies</b>									
<b>PUMWPL</b>	<b>31st March, 2019</b>	-	<b>64</b>	-	-	-	<b>1,080</b>	-	-
	31st March, 2018	-	1,185	-	-	-	1,080	-	-
<b>CCLUMSSL</b>	<b>31st March, 2019</b>	-	-	-	-	-	<b>31</b>	-	-
	31st March, 2018	-	-	-	-	-	31	-	-
<b>Total</b>	<b>31st March, 2019</b>	-	<b>64</b>	-	-	-	<b>1,111</b>	-	-
	31st March, 2018	-	1,185	-	-	-	1,111	-	-

## Notes to the financial statements

(All amounts in Rs. lakhs)

Name and relationship		Balance outstanding at the year end						
		Corporate / other guarantees given	Trade receivables	Trade payables/ other financial liabilities / Other current liabilities	Loans taken (Short-term)	Loans and advances given (long-term / short-term) / other financial assets	Investments in equity shares	Company's contribution to related party trust
<b>Key managerial personnel</b>								
Mr. Rajeev Jhwar	<b>31st March, 2019</b>	<b>199,594</b>	-	<b>2</b>	-	-	-	-
	31st March, 2018	203,750	-	2	-	-	-	-
Mr. P. K. Jain	<b>31st March, 2019</b>	-	-	<b>9</b>	-	-	-	-
	31st March, 2018	-	-	8	-	-	-	-
Mr. Rohit Nanda	<b>31st March, 2019</b>	-	-	<b>14</b>	-	-	-	-
	31st March, 2018	-	-	9	-	-	-	-
Ms. Shampa Ghosh Ray	<b>31st March, 2019</b>	-	-	<b>2</b>	-	-	-	-
	31st March, 2018	-	-	1	-	-	-	-
<b>Total</b>	<b>31st March, 2019</b>	<b>199,594</b>	-	<b>27</b>	-	-	-	-
	31st March, 2018	203,750	-	20	-	-	-	-
<b>Others</b>								
Usha Martin Employees provident Fund Trust	<b>31st March, 2019</b>	-	-	-	-	-	-	<b>228</b>
	31st March, 2018	-	-	-	-	-	-	46
<b>Grand Total</b>	<b>31st March, 2019</b>	<b>206,356</b>	<b>7,316</b>	<b>985</b>	<b>5,548</b>	<b>1,883</b>	<b>15,060</b>	<b>228</b>
	31st March, 2018	208,765	12,481	428	150	2,929	15,060	46

\* Amount is below the rounding off norm adopted by the Company.

### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2019 and 31st March, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

As the future liability for gratuity and leave is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel is not ascertainable and therefore not included above.

**34. Segment information**

Based on evaluation of the Company's business performance by the Chief operating decision maker, the Company's businesses are organised in the following reportable segments :

- The wire and wire ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, bright bar, related accessories, etc.
- Discontinued operation mentioned below represents steel segment which used to manufacture and sell steel wire rods, bars, blooms, bright bar, billets, pig iron and allied products.
- Others include manufacturing and selling of wire drawing and allied machines.

The Company's financing (including finance costs and finance income) and income taxes are managed on a Company level and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis.

The following table presents revenue and profit information and certain asset information regarding the Company's business segments as at and for the year ended 31st March, 2019 and 31st March, 2018.

**I. Business Segment Analysis Year ended 31st March, 2019**

Particulars	Business segments				
	Discontinued operations	Wire and wire ropes (continuing operations)	Others (continuing operations)	Adjustments and eliminations	Total
<b>Segment revenue</b>					
<b>External revenue</b>	<b>2,97,752</b>	<b>1,68,750</b>	<b>298</b>		<b>4,66,800</b>
	2,71,013	1,41,029	738	-	4,12,780
<b>Inter-segment revenue</b>	<b>96,448</b>	-	-	<b>(96,448)</b>	-
	73,614	-	-	(73,614)	-
<b>Total revenue from operations</b>	<b>3,94,200</b>	<b>1,68,750</b>	<b>298</b>	<b>(96,448)</b>	<b>4,66,800</b>
	3,44,627	1,41,029	738	(73,614)	4,12,780
<b>Segment results</b>	<b>15,047</b>	<b>25,115</b>	<b>128</b>	<b>(57,858)</b>	<b>(17,568)</b>
	9,081	19,834	(274)	(56,875)	(28,234)
<b>Depreciation and amortisation</b>	<b>23,832</b>	<b>2,648</b>	<b>74</b>	<b>88</b>	<b>26,642</b>
	24,462	2,723	74	99	27,358
<b>Total assets</b>	<b>4,28,796</b>	<b>1,07,452</b>	<b>37,191</b>	<b>27,832</b>	<b>6,01,271</b>
	5,24,470	1,06,224	7,762	3,788	6,42,244
<b>Total liabilities</b>	<b>1,96,690</b>	<b>26,878</b>	<b>22,655</b>	<b>3,31,955</b>	<b>5,78,178</b>
	2,04,921	30,681	8,860	3,80,427	6,24,889
<b>Reconciliations to amounts reflected in the financial statements</b>					
<b>Reconciliation of profit</b>					
<b>Segment profit</b>	<b>15,047</b>	<b>25,115</b>	<b>128</b>	-	<b>40,290</b>
	9,081	19,834	(274)	-	28,641
Less : Finance costs					<b>58,037</b>
					57,098
Less : Other unallocable expenditure (net of unallocable income)					<b>(179)</b>
					(223)
<b>Loss before tax</b>					<b>(17,568)</b>
					(28,234)
<b>Reconciliation of assets</b>					
<b>Segment assets</b>	<b>4,28,796</b>	<b>1,07,452</b>	<b>37,191</b>		<b>5,73,439</b>
	5,24,470	1,06,224	7,762		6,38,456
Investments-unallocable					<b>10</b>
					9
Advance income tax assets(net)					<b>3,976</b>
					3,779
Deferred tax assets(net)					<b>23,846</b>
					-
<b>Total assets</b>					<b>6,01,271</b>
					6,42,244

Particulars	Business segments				Total
	Discontinued operations	Wire and wire ropes (continuing operations)	Others (continuing operations)	Adjustments and eliminations	
<b>Reconciliation of liabilities</b>					
<b>Segment liabilities</b>	<b>1,96,690</b>	<b>26,878</b>	<b>22,655</b>		<b>2,46,223</b>
	2,04,921	30,681	8,860		2,44,462
Long-term borrowings including current maturities					<b>2,65,524</b>
					2,97,801
Short-term borrowings					<b>66,256</b>
					82,516
Current tax liabilities (net)					<b>175</b>
					110
<b>Total liabilities</b>					<b>5,78,178</b>
					6,24,889

Note: Figures in normal type relate to 31st March, 2018

## II. Geographical segment analysis

The Company's operations are located in India. The following table provides an analysis of Company's sales by region in which the customer is located, irrespective of the origin of the goods.

Revenue by geographical segment	Year ended 31 March 2019	Year ended 31 March 2018
India	1,27,834	1,06,235
Outside India	41,214	35,532
<b>Total revenue from operations as per statement of profit and loss</b>	<b>1,69,048</b>	<b>1,41,767</b>

Details of non-current assets (property, plant and equipment, capital work-in-progress and other intangible assets) based on geographical area is as below:

	As at 31st March, 2019	As at 31st March, 2018
India	42,275	4,35,423

## Segment capital expenditure

	Year ended 31 March 2019	Year ended 31 March 2018
India	648	1,822

## 35 A. Fair value hierarchy

a) Financial instruments by category								
Date of valuation	As at 31st March, 2019				As at 31st March, 2018			
	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value	Fair value through profit and loss	Amortised cost	Total carrying value	Total fair value
<b>Financial assets</b>								
Investments	5	15,060	15,065	15,065	5	15,060	15,065	15,065
Trade receivables	-	21,705	21,705	21,705	-	55,764	55,764	55,764
Cash and cash equivalents	-	620	620	620	-	1,046	1,046	1,046
Other bank balances	-	2,766	2,766	2,766	-	1,243	1,243	1,243
Loans	-	1,232	1,232	1,232	-	2,480	2,480	2,480
Other financial assets including derivatives	82	13,736	13,818	13,818	-	14,896	14,896	14,896
<b>Total financial assets</b>	<b>87</b>	<b>55,119</b>	<b>55,206</b>	<b>55,206</b>	<b>5</b>	<b>90,489</b>	<b>90,494</b>	<b>90,494</b>
<b>Financial liabilities</b>								
Borrowings (including current maturities)	-	3,31,780	3,31,780	3,31,780	-	3,80,317	3,80,317	3,80,317
Trade payables	-	21,835	21,835	21,835	-	1,84,266	1,84,266	1,84,266
Derivatives	-	-	-	-	79	-	79	79
Other financial liabilities	-	13,395	13,395	13,395	-	16,834	16,834	16,834
<b>Total financial liabilities</b>	<b>-</b>	<b>3,67,010</b>	<b>3,67,010</b>	<b>3,67,010</b>	<b>79</b>	<b>5,81,417</b>	<b>5,81,496</b>	<b>5,81,496</b>

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value through profit and loss. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial investments into the three levels prescribed under the accounting standard.

<b>(b) Fair value measurement hierarchy for assets and liabilities</b>				
<b>Financial assets and liabilities measured at fair value at 31st March, 2019</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investments	-	-	5	<b>5</b>
Derivative financial assets	-	82	-	<b>82</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	-	-	-
<b>Financial assets and liabilities measured at fair value at 31st March, 2018</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Investments	-	-	5	<b>5</b>
<b>Financial liabilities</b>				
Derivative financial assets	-	79	-	<b>79</b>

**Notes :**

The Company uses the following hierarchy for determining and /or disclosing the fair value of financial instruments by valuation techniques :

Level 1 hierarchy includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**35 B. Financial risk management objectives and policies****Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee (RMC) which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's activities expose it to market risk, liquidity risk and credit risk which are measured, monitored and managed to abide by the principles of risk management.

**(a) Credit risk**

Credit risk refers to the risk of financial loss that may arise from counterparty failure on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Company controls its own exposure to credit risk. All external customers undergo a creditworthiness check. The Company performs an on-going assessment and monitoring of the financial position and the risk of default. Based on the aforesaid checks, monitoring and historical data, the Company does not perceive any significant credit risk on trade receivables.

In addition, as part of its cash management and credit risk function, the Company regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash and performs trade finance operations. The Company primarily has banking relationships with the public sector, private and large international banks with good credit rating.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at 31st March, 2019 and 31st March, 2018 respectively.

The maximum exposure to the credit risk at the reporting date is the carrying value of all financial assets amounting to Rs. 55,206 lakhs (31st March, 2018 : Rs. 90,494 lakhs) as disclosed in note 35A(a).

Of the year end trade receivables, the following were past due but not impaired as at 31st March, 2019 and 31st March, 2018:

<b>Particulars</b>	<b>As at March 31st, 2019</b>	<b>As at March 31st, 2018</b>
Neither impaired nor past due	17,286	46,589
Past due but not impaired		
Due less than one month	2,790	4,337
Due between one - three months	688	1,397
Due between three - twelve months	921	3,138
Due greater than twelve months	20	303
<b>Total</b>	<b>21,705</b>	<b>55,764</b>

**(b) Liquidity risk**

The Company has liquidity risk monitoring processes covering short-term, mid-term and long-term funding. Liquidity risk is managed through maintaining adequate amount of committed credit facilities and loan funds. The company has after the end of the financial year, sold off its steel and bright bar business and utilised the sales proceeds to pay off a portion of its borrowings. Management regularly monitors projected and actual cash flow data, analyses the repayment schedules of the existing financial assets and liabilities and performs annual detailed budgeting procedures coupled with rolling cash flow forecasts. The contractual maturities of the Company's financial liabilities are presented below:-

31st March, 2019	Contractual cash flows				
	Less than 1 year	1-3 years	3-8 years	Above 8 years	Total
Non-derivative financial liabilities					
Borrowings (including current maturities) *#	1,04,807	77,020	1,39,457	10,496	3,31,780
Trade payables	21,835	-	-	-	21,835
Other financial liabilities	13,395	-	-	-	13,395
<b>Total</b>	<b>1,40,037</b>	<b>77,020</b>	<b>1,39,457</b>	<b>10,496</b>	<b>3,67,010</b>
31st March, 2018	Contractual cash flows				
	Less than 1 year	1-3 years	3-8 years	Above 8 years	Total
Non-derivative financial liabilities					
Borrowings (including current maturities) *	1,14,738	69,876	1,83,184	12,519	3,80,317
Trade payables	1,84,266	-	-	-	1,84,266
Other financial liabilities	16,834	-	-	-	16,834
Derivative financial liabilities	79	-	-	-	79
<b>Total</b>	<b>3,15,917</b>	<b>69,876</b>	<b>1,83,184</b>	<b>12,519</b>	<b>5,81,496</b>

\* Includes non-current borrowings, current borrowings and current maturities of non-current borrowings at the prevailing interest rate

# Out of above borrowings, Rs 1,91,767 lakhs has been prepaid by 11th April, 2019 from the sales consideration received from Tata Sponge Iron Limited on sale of Steel and Bright Bar (SBB) business

The amount of guarantees given on behalf of subsidiaries included in note 31B (iii) represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

**(c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to different types of market risks. The market risk is the possibility that changes foreign currency exchange rates, interest rates and commodity prices may affect the value of the Company's financial assets, liabilities or expected future cash flows.

The fair value information presented below is based on the information available with the management as of the reporting date.

**(c.1) Foreign currency exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including borrowing, trade and other payable etc., are mitigated through the use of derivative instruments. The Company does not use derivative financial instruments for trading or speculative purposes.

A reasonably possible strengthening/weakening of the Indian Rupee against such foreign currency (converted to US Dollars) as at 31st March, 2019 and 31st March, 2018 would have affected profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

	Changes in USD rate	Unhedged foreign currency receivables / (payables) (net)	Effect on profit / (loss) before tax	Impact on Equity
<b>31st March, 2019</b>	<b>10%</b>	<b>7,953</b>	<b>795</b>	<b>795</b>
	<b>-10%</b>	<b>-</b>	<b>(795)</b>	<b>(795)</b>
31st March, 2018	10%	7,866	787	787
	-10%	-	(787)	(787)

**Derivative financial instruments**

The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution.

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Less than 1 year	As at 31st March, 2019	As at 31st March, 2018
Forward contract to cover both present and future foreign currency exposures :		
Export receivables	2,581	2,537

**(c.2) Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

The exposure of the Company's financial assets and financial liabilities as at 31st March, 2019 and 31st March, 2018 to interest rate risk is as follows :

Financial Assets	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
<b>31st March, 2019</b>	<b>55,206</b>	-	<b>3,636</b>	<b>51,570</b>
31st March, 2018	90,494	-	4,360	86,134
Financial liabilities	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
<b>31st March, 2019</b>	<b>3,67,010</b>	<b>3,29,192</b>	<b>8,301</b>	<b>29,517</b>
31st March, 2018	5,81,496	4,90,262	3,279	87,955

If the interest rates applicable to floating rate instruments is increased/decreased by 1%, the profit before tax for the year ended 31st March, 2019 would decrease/(increase) by Rs 3,292 lakhs (31st March, 2018 : Rs 4,903 lakhs) on an annualised basis. This assumes that the amount and mix of fixed and floating rate debt remains unchanged during the year from that in place as at year end.

**(c.3) Commodity price risk**

The Company's revenue is exposed to the risk of price fluctuations related to the sale of its wire & wire rope products. Market forces generally determine prices for such products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of wire & wire rope products.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices of wire rods, zinc, lead, lubricants, core and other raw material inputs. The Company purchased substantially all of coal requirements from third parties in the open market during the year ended 31st March, 2019 and 31st March, 2018 respectively.

The Company does not have any commodity forward contract for Commodity hedging.

The following table details the Company's sensitivity to a 5% movement in the input price of wire rod and zinc. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity, and the balances below are negative.

Impact for a 5% change on the statement of profit and loss		
Particulars	Increase	Decrease
<b>31st March, 2019</b>		
Wire Rod	(3,875)	3,875
Zinc	(176)	176
31st March, 2018		
Wire Rod	(3,182)	3,182
Zinc	(199)	199

**35C. Derivative Financial Instruments**

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

**35 D. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and other equity. The Company's primary capital management objectives are to ensure its ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders. The Company manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Company may pay dividend or repay debts, raise new debt or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2019 and 31st March, 2018 respectively. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The following table summarises the capital of the Company -

Particulars	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents [refer note 9 (ii)]	620	1,046
Other bank balances [refer note 9 (iii)]	2,766	1,243
<b>Total Cash (a)</b>	<b>3,386</b>	<b>2,289</b>
Non - current borrowings [refer note 13]	2,26,973	2,65,579
Current borrowings [refer note 17 (i)]	66,256	82,516
Current maturities of long-term borrowings [refer note 17 (iii)]	38,551	32,222
<b>Total borrowings (b)</b>	<b>3,31,780</b>	<b>3,80,317</b>
<b>Net debt (c = b-a)</b>	<b>3,28,394</b>	<b>3,78,028</b>
Total equity	23,093	17,355
<b>Total capital (equity + net debt) (d)</b>	<b>3,51,487</b>	<b>3,95,383</b>
<b>Gearing ratio (c/d)</b>	<b>0.93</b>	<b>0.96</b>

The company has after the end of the financial year, sold off its steel and bright bar business and utilised the sales proceeds to pay off a significant portion of its borrowings.

- 36 (i) (a) The Company was allocated two coal blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Supreme Court order dated 24th September, 2014 followed by promulgation of the Coal Mines (Special Provisions) Act, 2015, (CMSP Act), the allocation of all coal blocks since 1993, including the aforesaid coal blocks allocated to the Company was cancelled with effect from 24th September, 2014 in case of Lohari Coal Block and 1st April, 2015 in the case of Kathautia Coal Block.

Through the process of public auction as envisaged in the CMSP Act, the aforesaid Coal Blocks of the Company had been allocated to other successful bidders by the Central Government. Pursuant to conclusion of such auction, the Central Government had also issued vesting orders for Kathautia and Lohari Coal Blocks for transfer and vesting the Company's rights, title and interest in and over the land and mine infrastructure of the said coal blocks to the respective successful bidders.

Upon de-allocation of aforesaid coal blocks, the Company has reclassified its related assets in form of land, movable and immovable properties, advances etc. and presented the same in the Balance Sheet as follows:

	As at 31st March, 2019	As at 31st March, 2018
Assets held for sale	1,405	2,290
Advances against land-coal mines under other non-current financial assets [refer note 5 (iii)]	1,485	-
Advances against land-coal mines under other non-current assets (refer note 7)	2,851	2,851
Advances against land-coal mines under current- other financial assets [refer note 9 (v)]	8,458	10,532
<b>Total</b>	<b>14,199</b>	<b>15,673</b>

Under the CMSP Act, the Company is entitled to receive compensation for its investment in the land with interest @12% p.a. from the date of purchase / acquisition till the date of the execution of the vesting order and compensation for mine infrastructure as per the written down value reflected in the audited balance sheet of the Company for the previous financial year. Under the said Act, a successful bidder or allottee may negotiate with prior allottee, being the Company, to own or utilize movable properties of the latter used in coal mining operations on such terms and conditions as may be mutually agreed.

During an earlier year, the Hon'ble Jharkhand High Court had, vide order dated January 11, 2017, directed the State Government of Jharkhand to take decision on denotification of land acquisition proceedings in respect of land which was being acquired for the Company's mining purposes. The land acquisition proceedings have since been denotified by the State Government of Jharkhand. During the year, the Company has filed an application before Hon'ble Delhi High court for refund of Rs. 10,532 lakhs (discounted value of Rs. 9,943 lakhs). Management believes that above advance deposited by the Company for such acquisition will be refunded/received within the next financial year.

Further, the Company is also engaged in ongoing negotiations with the party to whom the aforesaid Coal Blocks were subsequently allotted for realization of compensation/investments in the mines.

After taking into consideration the present developments as set out above and the recourses available to the Company for recovery of investments from the concerned authorities / parties on the basis of advice of legal counsel, management is of the opinion that the realizable value of aforesaid assets will not be less than their carrying values.

- 36 (i) (b). The Company has earmarked for disposal certain assets of its Bright Bar plant at Chennai. The written down value of such assets amounting to Rs.1,202 lakhs (31st March, 2018: Rs 1,295 lakhs) has been disclosed as "Assets held for sale".
- 36 (i) (c). As at March 31, 2018, the Company had closed down the construction steel division at Agra for subsequent sale of its land, building and plant and equipment and the written down value of such assets amounting Rs 1,035 lakhs had been disclosed as "Assets held for sale". During the year ended March 31, 2019, the Company has disposed off the said division and recognised the profit on sale in other income in the Statement of Profit and Loss (refer note no 22).
- 36 (i) (d). As at March 31, 2018, the Company had received advance against sale of land Rs 390 lakhs and consequently, the written down value of such assets amounting to Rs 114 lakhs had been disclosed as "Assets held for sale". During the year ended March 31, 2019, the Company has disposed off the said division and recognised the profit on sale in other income in the Statement of Profit and Loss (refer note no 22).

**36 (ii). Discontinued operations****Discontinued operations**

The Board of Directors and shareholders of the Company at their meeting held on September 22, 2018 and November 10, 2018 respectively, approved the sale and transfer of the Company's Steel Business and Plant and Machinery of the Bright Bar Business ("SBB Business") to Tata Steel Limited or its subsidiaries ("TSL") on a going concern basis under a slump sale arrangement. The SBB business includes a specialised steel alloy manufacturing plant, an operative iron ore mine, a coal mine under development, captive power plants and Plant and Machinery of Bright Bar Business. Accordingly, a Business Transfer Agreement ("BTA") was executed on September 22, 2018 between the Company and TSL. Subsequently, on October 24, 2018, the Company has entered into a novation agreement with TSL and Tata Sponge Iron Limited (the 'Purchaser'), a subsidiary of TSL whereby all rights and obligations of TSL under the terms of the BTA was assumed by the Purchaser. On April 7, 2019, the Company further entered into a supplemental agreement ('Supplemental BTA') with the Purchaser to record the amendment and substitution of certain provisions of the BTA. The transfer of SBB Business to the Purchaser was subject to the satisfaction of conditions precedent as stipulated in the BTA and Supplemental BTA and receipt of applicable permissions and consents from concerned regulators / authorities. The basis of allocation is as set out in note 30 (i).

Assets and liabilities of SBB business covered by the BTA has been disclosed as held for sale and disclosed separately in the Balance Sheet as at March 31, 2019 as "Assets of discontinued operations classified as held for sale" and "Liabilities of discontinued operations classified as held for sale" respectively. As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period i.e. year ended March 31, 2018. In terms of the BTA, certain assets pertaining to SBB Business which are pass through in nature, which would be paid back to the Company as and when received by the Purchaser, hence shown as part of the continuing business.

In the Standalone Financial Statements, the net results of SBB business has been determined taking into consideration directly attributable and appropriately allocated income and expenditure including interest costs and has been disclosed separately as discontinued operation as required by Indian Accounting Standard (Ind AS) 105 Asset Held for Sale and Discontinued Operations and Schedule III to the Companies Act, 2013. Consequently, the Company's Statement of Profit and Loss for the year ended March 31, 2019 presented pertains to its continuing operations only and for that purpose the Statement of Profit and Loss for the year ended March 31, 2018 had to be restated accordingly.

On April 9, 2019 (closing date), the Company has completed the sale of its steel business to the Purchaser (except for transfer of an operative iron ore mine, coal mine under development and some of the assets which would be transferred subsequently subject to fulfilment of certain conditions precedent contained in the BTA and supplemental BTA). Out of the total consideration agreed as per BTA of Rs 4,52,500 lakhs, cash consideration of Rs 3,46,863 lakhs [after adjustments for provisional negative working capital (NWC) of Rs 43,093 lakhs on the closing date and holdbacks of Rs 64,000 lakhs pending transfers of some of the assets including mines and certain land parcels] was discharged by the Purchaser in the Escrow accounts. The Company has utilised the above cash consideration to prepay the borrowings of various lenders. Certain adjustments to current assets and liabilities (NWC) as required by the terms of BTA would be quantifiable at the time of transfer of the entire SBB business and hence will be accounted for at the time of such transfer.

The closing date being subsequent to the balance sheet date, no gain/loss with respect to sale of steel business has been recognised in the Statement of Profit and Loss for the year ended March 31, 2019. Subject to final working capital adjustments and subject to on-going further/final commercial negotiation between the Company and the Purchaser which may impact carrying values of certain current assets and / or current liabilities as at 31st March, 2019, total assets and liabilities of SBB business is Rs 4,28,796 lakhs and Rs 1,96,690 lakhs respectively as at March 31, 2019.

**(I) The Results of SBB for the year are presented below :**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Income</b>		
Revenue from operations	3,94,200	3,44,627
Other income	6,711	3,543
<b>Total income</b>	<b>4,00,911</b>	<b>3,48,170</b>
<b>Expenses</b>		
Cost of materials consumed	1,93,863	1,67,903
(Increase) / decrease in inventories of finished goods, work-in-progress and scrap/by-product	23,283	16,065
Excise duty on sale of goods	-	9,872
Employee benefits expense	15,495	13,364
Finance costs	49,015	49,450
Depreciation and amortisation expenses	23,832	24,461
Other expenses	1,29,391	1,07,423
<b>Total expense</b>	<b>4,34,879</b>	<b>3,88,538</b>
<b>Profit /(loss) for the period</b>	<b>(33,968)</b>	<b>(40,368)</b>

## Notes to the financial statements

(All amounts in Rs. lakhs)

### (II) Major classes of assets and liabilities of SBB business classified as held for sale as at 31st March, 2019 are as follows:

Particulars	As at 31st March, 2019
<b>Assets</b>	
<b>Non-current assets</b>	
(a) Property, plant and equipment*	3,67,743
(b) Capital work-in-progress	2,487
(c) Intangible assets	1,805
(d) Financial assets	
Other financial assets	676
(e) Other non-current assets	2,852
<b>Total non-current assets</b>	<b>3,75,563</b>
<b>Current assets</b>	
(a) Inventories	30,761
(b) Financial assets	
(i) Trade receivables	21,504
(ii) Cash and cash equivalents	209
(iii) Loans	4
(c) Other current assets	755
<b>Total current assets</b>	<b>53,233</b>
<b>Total assets classified as held for sale</b>	<b>4,28,796</b>
<b>Liabilities</b>	
<b>Non - current liabilities</b>	
(a) Provisions	2,192
(b) Government grants	2,820
<b>Total non-current liabilities</b>	<b>5,012</b>
<b>Current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	11,595
(ii) Trade payables	
(A) Total outstanding dues of micro and small enterprises	2,048
(B) Total outstanding dues of creditors other than micro and small enterprises	1,49,322
(iii) Other financial liabilities	6,638
(b) Other current liabilities	20,282
(c) Provisions	1,683
(d) Government grants	110
<b>Total current liabilities</b>	<b>1,91,678</b>
<b>Total liabilities classified as held for sale</b>	<b>1,96,690</b>
<b>Net assets of SBB business</b>	<b>2,32,106</b>

### Net cash flows attributable to SBB business are as follows:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Net cash flow from operating activities	83,253	74,711
Net cash flow used in investing activities	(3,122)	(6,044)
Net cash flow used in financing activities	(79,933)	(68,718)
<b>Net cash generated from / (used in) discontinued operations</b>	<b>198</b>	<b>(51)</b>

#### \*Freehold land included:

Three plots (31st March, 2018 : three plots) of land of Rs. 742 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 742 lakhs ) located at Jamshedpur, in respect of which conveyance deed is yet to be executed in favour of the Company.

**37. Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to SEBI Listing Regulations, 2015****I. Loans and advances in the nature of loans to subsidiaries**

	As at 31st March, 2019	As at 31st March, 2018
<b>Loans to subsidiaries :</b>		
<b>(a) Usha Siam Steel Industries Public Company Limited</b>		
Balance as at the year end *	1,090	1,042
Maximum amount outstanding at any time during the year	1,120	1,042
<b>(b) UM Cables Limited</b>		
Balance as at the year end *	-	1,000
Maximum amount outstanding at any time during the year	1,000	1,000

The aforesaid loanees have not made any investments in the shares of the Company.

\* No repayment schedule or repayment beyond seven years

II. As per the Company's policy, loan to employees are not considered in (I) above.

**38. Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED)**

	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
i) Principal amount due to micro and small enterprise	7	1,436
ii) Interest due on above	4	199
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	4	349
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of information available with the Company.

## Notes to the financial statements

(All amounts in Rs. lakhs)

### 39. Group information

The Company has following subsidiaries and joint ventures for which the Company prepares Consolidated Financial Statements as per Ind AS 110: Consolidated Financial Statements.

	Principal place of business	% of equity interest as on 31st March, 2019	% of equity interest as on 31st March, 2018
<b>Information about subsidiaries</b>			
<b>Domestic:</b>			
U M Cables Limited	India	100%	100%
Usha Martin Power and Resources Limited	India	100%	100%
Bharat Minex Private Limited	India	100%	100%
Gustav Wolf Speciality Cords Limited	India	100%	100%
<b>Overseas:</b>			
Usha Martin International Limited	United Kingdom	100%	100%
Usha Martin UK Limited @	United Kingdom	100%	100%
European Management and Marine Corporation Limited @	United Kingdom	100%	100%
Brunton Shaw UK Limited @	United Kingdom	100%	100%
De Ruiters Staalkabel B.V. @	Netherlands	100%	100%
Usha Martin Europe B.V. @	Netherlands	100%	100%
Usha Martin Italia S.R.L. @	Italy	100%	100%
Brunton Wolf Wire Ropes FZCo.	United Arab Emirates, Dubai	60%	60%
Usha Martin Americas Inc.	United States of America	100%	100%
Usha Siam Steel Industries Public Company Limited	Thailand	98%	98%
Usha Martin Singapore Pte. Limited	Singapore	100%	100%
Usha Martin Australia Pty Limited @	Australia	100%	100%
Usha Martin Vietnam Company Limited @	Vietnam	100%	100%
PT Usha Martin Indonesia @	Indonesia	100%	100%
Usha Martin China Company Limited @	China	100%	100%
<b>Information about joint ventures</b>			
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	50%	50%
Tesac Usha Wire rope Company Limited*	Thailand	50%	50%

@ Represents step-down subsidiary

\* Represents step-down joint ventures

40. The Board of Directors of the Company had in their meeting held on April 8, 2019 approved sale of Wire Mill facility situated at Jamshedpur on a going concern basis to the Tata Sponge Iron Limited or to its parent company or its subsidiaries or its associates ("Buyer") for a consideration not exceeding Rs 1,000 lakhs and at such other terms and conditions as may be mutually agreed between the Company and Buyer. The proposed sale of wire mill has been considered as non-adjusting event as per Ind AS 10 "Events after the Reporting Period".

## Notes to the financial statements

(All amounts in Rs. lakhs)

41. During the year ended March 31, 2019, the Company has received demand letter from Adityapur Industrial Area Development Authority (AIADA) for Rs 3,091 lakhs in relation to 92.14 acres of leased land on account of past merger purportedly under Regulation 24(i) of the Jharkhand Industrial Area Development Authority Regulations, 2016 ("JIADA Regulations") and Rs 5,550 lakhs in relation to 207.12 acres of freehold land on account of charges for past merger purportedly under JIADA regulations, outstanding land rent, land levy and processing fees on account of name change. The above 207.12 acres of land has been capitalised as freehold land in the books based on conveyance deed executed in the name of the Company, which has been considered leasehold land by the authority. The Company intends to pursue these matters for refund of the amount paid before appropriate authorities. The Company has paid the above amount under protest and without prejudice to Company's rights and contentions, including the right to refund of the same. Management believes that the final outcome in this matter will be in favour of the Company which is duly supported by a legal opinion obtained and accordingly no adjustment are considered necessary in the financial statements.
42. Previous year's figures have been regrouped / rearranged wherever necessary, to conform to current year's presentation. As required by Indian Accounting Standard (Ind AS) 105 "Asset Held for Sale and Discontinued Operations", the Statement of Profit and Loss for the year ended March 31, 2018 has been restated to make it comparable however Balance Sheet as at March 31, 2018 has not been reclassified or re-presented.

The accompanying notes are an integral part of the standalone financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

**per Bhaswar Sarkar**, Partner  
Membership No. 055596

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Joint Managing Director  
[Wire & Wire Rope Business]  
DIN: 02583519

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place : Kolkata

Date : 27th May, 2019

## INDEPENDENT AUDITOR'S REPORT

To the Members of Usha Martin Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Usha Martin Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Emphasis of Matter

We draw attention to Note 39 (i) (a) regarding recoverability of book values of Rs. 14,199 lakhs (net of discounting impact of Rs. 990 lakhs) of moveable and immoveable assets including 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 recoverable amounts. Pending outcome of such measures, no adjustments to the financial statements in this regard have been considered necessary by the management. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Accounting for discontinued operations</b> [as described in note 2A (k) and note 39 (ii) of the consolidated Ind AS financial statements]	
<p>In terms of agreement dated September 22, 2018 and novation agreement dated October 24, 2018, the Company has transferred its Steel and Bright Bar Business (SBB) to Tata Sponge Iron Limited (TSIL) subsequent to the year-end. Necessary Board and Shareholders approval were obtained during the year.</p> <p>Consequently, the Company's SBB business has been disclosed in these financial statements as discontinued operation in accordance with the relevant provision of the Companies Act 2013, Ind AS 105 and relevant requirement of the SEBI.</p> <p>The operations from SBB Business have been separately presented from continuing operations in the Statement of Profit &amp; Loss with comparative numbers represented accordingly. Assets and liabilities of SBB Business has been classified as held for sale and shown separately from other assets and liabilities respectively in the Balance Sheet. Accounting for discontinued operations requires judgment and estimates to identify and separate the financial effects from continuing and discontinued operations.</p> <p>Considering above and the size and complexity of the transaction, this has been identified as a key audit matter.</p>	<p>Our audit procedures included the following: -</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed the Business Transfer Agreement (BTA) dated September 22, 2018 and novation agreement dated October 24, 2018, to identify assets, liabilities, contingent liabilities (including net working capital adjustments) that are to be transferred in terms of those agreements. Further, we assessed whether the assets / liabilities covered by the BTA have been segregated and classified as assets held for sale.</li> <li>• Reviewed segregation of income/ expenditures of the discontinued business for the year with reference to accounting records maintained by the Company and detailed workings prepared from such accounting records.</li> <li>• Reviewed disclosures pertaining to the operations of the discontinued business in the Notes to these financial statements.</li> </ul>
<b>Provisions and Contingencies</b> [as described in note 2A (s), 19 and 34C of the consolidated Ind AS financial statements]	

<p>The Holding Company has provided in Note 16 Rs. 1,675 lakhs for continuing operations and disclosed in Note 31C contingent liabilities of Rs. 51,853 lakhs and Rs. 7,508 lakhs for continuing operations and discontinued operations respectively as at March 31, 2019.</p> <p>Claims and exposures relating to litigation have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.</p>	<p>Our audit procedures included the following: -</p> <ul style="list-style-type: none"> <li>• Obtained listing of all disputes pending before various judicial or relevant tax/ regulatory authorities.</li> <li>• Enquired and discussed the above listing with Head of Legal and Heads of relevant Functions to assess the completeness and management position with regard to the probability of unfavorable outcome of disputes and provision recognised towards matter under disputes</li> <li>• Engaged with our relevant in-house tax specialists for taxation matters under dispute to assess management's position of outcome of significant cases and provisions recognised.</li> <li>• Reviewed opinions obtained by the management from relevant external legal experts to assess management's position of outcome of significant matters under dispute and provisions recognised</li> <li>• Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.</li> </ul>	<p>Therefore, considering its significance as well as the fact that its recognition depends on management estimates and various legal frameworks, the balance of DTA mainly arising from unabsorbed depreciation and tax losses carried forward is defined as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Assessed the underlying projections and assumptions, and their consistency with the latest management estimates as calculated and the reliability of the process by which the estimates were calculated, by assessing the reasons for differences between projected and actual performances;</li> <li>• Assessed the reliability of the process and workings by which the long-term capital gains on disposal of the SBB business were estimated by management by assessing the terms of the BTA and actual consideration receivable.</li> </ul>
<p><b>Recognition of deferred tax assets (net)</b> [included in note 2A (n) and note 8 of the consolidated Ind AS financial statements]</p>		<p><b>Revenue recognition</b> [as described in note 2A (f) and 24 of the consolidated Ind AS financial statement]</p>	
<p>As at March 31, 2019, the Holding Company has recognized net deferred tax assets (DTA) of Rs. 23,846 lakhs in its financial statements. The DTA relates mainly to unabsorbed depreciation and carried forward business losses.</p> <p>The valuation and recoverability of DTA depend on:</p> <ul style="list-style-type: none"> <li>- The taxable profits the Holding Company expects to generate in future</li> <li>- Set off against long-term capital gain arising on sale of SBB business</li> </ul> <p>As such, the valuation and future use of DTA imply significant judgments from the management. These judgments mainly relate to the forecasted taxable income, the length of tax loss and available and feasible tax planning strategies.</p>	<p>Our audit procedures included the following: -</p> <ul style="list-style-type: none"> <li>• Assessed the controls supporting the Holding Company's process followed to book deferred tax assets arising from unabsorbed depreciation and carried forward business losses.</li> <li>• Assessed the compliance of the methodology applied by the Holding Company with Ind AS 12: Income Taxes. In association with our tax specialists, our audit approach also consisted in assessing the business plans used and thus the likelihood that the Holding Company would be able to utilize deferred tax assets in the future.</li> </ul>	<p>For the year ended March 31, 2019, the Holding Company recognized revenue from operations of Rs. 466,800 lakhs (including Rs. 169,048 lakhs in respect of continuing operations).</p> <p>Revenue is measured taking into account discounts and rebates earned by the customers on the sales. The Holding Company also provides a right of return to its customers for certain products. These arrangements result in deductions to gross sales in arriving at turnover and give rise to obligations for the Holding Company to provide customers with rebates, discounts, allowances and the right of return, which for unsettled amounts are recognized as an accrual.</p> <p>The terms of sales arrangements, including the timing of transfer of control, the nature of discounts and rebate arrangements and delivery specifications, create complexity and judgement in determining sales revenue. The risk is therefore, that revenue is not recognized in accordance with Ind AS 115 'Revenue from contracts with customers', and accordingly, it was determined to be a key audit matter.</p>	<p>Our audit procedures included the following: -</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the policies and procedures applied to revenue recognition including testing the design and operating effectiveness of controls related to revenue recognition processes employed by the Holding Company.</li> <li>• Performed procedures by analyzing the cost of sales related to discounts, incentives, rebates and margins to total revenue recognized as compared with prior year.</li> <li>• Assessed the relevant estimates made by the management in connection with discounts, incentives and rebates at year's end.</li> <li>• Performed procedures for a sample of revenue transactions at year end to assess whether they were recognized at the correct period by corroborating the date of revenue recognition to third party support such as bills of lading, lorry receipt etc.</li> <li>• Analyzed other adjustments and credit notes issued after the reporting date.</li> </ul>
		<p><b>Other Information</b></p>	
		<p>The Holding Company's Board of Directors is responsible for the Other Information. The other information comprises the information included in the Management Discussion and Analysis, Board's report including Annexures to Board's Report and Subsidiary's Performance Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.</p> <p>Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.</p>	

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform

audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of

doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

We did not audit the financial statements and other financial information, in respect of nineteen subsidiaries whose Ind AS financial statements include total assets of Rs. 136,457 lakhs as at March 31, 2019, total revenues of Rs. 121,036 lakhs and net cash inflows of Rs. 4 lakhs for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 284 lakhs for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of three joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and its joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these

consolidated Ind AS financial statements of the Holding Company and its joint ventures incorporated in India, refer to our separate Report in "Annexure 1" to this report;

- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint ventures in its consolidated Ind AS financial statements – Refer Note 19 and Note 34C to the consolidated Ind AS financial statements;
  - ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its joint ventures incorporated in India during the year ended March 31, 2019.

#### **For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

#### **per Bhaswar Sarkar**

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: May 27, 2019

## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF USHA MARTIN LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Usha Martin Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Usha Martin Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its joint ventures, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company, its subsidiary companies and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

## **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

A Company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting, with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company, its subsidiary companies and its joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these four subsidiary companies and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint ventures incorporated in India.

### **For S.R. Batliboi & CO. LLP**

Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

### **per Bhaswar Sarkar**

Partner  
Membership Number: 055596  
Place of Signature: Kolkata  
Date: May 27, 2019

## Consolidated Balance Sheet as at 31st March, 2019

(All amounts in Rs. lakhs)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
<b>ASSETS</b>			
<b>Non - current assets</b>			
(a) Property, plant and equipment	3	86,044	4,76,163
(b) Capital work-in-progress	3	1,338	11,298
(c) Investment property	4	741	734
(d) Goodwill on consolidation		5,522	5,522
(e) Others intangible assets	5	1,173	3,809
(f) Equity accounted investments	6(i)	4,216	3,850
(g) Financial assets			
(i) Investments	6(ii)	5	5
(ii) Loans	6(iii)	89	111
(iii) Other financial assets	6(iv)	3,751	2,934
(h) Advance income tax assets (net)	7	4,162	3,842
(i) Deferred tax assets (net)	8	24,970	896
(j) Other non current assets	9	16,921	11,131
<b>Total non-current assets</b>		<b>1,48,932</b>	<b>5,20,295</b>
<b>Current assets</b>			
(a) Inventories	10	64,693	1,22,568
(b) Financial assets			
(i) Trade receivables	11(i)	32,545	67,137
(ii) Cash and cash equivalents	11(ii)	4,553	4,973
(iii) Other bank balances	11(iii)	2,766	1,243
(iv) Loans	11(iv)	860	907
(v) Other financial assets	11(v)	10,806	12,620
(c) Other current assets	12	4,939	10,950
Assets held for sale	39(i)	2,607	4,734
<b>Total current assets</b>		<b>1,23,769</b>	<b>2,25,132</b>
<b>Assets of discontinued operations classified as held for sale</b>	39(ii)	<b>4,28,418</b>	-
<b>Total assets</b>		<b>7,01,119</b>	<b>7,45,427</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	3,054	3,054
(b) Other equity	14	75,147	69,652
<b>Equity attributable to equity shareholders of the parent</b>		<b>78,201</b>	<b>72,706</b>
Non-controlling interest		3,242	3,369
<b>Total equity</b>		<b>81,443</b>	<b>76,075</b>
<b>Non - current liabilities</b>			
(a) Financial liabilities			
Borrowings	15	2,30,597	2,75,265
(b) Provisions	16	2,834	5,751
(c) Government grants	17	-	3,151
(d) Deferred tax liabilities (net)	18	1,931	1,633
(e) Other non-current liabilities	19	1,675	1,592
<b>Total non-current liabilities</b>		<b>2,37,037</b>	<b>2,87,392</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20(i)	85,371	96,989
(ii) Trade payables			
(A) Total outstanding dues of micro and small enterprises	20(ii)	93	1,856
(B) Total outstanding dues of creditors other than micro and small enterprises	20(ii)	32,360	1,94,556
(iii) Other financial liabilities	20(iii)	55,535	53,116
(b) Provisions	21	877	1,716
(c) Current tax liabilities (net)	22	259	402
(d) Other current liabilities	23	11,454	33,325
<b>Total current liabilities</b>		<b>1,85,949</b>	<b>3,81,960</b>
<b>Liabilities of discontinued operations classified as held for sale</b>	39(ii)	<b>1,96,690</b>	-
<b>Total liabilities</b>		<b>6,19,676</b>	<b>6,69,352</b>
<b>Total equity and liabilities</b>		<b>7,01,119</b>	<b>7,45,427</b>

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

per **Bhaswar Sarkar**, Partner

Membership No. : 055596

Place : Kolkata

Date : 27th May, 2019

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Pravin Kumar Jain**

Joint Managing Director

[Wire & Wire Rope Business]

DIN: 02583519

**Anirban Sanyal**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS 16737

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(All amounts in Rs. lakhs)

Particulars	Notes	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations	24	2,46,952	2,09,967
Other income	25	3,976	7,679
<b>Total income</b>		<b>2,50,928</b>	<b>2,17,646</b>
<b>Expenses</b>			
Cost of materials consumed	26	1,59,047	1,28,278
Purchase of stock-in-trade		698	592
(Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product	27	(8,515)	(980)
Excise duty on sale of goods		-	3,395
Employee benefits expense	28	27,891	24,880
Finance costs	29	11,353	9,248
Depreciation and amortisation expenses	30	6,086	6,026
Other expenses	31	38,197	31,988
<b>Total expenses</b>		<b>2,34,757</b>	<b>2,03,427</b>
<b>Profit before tax from continuing operations</b>		<b>16,171</b>	<b>14,219</b>
<b>Tax expenses on continuing operations</b>			
(1) Current tax	8	767	518
(2) Adjustment of tax relating to earlier years		227	-
(3) Deferred tax expense/(credit)		(23,740)	(7)
		<b>(22,746)</b>	<b>511</b>
<b>Profit before share of profit/(loss) of joint ventures from continuing operations</b>		<b>38,917</b>	<b>13,708</b>
Share of profit/(loss) of joint ventures		284	84
<b>Profit after share of profit of joint ventures from continuing operations</b>		<b>39,201</b>	<b>13,792</b>
<b>Discontinued operations [refer note 39 (ii)]</b>			
<b>Profit / (loss) for the year from discontinued operations</b>		<b>(34,271)</b>	<b>(40,587)</b>
<b>Profit / (loss) for the year (from continuing and discontinued operations)</b>		<b>4,930</b>	<b>(26,795)</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be subsequently reclassified to Consolidated Statement of Profit and Loss			
Re-measurement gains / (losses) on defined benefit plans (net of tax)		(124)	(8)
Items that will be subsequently reclassified to Consolidated Statement of Profit and Loss			
Exchange differences on translation of financial statements of foreign operations		821	5,364
<b>Total other comprehensive income/(loss) for the year, net of tax</b>		<b>697</b>	<b>5,356</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>5,627</b>	<b>(21,439)</b>
<b>Profit/(loss) for the year attributable to :</b>			
Equity shareholders of the parent		4,798	(27,123)
Non-controlling interest		132	328
<b>Other comprehensive income /(loss) attributable to :</b>			
Equity shareholders of the parent		692	5,361
Non-controlling interest		5	(5)
<b>Total comprehensive income/(loss) for the year attributable to :</b>			
Equity shareholders of the parent		5,490	(21,762)
Non-controlling interest		137	323
<b>Earnings per equity share in Rs. (Nominal value per share Re 1 each (31st March, 2018- Re 1 each)</b>	32		
a) Basic and diluted earnings per equity share - continuing operations		12.82	4.42
b) Basic and diluted earnings per equity share - discontinued operations		(11.25)	(13.32)
c) Basic and diluted earnings per equity share - continuing and discontinued operations		1.57	(8.90)

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

per **Bhaswar Sarkar**, Partner

Membership No. : 055596

Place : Kolkata

Date : 27th May, 2019

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Pravin Kumar Jain**

Joint Managing Director

[Wire & Wire Rope Business]

DIN: 02583519

**Anirban Sanyal**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS 16737

**Consolidated statement of cash flows for the year ended 31st March, 2019**

(All amounts in Rs. lakhs)

	Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>A.</b>	<b>Cash flows from operating activities</b>		
	<b>Profit before tax from continuing operations</b>	16,171	14,219
	<b>Profit/(Loss) before tax from discontinued operations</b>	(34,271)	(40,587)
	Adjustments to reconcile loss before tax to net cash flows:		
	Depreciation and amortisation expenses	29,919	30,487
	Gain on disposal of property, plant and equipment (net)	125	(3,229)
	Unrealised derivative loss (net)	49	79
	Finance costs	60,370	58,698
	Bad Debts /advances written off	364	553
	Allowance for credit impaired debts and advances (net)	1,235	2,073
	Tangible assets/capital work-in-progress written off	3	127
	Interest income on financial assets carried at amortised cost	(693)	(668)
	Gain on derivative contracts / cancellation of forward contracts (net)	-	(1,385)
	Unrealised foreign exchange differences (net)	506	1,807
	Effect of change in foreign exchange translation	266	23
	Liabilities no longer required written back	(4,709)	(2,147)
	Provision for slow moving items and diminution in realisable value	253	-
	Discounting of financial assets	1,052	-
	Impairment of non financial assets	87	-
	<b>Operating profit before working capital changes</b>	<b>70,727</b>	<b>60,050</b>
	Working capital adjustments:		
	Decrease in inventories	27,564	8,340
	Decrease / (increase) in trade receivables	9,945	(721)
	Decrease in loans and advances	64	24
	Decrease /(increase) in other financial assets	1,394	(856)
	Decrease / (increase) in other assets	(4,476)	2,259
	Increase / (decrease) in trade payables	(7,930)	12,298
	Increase in provisions	1,042	326
	Increase / (decrease) in other financial liabilities	2,079	(4,444)
	Increase / (decrease) in other liabilities	(1,510)	14,884
	<b>Cash generated from operations</b>	<b>98,899</b>	<b>92,160</b>
	Direct taxes paid	(1,458)	(784)
	<b>Net cash flows from operating activities</b>	<b>97,441</b>	<b>91,376</b>
<b>B.</b>	<b>Cash flows from investing activities</b>		
	Purchase of property, plant and equipment	(7,612)	(8,718)
	Proceeds from sale of property, plant and equipment, intangible assets and assets held for sale	8,282	4,653
	Interest received	421	2,033
	(Investment in) / proceeds of bank deposits (with original maturity more than 3 months)	(1,523)	(1,334)
	<b>Net cash flows used in investing activities</b>	<b>(432)</b>	<b>(3,366)</b>
<b>C.</b>	<b>Cash flows from financing activities</b>		
	Proceeds from long term borrowings	5,650	25,542
	Repayment of long term borrowings	(45,061)	(56,589)
	Proceeds from / (repayment of) working capital loan from bank	11,225	(12,944)
	(Repayment of) / proceeds from short term borrowings	(11,247)	14,648
	Interest paid	(57,604)	(57,699)
	Dividend to the extent paid by a subsidiary to minority shareholders	(291)	(113)
	Dividend transferred to Investor Education and Protection fund	(13)	-
	<b>Net cash flows used in financing activities</b>	<b>(97,341)</b>	<b>(87,155)</b>

## Consolidated statement of cash flows for the year ended 31st March, 2019

(All amounts in Rs. lakhs)

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>D. Effect of foreign exchange differences on cash and cash equivalents</b>	121	(171)
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>(211)</b>	<b>684</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,973</b>	<b>4,289</b>
<b>Cash and cash equivalents at the year end</b>	<b>4,762</b>	<b>4,973</b>
<b>Reconciliation of cash and cash equivalent as per statement of cash flows</b>		
Balances with banks:		
On current account - continuing operations	4,401	4,319
On current account - discontinued operations	1	-
Deposits with original maturity less than 3 months	-	533
Remittance in transit - discontinued operations	201	-
Cash on hand - continuing operations	54	49
Cash on hand - discontinued operations	7	-
Cheques/drafts on hand -continuing operations	98	72
	<b>4,762</b>	<b>4,973</b>

Note:

- The figures in bracket indicate outflows.
- The above statement of cash flows has been prepared under the indirect method as set out in "Indian Accounting Standard - 7" - Statement of Cash flows.

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

per **Bhaswar Sarkar**, Partner

Membership No. : 055596

Place : Kolkata

Date : 27th May, 2019

**Rajeev Jhavar**

Managing Director

DIN: 00086164

**Pravin Kumar Jain**

Joint Managing Director

[Wire & Wire Rope Business]

DIN: 02583519

**Anirban Sanyal**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS 16737

## Statement of changes in equity for the year ended 31st March, 2019

(All amounts in Rs. lakhs)

### A) Equity share capital (refer note 13)

Equity shares of Re 1 each issued, subscribed and fully paid	Number of shares	Amount
<b>As at 31st March, 2017</b>	<b>30,47,41,780</b>	<b>3,054 *</b>
Changes in equity share capital during the year	-	-
<b>As at 31st March, 2018</b>	<b>30,47,41,780</b>	<b>3,054 *</b>
Changes in equity share capital during the year	-	-
<b>As at 31st March, 2019</b>	<b>30,47,41,780</b>	<b>3,054 *</b>

\* including share forfeited Rs 7 lakhs (31st March, 2018 : Rs 7 lakhs)

### B) Other equity (refer note 14)

Particulars	Attributable to the equity holders of the parent									
	Reserves and surplus							Items of other comprehensive income	Total other equity	Non-controlling interest
	Securities premium account	Capital reserve	Capital redemption reserve	General reserve	Legal reserve	Retained earnings	Other reserves			
<b>As at 31st March, 2017</b>	<b>85,584</b>	<b>379</b>	<b>6,631</b>	<b>54,439</b>	<b>265</b>	<b>(59,493)</b>	<b>6,350</b>	<b>(2,717)</b>	<b>91,438</b>	<b>3,394</b>
Profit/(loss) for the year	-	-	-	-	-	(27,123)	-	-	(27,123)	328
Impact of buyback of shares	-	289	-	-	-	(308)	-	-	(19)	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	(241)
Re-measurement gains / (losses) on defined benefit plans, net of tax	-	-	-	-	-	(8)	-	-	(8)	-
Exchange differences on translation	-	-	-	-	-	-	-	5,364	5,364	-
Dividends	-	-	-	-	-	-	-	-	-	(112)
<b>As at 31st March, 2018</b>	<b>85,584</b>	<b>668</b>	<b>6,631</b>	<b>54,439</b>	<b>265</b>	<b>(86,932)</b>	<b>6,350</b>	<b>2,647</b>	<b>69,652</b>	<b>3,369</b>
Profit/(loss) for the year	-	-	-	-	-	4,798	-	-	4,798	132
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	27
Re-measurement gains / (losses) on defined benefit plans, net of tax	-	-	-	-	-	(124)	-	-	(124)	5
Exchange differences on translation	-	-	-	-	-	-	-	821	821	-
Dividends	-	-	-	-	-	-	-	-	-	(291)
<b>As at 31st March, 2019</b>	<b>85,584</b>	<b>668</b>	<b>6,631</b>	<b>54,439</b>	<b>265</b>	<b>(82,258)</b>	<b>6,350</b>	<b>3,468</b>	<b>75,147</b>	<b>3,242</b>

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

#### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

per **Bhaswar Sarkar**, Partner  
Membership No. : 055596

Place : Kolkata

Date : 27th May, 2019

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**Pravin Kumar Jain**  
Joint Managing Director  
[Wire & Wire Rope Business]  
DIN: 02583519

**Anirban Sanyal**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

## 1. Group overview

Usha Martin Limited (the 'Company') is a public limited company incorporated and domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The equity shares of the Company are listed on two recognised stock exchanges in India and its GDRs are listed on stock exchange in Luxembourg. The registered office of the Company is located at 2A, Shakespeare Sarani, Kolkata - 700071.

The Company and its subsidiaries and jointly ventures (collectively referred as "Group") are principally engaged in the manufacturing of speciality steel and value added steel products

The Group caters to both domestic and international markets. The Group is engaged in the following businesses:

- Steel and Bright Bar – Manufacture and sale of steel wire rods, bright bar, rolled products, billets, pig iron and allied products.
- Wire and Wire ropes – Manufacture and sale of steel wires, strands, wire ropes, cord, related accessories, etc.
- Others – Manufacture and sale of wire drawing and allied machines

The Board of Directors and shareholders of the Group at their respective meetings held on September 22, 2018 and November 10, 2018, approved the sale and transfer of the Company's Steel Business and plant and machinery of the bright bar business (together termed as "SBB Business" henceforth) to Tata Steel Limited (TSL) or its subsidiaries on a going concern basis under a slump sale arrangement. The SBB Business includes a specialised steel alloy manufacturing plant, an operative iron ore mine, a coal mine under development, captive power plants and plant and machinery of bright bar business. Accordingly, a Business Transfer Agreement ('BTA') was executed on September 22, 2018 between the Company and TSL. Subsequently, on October 24, 2018, the Group has entered into a novation agreement with TSL and Tata Sponge Iron Limited (the 'Purchaser'), a subsidiary of TSL whereby all rights and obligations of TSL under the terms of the BTA was assumed by the Purchaser. [Refer note 39 (ii)].

## 2A. Significant Accounting Policies

### a) Basis of preparation and compliance with Ind AS

- (i) These Standalone Ind AS financial statements of the Group have been prepared in accordance with Indian Accounting Standard (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies have been applied consistently over the periods presented in the financial statements.
- (ii) These financial statements were approved for issue by the Board of Directors on May 27, 2019.
- (iii) These Ind AS Financial Statements are prepared in Indian Rupee which is the Group's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs.

### b) Basis of consolidation

#### (i) Subsidiaries

The consolidated financial statements incorporate the results of Usha Martin Limited and all its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the

accounting policies in line with accounting policies of the Group.

For non-wholly owned subsidiaries, a share of the profit/loss for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statement of profit and loss and consolidated balance sheet.

For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-Group balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated unless cost cannot be recovered.

#### (ii) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group has Joint ventures only.

#### Joint ventures

The Group accounts for its interest in Joint ventures using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet. Goodwill arising on the acquisition of Joint ventures is included in the carrying value of investments in Joint ventures.

#### Equity method of accounting

Under the equity method of accounting applicable for Joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from Joint ventures is recognised as a reduction in carrying amount of the investment.

Unrealised gains on transactions between the Group and its Joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the assets transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the Group's share of losses in a Joint Venture equals or exceeds its interests in the Joint Venture, the Group discontinues recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the Joint Venture.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy below.

**c. Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current only.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**d. Goodwill**

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit and loss on disposal.

**e. Basis of measurement****Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions

that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**f. Revenue from contract with customer**

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' with effect from April 1, 2018 using the modified retrospective method. The application of Ind AS 115 did not have any significant impact on retained earnings as at April 1, 2018. Also, the application of Ind AS 115 did not have any significant impact on the recognition and measurement of revenue and related items in the financial results for the year ended March 31, 2019 [also refer note 2(c) changes in accounting policies and disclosures].

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer

Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised:

**Contract balances****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an

amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract

#### Interest income

Interest income is included in other income in the statement of profit and loss. For all debt instruments, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### Dividends

Dividends are recognised when the Group's right to receive the payment is established which is generally when shareholders approve the dividend.

#### Rental Income

Rental income from subletting of properties is recognised on a straight line basis over the term of the relevant agreements.

### g. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### (i) Capital work-in-progress

Capital work-in-progress is stated at cost, net of accumulated impairment losses, if any. Assets in the course of construction are capitalized in capital work-in-progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment.

### (ii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line method basis over its expected useful life (determined by the management based on technical estimates), as follows:

Particulars	Useful economic life
Building	30-68 years
Plant and equipment	10-35 years
Railway siding	15 years
Electrical installation	10-30 years
Water treatment and supply plant	30 years
Office equipment	3-10 years
Furniture and fixture	4-22 years
Vehicles	4-10 years

Leasehold land is amortised over the tenure of respective leases. Mining lease and development is amortised over the tenure of lease or estimated useful life of the mine, whichever is shorter.

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment, electrical installation and water treatment and supply over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013.

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such cost. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### h. Investment properties

Investment properties are measured initially at cost, including transaction costs.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of disposal.

The Group depreciates the building over estimated useful lives of 30 years. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in notes. Fair value are determined based on an annual evaluation performed by an accredited external independent valuer.

**i. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The Group has intangible assets with finite useful lives.

Computer software are amortised on straight-line method at the rates determined based on estimated useful lives which vary from 2 years to 5 years.

Trademarks are amortised on straight-line method at the rates determined based on estimated useful lives of 15 years.

Expenditure related to development of mines are amortized on unit of production basis in proportion to mineral resources expected to be economically recoverable.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of statement of profit and loss when the asset is derecognised.

**Research and development costs**

Research costs are expensed as incurred. Development expenditure on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (i) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (ii) Its intention to complete and its ability and intention to use or sell the asset
- (iii) How the asset will generate future economic benefits
- (iv) The availability of resources to complete the asset
- (v) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit and the expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

**j. Site restoration [under discontinued operation as disclosed in note 39(ii)]**

An obligation to incur restoration arises due to development or ongoing

production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the statement of profit and loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as finance cost in profit and loss.

**k. Non-current assets held for sale and discontinued operations**

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell / distribute will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale are not depreciated or amortised.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit/(loss) after tax from discontinued operations in the Statement of Profit and Loss.

As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period i.e. year ended March 31, 2018.

Basis of segregation into discontinued operations are provided in note 30 and additional disclosures in respect of discontinued operations are provided in note 39(ii) to the financial statements.

**l. Foreign currencies**

In the financial statements of the Group, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated

using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or profit and loss, respectively).

For the purposes of the consolidated financial statements, items in the consolidated statements of profit and loss of those operations for which the Indian Rupees is not the functional currency are translated into Indian Rupees at the average rates of exchange during the year. The related consolidated balance sheet is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in the other comprehensive income. On disposal of such entities, the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in profit and loss.

The Group had applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 :First time adoption of Indian Accounting Standards gives an option, which has been exercised by the Group, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto March 31, 2016 has been capitalized. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets. From accounting periods commencing on or after April 1, 2016, exchange differences arising on translation/settlement of long-term foreign currency monetary items, acquired post April 1, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

#### m. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, income is estimated on the basis of fulfilment of related obligations. Export benefits related to sale of goods are accounted on recognition of export sales.

#### n. Taxes

##### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their

carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### p. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining

balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs [See note 2a(o)].

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### Operating lease commitments – Group as lessor

The Group has entered into commercial leases on its building. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial building and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

#### q. Inventories

Inventories are valued at the lower of cost and net realisable value and include those that are expected to be realised after twelve months.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing materials, Stores and spares parts and Loose tools: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Work-in-progress and finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Stock-in-trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Scrap / by products are valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

#### r. Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

#### s. Provisions, contingent liabilities and contingent assets

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

#### t. Employee benefit schemes

##### (i) Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees."

##### Compensated absences:

Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

##### (ii) Post-employment benefits

###### • Defined contribution plan

Retirement benefits in form of superannuation is a defined contribution scheme. The Group has no obligation, other than the contribution

payable to the superannuation fund. The Group recognizes contribution payable to the superannuation scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Contribution towards Provident Fund for certain employees of coal mines, straight bar and wire mill of Jamshedpur unit and employees of UM Cables Limited are made to the regulatory authorities. Such provident fund benefit is classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the statement of profit and loss.

#### **Defined benefit plans – Gratuity, Provident fund and long term service award**

##### **Gratuity**

The Group has a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed five years or more of service at retirement, disability or termination of employment, being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group. Presently the Group's gratuity plan is funded.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, if any. This cost is included in employee benefit expense in the statement of profit and loss.

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit and loss in subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit and loss as past service cost.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

##### **Provident fund**

Eligible employees (other than employees of coal mines, straight bar and wire mill of Jamshedpur unit and UM Cables Limited) of the Group receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions

to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a portion to the 'Usha Martin Employees Provident Fund Trust'. The trust invests in specific designated instruments as prescribed by the Government. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

##### **Long term service award**

Employees of the Company rendering greater than twenty years of service will receive long service award on all causes of exit as per the Company's policy. The cost of providing benefits under this plan is determined by actuarial valuation using the projected unit credit method by independent qualified actuaries at the year end.

#### **u. Financial instrument**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are initially measured at fair value. Transaction costs that are attributable to the acquisition of the financial assets (other than financial assets at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit and loss are immediately recognised in the statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories :

#### **(i) Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### **(ii) Debt instrument at Fair Value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is classified as at the FVOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value

movements are recognized in other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method.

**(iii) Debt instrument at Fair Value through Profit and Loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated its investments in debt instruments as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**(iv) Equity investments**

All equity investments in scope of Ind AS 109: Financial Instruments are measured at fair value except equity investments in subsidiaries and joint ventures which are measured at cost as per Ind AS 27: Separate Financial Statements. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL all subsequent fair value changes are recognised in the statement of profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when the rights to receive cash flows from the asset have expired.

**Impairment of financial assets**

In accordance with Ind AS 109: Financial Instruments, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The

12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense / (income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' / ('other income') in the statement of profit and loss.

As a practical expedient, the Group uses historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates to determine impairment loss allowance on portfolio of its trade receivables.

**Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at Fair Value through Profit and Loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 : Financial instruments.

Gains or losses on liabilities held for trading are recognised in the profit and loss

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109: Financial instruments are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has designated forward exchange contracts as at fair value through profit and loss.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the

statement of profit and loss.

#### Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### v. Derivative financial instruments

##### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as foreign exchange contracts to hedge its exposure to movements in foreign exchange rates relating to the underlying transactions. The Group does not hold derivative financial instruments for speculation purposes. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value and the resulting profit and loss is taken to the statement of profit and loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### w. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

#### x. Cash dividend distributions to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### y. Earnings per share

Basic earnings per share is calculated by dividing the net profit and loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit and loss before OCI for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### z. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "unallocated revenue/ expenses/ assets/ liabilities".

#### aa. Use of estimates and critical accounting judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

#### 2B. Recent Accounting Pronouncements

##### Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 amending the following standard:

##### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Group will apply the interpretation from its effective date. These amendments shall have no material impact on the financial statements of the Group.

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019. These amendments have

no impact on the financial statements of the Group.

#### **Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the 'net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

#### **Annual improvement to Ind AS (2018);**

##### **These improvements include:**

#### **Amendments to Ind AS 12: Income Taxes**

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its financial statements.

#### **Amendments to Ind AS 23: Borrowing Costs**

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Group's current practice is in line with these amendments, the Group does not expect any effect on its financial statements.

#### **Ind AS 116 Leases**

Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Group is in the process of evaluating the requirements of the standard and its impact on its financial statements.

## **2C. Changes in Accounting Policies and Disclosures**

### **New and amended standards**

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

#### **Ind AS 115 - Revenue from Contracts with Customers**

Ind AS 115 - Revenue from Contracts with Customers was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

The standard establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures

The Group adopted Ind AS 115 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard only to the contracts that are not completed as at 1 April 2018. However, the application of Ind AS 115 does not have any significant impact on the recognition and measurement of revenue and related items.

There is no impact to be recognised at the date of initial application as an adjustment to the opening balance of retained earnings as at 1 April 2018. The comparative information was also not restated as there is no change even after adoption of Ind AS 115 and continues to be reported under Ind AS 18.

## Notes to the consolidated financial statements

Particulars	Freehold land [Refer Note (b) (I) below]	Leasehold land [Refer Note (b) (II) below]	Mining lease and development	Buildings [Refer Note (b) (III) below]	Plant and equipment		Railway siding	Electrical installation	Water treatment and supply plant	Office equipment	Furniture and fixture	Vehicle		Total	Capital work-in-progress	
					(Owned)	(On finance lease)						(Owned)	(On finance lease)			
<b>Gross block</b>																
<b>As at 31st March, 2017</b>	<b>14,387</b>	<b>208</b>	<b>2,676</b>	<b>49,968</b>	<b>4,24,271</b>	<b>297</b>	<b>2,012</b>	<b>54,722</b>	<b>746</b>	<b>947</b>	<b>515</b>	<b>1,193</b>	<b>29</b>	<b>5,51,971</b>	<b>12,091</b>	
Additions [refer note (c)]	68	-	-	586	7,101	-	-	371	-	114	30	186	127	8,583	2,899	
Disposals / adjustments	92	-	-	98	1,004	-	-	9	18	2	(6)	294	-	1,511	3,705	
Exchange difference on consolidation	405	-	-	2,339	3,313	40	-	-	-	63	18	25	5	6,208	17	
<b>As at 31st March, 2018</b>	<b>14,768</b>	<b>208</b>	<b>2,676</b>	<b>52,795</b>	<b>4,33,681</b>	<b>337</b>	<b>2,012</b>	<b>55,084</b>	<b>728</b>	<b>1,122</b>	<b>569</b>	<b>1,110</b>	<b>161</b>	<b>5,65,251</b>	<b>11,302</b>	
Additions-continuing operations [refer note (c)]	-	3	-	29	1,151	1	-	2	-	88	29	181	-	1,484	1,306	
Additions -discontinued operations [refer note (c)]	661	-	-	271	3,846	-	-	51	-	60	8	30	-	4,927	1,086	
Disposals-continuing operations	1	-	-	164	8	7	-	-	150	73	94	48	-	545	8,808	
Disposals-discontinued operations	-	-	-	-	208	-	-	-	-	8	-	26	-	242	829	
Exchange difference on consolidation	221	-	-	51	404	2	-	2	-	(8)	10	12	9	703	(228)	
Transferred to discontinued operations [refer note 39(ii)]	6,381	148	2,676	20,194	3,75,594	-	2,012	53,303	240	494	191	168	-	4,61,401	2,487	
<b>As at 31st March, 2019</b>	<b>9,268</b>	<b>63</b>	<b>-</b>	<b>32,788</b>	<b>63,272</b>	<b>333</b>	<b>-</b>	<b>1,836</b>	<b>338</b>	<b>687</b>	<b>331</b>	<b>1,091</b>	<b>170</b>	<b>110,177</b>	<b>1,342</b>	
<b>Accumulated Depreciation</b>																
<b>As at 31st March, 2017</b>	<b>-</b>	<b>20</b>	<b>647</b>	<b>7,345</b>	<b>45,164</b>	<b>17</b>	<b>452</b>	<b>4,860</b>	<b>37</b>	<b>328</b>	<b>196</b>	<b>412</b>	<b>5</b>	<b>59,483</b>	<b>-</b>	
Charge for the year- continuing operations (refer note 30)	-	1	-	1,145	4,024	11	-	62	11	127	54	137	59	5,631	-	
Charge for the year -discontinued operations [refer note 39 (ii)]	-	2	250	2,009	18,999	-	226	2,332	8	87	22	38	-	23,973	-	
Disposals / adjustments	-	-	-	5	418	-	-	1	1	2	2	246	5	680	(4)	
Exchange difference on consolidation	-	-	-	133	499	3	-	-	-	26	8	11	1	681	-	
<b>As at 31st March, 2018</b>	<b>-</b>	<b>23</b>	<b>897</b>	<b>10,627</b>	<b>68,268</b>	<b>31</b>	<b>678</b>	<b>7,253</b>	<b>55</b>	<b>566</b>	<b>278</b>	<b>352</b>	<b>60</b>	<b>89,088</b>	<b>4</b>	
Charge for the year- continuing operations (refer note 30)	-	-	-	1,186	4,033	16	-	61	11	107	49	190	31	5,684	-	
Charge for the year discontinued operations [refer note 39(ii)]	-	3	233	629	19,755	-	227	2,338	8	87	21	31	-	23,332	-	
Disposals / adjustments -continuing operations	-	-	-	158	104	1	-	-	-	71	85	32	-	451	-	
Disposals / adjustments - discontinued operations	-	6	-	-	-	-	-	-	-	6	-	15	-	27	-	
Exchange difference on consolidation	-	-	-	56	107	-	-	1	-	(7)	4	1	3	165	-	
Transferred to discontinued operations [refer note 39(ii)]	-	20	1,130	7,689	74,067	-	905	9,379	28	264	88	88	-	93,658	-	
<b>As at 31st March, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,651</b>	<b>17,992</b>	<b>46</b>	<b>-</b>	<b>274</b>	<b>46</b>	<b>412</b>	<b>179</b>	<b>439</b>	<b>94</b>	<b>24,133</b>	<b>4</b>	
<b>Net block</b>																
<b>As at 31st March, 2019</b>	<b>9,268</b>	<b>63</b>	<b>-</b>	<b>28,137</b>	<b>45,280</b>	<b>287</b>	<b>-</b>	<b>1,562</b>	<b>292</b>	<b>275</b>	<b>152</b>	<b>652</b>	<b>76</b>	<b>86,044</b>	<b>1,338</b>	
As at 31st March, 2018	14,768	185	1,779	42,168	3,65,413	306	1,334	47,831	673	556	291	758	101	4,76,163	11,298	

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

a) For lien/charge against property, plant and equipment refer note 15, note 20(i) and note 20(iii).

b) **I. Freehold land includes :**

- Two plots of land of Rs. 2,315 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 2,315 lakhs ) located at Ranchi, acquired pursuant to a scheme of arrangement which are held in the name of the transferor company.
- One plot of land of Rs. 29 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 29 lakhs) located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
- One plot of land of Rs. 42 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 42 lakhs) located at Kolkata in respect of which title deeds are not readily traceable.

**II. Leasehold land includes :**

Two plots of land gross block and net block of Rs. 5 lakhs and Rs. 3 lakhs as at 31st March, 2019 (31st March, 2018 : gross block Rs. 5 lakhs and net block Rs. 3 lakhs) located at Ranchi in respect of which lease deeds are yet to be executed in favour of the Company.

**III. Buildings include :**

- One property [gross block and net block of Rs. 1 lakh and Rs. 1 lakh as at 31st March, 2019 (31st March, 2018 : gross block Rs. 1 lakh and net block Rs. 1 lakh)] located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.
- Two properties [gross block and net block of Rs. 8 lakhs and Rs. 7 lakhs as at 31st March, 2019 (31st March, 2018 : gross block Rs. 8 lakhs and net block Rs. 7 lakhs)] located at Kolkata in respect of which title deeds are not readily traceable.

c) Additions comprise adjustment on account of exchange loss of Rs Nil (31st March, 2018 : Rs. 2,136 lakhs)

**Finance leases**

The Group has acquired certain fixed assets under finance lease arrangements. Minimum lease payments outstanding and other particulars in respect of leased assets are as under:

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Total minimum lease payments outstanding	Interest	Present value of minimum lease payments	Total minimum lease payments outstanding	Interest	Present value of minimum lease payments
Within one year	44	5	39	45	6	39
Later than one year and not later than five years	45	3	42	60	4	56
<b>Total</b>	<b>89</b>	<b>8</b>	<b>81</b>	<b>105</b>	<b>10</b>	<b>95</b>

## 4. Investment property

Particulars	Building
<b>Gross block</b>	
<b>As at 31st March, 2017</b>	<b>822</b>
Adjustment/disposal	3
<b>As at 31st March, 2018</b>	<b>825</b>
Foreign exchange difference	50
<b>As at 31st March, 2019</b>	<b>875</b>
<b>Accumulated depreciation</b>	
<b>As at 31st March, 2017</b>	<b>56</b>
Depreciation expense for the year (refer note 30)	35
<b>As at 31st March, 2018</b>	<b>91</b>
Depreciation expense for the year (refer note 30)	38
Foreign exchange difference	5
<b>As at 31st March, 2019</b>	<b>134</b>
<b>Net block</b>	
<b>As at 31st March, 2019</b>	<b>741</b>
As at 31st March, 2018	734

## a) Information regarding income and expenditure of investment property

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Rental income derived from investment property	193	223
Direct operating expenses (including repairs and maintenance) generating rental income	14	18
Profit arising from investment property before depreciation and indirect expenses	179	205
Less : Depreciation	38	35
Profit arising from investment property before indirect expenses	<b>141</b>	<b>170</b>

## b) Information regarding investment property

The Group's investment property consist of a commercial building in Singapore of Usha Martin Singapore Pte. Limited, which is leased to third party. The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

## c) Fair valuation of investment property

The valuation is based on valuations performed by an independent valuer in accordance with the valuation standards and practice guidelines issued by the Singapore Institute of Surveyors and Valuers. The fair value of the investment property amounting to Rs. 2,169 lakhs (31st March, 2018 : Rs. 2,118 lakhs) was derived using the recent sales of similar properties in the comparable locations. The valuer has adopted the Comparison method and Income Approach method for arriving at the market value of the investment property. Since the valuation is based on valuation techniques which maximise the use of observable market data, the Group has classified the same under level 2.

<b>5. Other intangible assets</b>				
Particulars	Computer software	Trademark	Mining rights	Total other intangible assets
<b>Gross block</b>				
<b>As at 31st March, 2017</b>	<b>3,484</b>	<b>112</b>	<b>1,389</b>	<b>4,985</b>
Additions	295	-	-	295
Foreign exchange difference	31	41	-	72
<b>As at 31st March, 2018</b>	<b>3,810</b>	<b>153</b>	<b>1,389</b>	<b>5,352</b>
Additions-continuing operations	14	-	-	14
Foreign exchange difference	14	9	-	23
Transferred to discontinued operations [refer note 39(ii)]	1,773	-	1,389	3,162
<b>As at 31st March, 2019</b>	<b>2,065</b>	<b>162</b>	<b>-</b>	<b>2,227</b>
<b>Accumulated Amortisation</b>				
<b>As at 31st March, 2017</b>	<b>373</b>	<b>21</b>	<b>232</b>	<b>626</b>
Charge for the year-continuing operations (refer note 30)	350	10	-	360
Charge for the year - discontinued operations [refer note 39(ii)]	343	-	145	488
Foreign exchange difference	41	28	-	69
<b>As at 31st March, 2018</b>	<b>1,107</b>	<b>59</b>	<b>377</b>	<b>1,543</b>
Charge for the year-continuing operations (refer note 30)	353	11	-	364
Charge for the year - discontinued operations [refer note 39(ii)]	355	-	145	500
Foreign exchange difference	4	-	-	4
Transferred to discontinued operations [refer note 39(ii)]	835	-	522	1,357
<b>As at 31st March, 2019</b>	<b>984</b>	<b>70</b>	<b>-</b>	<b>1,054</b>
<b>Net block</b>				
<b>As at 31st March, 2019</b>	<b>1,081</b>	<b>92</b>	<b>-</b>	<b>1,173</b>
As at 31st March, 2018	2,703	94	1,012	3,809

**Non - current assets**

<b>6(i) Equity accounted investments</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Investments - at cost unless otherwise stated</b>		
<b>Investment in equity instruments (unquoted)</b>		
<b>Investments in joint ventures</b>		
Pengg Usha Martin Wires Private Limited# 1,08,00,000 (31st March, 2018 : 1,08,00,000) equity shares of Rs.10 each, fully paid	2,414	2,000
CCL Usha Martin Stressing System Limited 4,73,195 (31st March, 2018 : 4,73,195) equity shares of Rs.10 each, fully paid	42	40
Tesac Usha Wires Pvt Limited (Joint venture of Usha Siam Steel Industries Public Group Limited, a subsidiary of the Company) 12,50,000 (31st March, 2018 : 12,50,000) equity shares of THB.100 each, fully paid	1,760	1,810
<b>Total</b>	<b>4,216</b>	<b>3,850</b>
Aggregate amount of unquoted investments # Refer Note 34B(iii)(b)	4,216	3,850

## Financial assets

<b>6(ii) Investments</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Investments - at fair value through profit and loss</b>		
<b>Investment in equity instruments (unquoted)</b>		
<b>Investment in other companies</b>		
Adityapur Toll Bridge Company Limited 1,00,000 (31st March, 2018 : 1,00,000) equity shares of Rs.10 each, fully paid [Cost Rs. 10 lakhs (31st March, 2018 : Rs 10 lakhs), Rs 5 lakhs (31st March, 2018 : Rs 5 lakhs), impaired]	5	5
Usha Communications Technology Limited BVI 1,21,10,242 (31st March, 2018 : 1,21,10,242) ordinary shares of USD 0.50 each, fully paid [Cost Rs. 28 lakhs (31st March, 2018 : Rs 28 lakhs), Rs 28 lakhs (31st March, 2018 : Rs 28 lakhs), fully impaired]	-	-
UMI Special Steel Limited (in liquidation)* 1,80,68,472 (31st March, 2018 : 1,80,68,472) equity shares of Rs.10 each, fully paid	*	*
Adityapur Auto Cluster Limited 1,000 (31st March, 2018 : 1,000) equity shares of Rs.1,000 each, fully paid [Cost Rs. 10 lakhs (31st March, 2018 : Rs 10 lakhs), Rs 10 lakhs (31st March, 2018 : Rs 10 lakhs), fully impaired]	-	-
<b>Total</b>	<b>5</b>	<b>5</b>
Aggregate amount of unquoted investments	5	5

\* Amount is below the rounding off norm adopted by the Group

<b>6 (iii) Loans</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(Unsecured, considered good unless otherwise stated)		
Loans to employees	89	111
<b>Total</b>	<b>89</b>	<b>111</b>

<b>6 (iv) Other financial assets</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(Unsecured, considered good unless otherwise stated)		
Bank deposits with more than 12 months maturity	-	7
Security deposits	873	1,593
Export incentive receivable	281	281
Margin money #	1,041	884
Interest accrued but not due on deposits	71	169
Advance against Coal Mines [(refer note 39(i)(a))]	1,485	-
<b>Total</b>	<b>3,751</b>	<b>2,934</b>

# Earmarked as margin money against issuance of letter of guarantee

<b>7. Advance income tax assets (net)</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Advance payment of income tax [net of provision for tax - Rs. Nil (31st March, 2018 : Rs.42 lakhs)]	<b>4,162</b>	<b>3,842</b>

<b>8. Deferred tax assets (net)</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Deferred tax assets (DTA)</b>		
On expenses allowable against taxable income in future years	7,123	244
On carry-forward unabsorbed depreciation	90,888	1,184
On carry-forward business losses	6,999	200
<b>Total DTA</b>	<b>1,05,010</b>	<b>1,628</b>
<b>Deferred tax liabilities (DTL)</b>		
Arising out of temporary difference in depreciable assets	79,642	146
Others	398	586
<b>Total DTL</b>	<b>80,040</b>	<b>732</b>
<b>Deferred tax assets (net)</b>	<b>24,970</b>	<b>896</b>

Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise.

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

(a) Tax charge/(credit) recognised in the Statement of Profit and Loss	Year ended 31st March, 2019	Year ended 31st March, 2018
Current tax	767	518
Adjustment of tax relating to earlier years	227	-
Deferred tax (credit)/expense	(23,740)	(7)
<b>Total</b>	<b>(22,746)</b>	<b>511</b>
<b>(b) A reconciliation of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated is as follows:</b>		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Accounting profit / (loss) before tax (including share of profit of joint ventures)	(17,816)	(26,284)
Statutory income tax rate	34.944%	34.944%
<b>Tax profit /(loss) at statutory income tax rate</b>	<b>(6,226)*</b>	<b>(9,185)</b>
* recognised in the current year		
<b>Adjustments:</b>		
Deferred tax on unabsorbed depreciation and brought forward business losses recognised out of opening balance	(17,806)	-
Disallowable expenses	823	864
Income exempt from tax	-	(2)
Unrecognised tax assets	-	8,995
Effect of tax rate differences of subsidiaries operating in other jurisdictions	35	(166)
Tax on dividend received	65	-
Adjustment of tax relating to earlier periods	227	-
Other non-deductible differences	136	5
<b>Total</b>	<b>(22,746)</b>	<b>511</b>

9. Other non current assets	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good unless otherwise stated)		
Capital advances		
Considered good	34	2,759
Considered credit impaired	-	313
Less : Allowance for credit impaired capital advances	-	(313)
Leasehold land prepayments*	-	624
Prepaid expenses	18	55
Balances with Government authorities		
Excise / service tax	59	60
Sales tax / value added tax	933	1,194
Deposit for legal case	1,025	325
Deposits with land authority (refer note 44)	8,641	-
Deposit for fuel surcharge / other electricity matter	2,885	2,885
Claims receivable	475	378
Advance against coal mines [refer note 39(i)(a)]	2,851	2,851
<b>Total</b>	<b>16,921</b>	<b>11,131</b>

\* Represents prepayments in respect of land taken under arrangements in the nature of operating leases, being amortised over the period of lease. Leasehold prepayments as at 31st March, 2019 is part of discontinued operations.

## Current assets

10. Inventories (at lower of cost and net realisable value)	As at 31st March, 2019	As at 31st March, 2018
Raw materials (including packing materials)	11,744	29,712
Goods-in transit	4,581	4,431
	<b>16,325</b>	<b>34,143</b>
Work-in-progress	<b>21,390</b>	<b>35,867</b>
Finished goods	22,057	36,516
Goods-in transit	2,537	4,611
	<b>24,594</b>	<b>41,127</b>
Stock-in-trade	<b>96</b>	<b>44</b>
Stores and spare parts	1,780	4,517
Goods-in transit	-	663
	<b>1,780</b>	<b>5,180</b>
Loose tools	<b>309</b>	<b>699</b>
Scrap/by-product	<b>199</b>	<b>5,508</b>
<b>Total</b>	<b>64,693</b>	<b>122,568</b>

Note : The value of inventories recognised as an expense includes Rs. 89 lakhs (31st March, 2018 : Rs. 1,393lakhs) in respect of write-downs to net realisable value and provision for slow moving.

11. Financial assets	As at 31st March, 2019	As at 31st March, 2018
<b>(i) Trade receivables</b>		
Unsecured, considered good	31,604	63,696
Receivables which have significant increase in credit risk (unsecured)	941	3,441
Unsecured considered credit impaired	523	2,228
Less : Allowance for credit impaired trade receivables	(523)	(2,228)
<b>Total</b>	<b>32,545</b>	<b>67,137</b>

(i) No trade or other receivables are due from directors or other officers of the group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(ii) Trade receivables are generally on terms of 30 to 90 days.

(iii) For lien / charge against trade receivables, refer Note 20(i). Below is the details of trade receivables discounted with recourse available to the bank and hence not meeting de-recognition criteria :

Transferred receivables	2,664	23,951
Associated borrowings [refer note 20(i)]	2,664	23,951

(iv) Refer Note 38B(a) for information about credit risk and market risk on receivables

(ii) Cash and cash equivalents	As at 31st March, 2019	As at 31st March, 2018
Balances with banks:		
On current accounts	4,401	4,319
Deposits with original maturity less than 3 months	-	533
Cheques/drafts on hand	98	72
Cash on hand	54	49
<b>Total</b>	<b>4,553</b>	<b>4,973</b>

(iii) Other bank balances	As at 31st March, 2019	As at 31st March, 2018
Unpaid dividend accounts #	3	16
Deposits with original maturity for more than 3 months but up to 12 months ##	2,763	1,227
<b>Total</b>	<b>2,766</b>	<b>1,243</b>

# Earmarked for payment of unclaimed dividend

## Earmarked as margin money against issue of letter of credit

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

(iv) Loans	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good unless otherwise stated)		
Loans to employees		
Considered good	88	135
Considered credit impaired	10	10
Less: Allowance for credit impaired loans to employees	(10)	(10)
Loans to body corporate*	772	772
<b>Total</b>	<b>860</b>	<b>907</b>

\* Represents interest bearing loan to a body corporate carrying interest @15% p.a. payable in one yearly instalment on 31st March, 2019.

(v) Other financial assets	As at 31st March, 2019	As at 31st March, 2018
(Unsecured considered good unless otherwise stated)		
<b>Derivative not designated as hedges</b>		
Foreign exchange forward contracts #	82	-
<b>Other financial assets at amortised cost</b>		
Advance against land - coal mines [refer note 39(i)(a)]	8,458	10,532
Interest receivable on deposits and others	108	-
Accrued interest on deposits and others	620	252
Claims /advances receivable	159	447
Security deposits	257	272
Export incentive receivable		
Considered good	1,063	1,117
Considered credit impaired	53	-
Less: Allowance for credit impaired balance	(53)	-
Other receivables	59	-
<b>Total</b>	<b>10,806</b>	<b>12,620</b>

# Financial assets at fair value through profit and loss

Derivative instruments at fair value through profit and loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 38B(c) for details regarding the nature and extent of risks arising from financial instruments to which the Company is exposed at the end of the reporting year.

12. Other current assets	As at 31st March, 2019	As at 31st March, 2018
(Unsecured, considered good unless otherwise stated)		
Advances to suppliers*		
Considered good	1,167	5,146
Considered credit impaired	12	927
Less: Allowance for credit impaired advances	(12)	(927)
Balance with statutory/Government authorities		
Considered good	3,290	3,554
Considered credit impaired	635	615
Less: Allowance for credit impaired balance	(635)	(615)
Custom duty recoverable	-	504
Prepaid expenses	482	1,718
Leasehold land prepayments**	-	28
<b>Total</b>	<b>4,939</b>	<b>10,950</b>

\* Represents the amount paid towards purchase of goods and are non-interest bearing.

\*\* Represents prepayments in respect of land taken under arrangements in the nature of operating leases, being amortised over the period of lease. Leasehold prepayments as at 31st March, 2019 is part of discontinued operations.

## Equity

13. Share capital	As at 31st March, 2019	As at 31st March, 2018
<b>Authorised</b>		
50,00,00,000 (31st March, 2018 : 50,00,00,000) equity shares of Re. 1 each	5,000	5,000
1,00,00,000 (31st March, 2018 : 1,00,00,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000
<b>Total</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid-up</b>		
30,47,41,780 (31st March, 2018 : 30,47,41,780) equity shares of Re. 1 each	3,047	3,047
Add: Shares forfeited (amount originally paid-up)	7	7
<b>Total</b>	<b>3,054</b>	<b>3,054</b>

(a) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the year :

		As at 31st March, 2019	As at 31st March, 2018
Number of equity shares outstanding at the beginning and end of the year	Numbers	30,47,41,780	30,47,41,780
Amount of equity shares outstanding at the beginning and end of the year	Amount Rs in lakhs	3,047	3,047

(b) 2,29,40,450 (31st March, 2018 : 2,34,52,950) equity shares of face value of Re 1 each are represented by Global Depository Receipts (GDRs). Each GDR represents five underlying equity shares.

**(c) Rights, preference and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share (except in case of GDRs). The holders of GDRs do not have voting right with respect to shares. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by each shareholder.

(d) Details of shares held by shareholders holding more than 5 % of the aggregate equity shares in the Company:

Name of the share holder	As at 31st March, 2019	As at 31st March, 2018
Equity shares of Re 1 each fully paid-up		
UMIL Share & Stock Broking Services Limited	3,88,88,369	3,88,88,369
% holding	12.76%	12.76%
Deutsche Bank Trust Company Americas #	2,29,40,450	2,34,52,950
% holding	7.53%	7.70%
Peterhouse Investments India Limited	2,07,67,330	2,07,67,330
% holding	6.81%	6.81%
Usha Martin Ventures Limited	2,06,27,588	2,06,27,588
% holding	6.77%	6.77%
Peterhouse Investments Limited #	2,44,71,455	2,39,71,455
% holding	6.23%	7.87%

# As on 31st March, 2019, 45,88,090 GDRs (representing 2,29,40,450 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 2,44,71,455 equity shares and 16,85,691 GDRs (representing 84,28,455 underlying equity shares) and Kenwyn Overseas Limited holds 1,43,64,680 equity shares and 19,63,025 GDRs (representing 98,15,125 underlying equity shares).

As on 31st March, 2018, 46,90,590 GDRs (representing 2,34,52,950 underlying equity shares) is with Deutsche Bank Trust Company Americas (depository). Peterhouse Investments Limited holds 2,39,71,455 equity shares and 17,85,691 GDRs (representing 89,28,455 underlying equity shares) and Kenwyn Overseas Limited holds 1,43,64,680 equity shares and 19,63,025 GDRs (representing 98,15,125 underlying equity shares).

(e) No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

14. Other equity	As at 31st March, 2019	As at 31st March, 2018
<b>Securities premium</b> (Securities premium represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013)	85,584	85,584
<b>Capital reserve</b> (Capital reserve represents mainly state capital subsidy received from different state Governments)	668	668
<b>Capital redemption reserve</b> (Capital redemption reserve is created on redemption of preference shares as per statutory requirement and can be utilised in accordance with the provisions of the Companies Act, 2013)	6,631	6,631
<b>General reserve</b> (General reserve mainly represents appropriation from the statement of profit and loss and can be utilised in accordance with the provisions of the Companies Act, 2013)	54,439	54,439
<b>Legal reserve</b> (Represents statutory amount set aside as per Limited Public Company Act, Thailand and can be utilised in accordance with the provisions of the said Act)	265	265
<b>Retained earnings</b> (Retained earnings represent the cumulative profit / (loss) of the Group and effects of re-measurement of defined benefit obligations and can be utilised in accordance with the provisions of the Companies Act, 2013)	(82,258)	(86,932)
<b>Foreign currency translation reserve</b> (This reserve contains accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities. Such foreign exchange differences are recognised in OCI. Exchange differences previously recognised in this reserve are reclassified to profit and loss on disposal of foreign operations)	3,468	2,647
<b>Other reserves</b> (Represent money received against equity warrants earlier forfeited and can be utilised in accordance with the provisions of the Companies Act, 2013)	6,350	6,350
<b>Total</b>	<b>75,147</b>	<b>69,652</b>

### Non - current liabilities

15. Financial liabilities (i) Borrowings	As at 31st March, 2019	As at 31st March, 2018
<b>Secured</b>		
<b>Term loans</b>		
- Banks (Rupee loans)	2,07,960	2,49,409
- Banks (foreign currency loans)	2,649	6,411
-Financial institution (Rupee loans)	19,750	18,671
-From a body corporate (Rupee loan)	196	662
<b>Unsecured</b>		
Finance lease obligation	27	84
Hire purchase	15	28
<b>Total*</b>	<b>2,30,597</b>	<b>2,75,265</b>

\* Net of unamortised borrowing cost of Rs. 370 lakhs (31st March, 2018 : Rs. 1,122 lakhs)

	Term loans (secured)	Nature of security	As at 31st March, 2019	As at 31st March, 2018
	<b>From banks (Rupee loans)</b>			
(i)	State Bank of India [note (a) below]	A, B, C, D	83,231	89,307
(ii)	ICICI Bank Limited [note (b) below]	A, D	7,498	10,107
(iii)	ICICI Bank Limited [note (c) below]	A, B, C, D	9,151	9,836
(iv)	ICICI Bank Limited [note (d) below]	A, D	10,000	15,000
(v)	State Bank of India [note (d) below]	A, D	12,500	18,748
(vi)	State Bank of India [note (d) below]	A, B, C, D	56,481	61,827
(vii)	HDFC Bank Limited [note (d) below]	A, B, D	1,716	1,915
(viii)	RBL Bank Limited	A, B, D	-	9,739
(ix)	Bank of Baroda [note (d) below]	A, B, D	10,312	12,078
(x)	Axis Bank Limited [note (d) below]	A, B, C, D	16,138	17,689
(xi)	IndusInd Bank [note (e) below]	E, F	933	3,163
			<b>2,07,960</b>	<b>2,49,409</b>
	<b>From banks (Foreign currency loans)</b>			
(xii)	Rabo Bank [note (f) below]	G	2,394	1,893
(xiii)	Barclays Bank [note (g) below]	H	255	779
(xiv)	CIMB Bank	I	-	3,739
			<b>2,649</b>	<b>6,411</b>
			<b>2,10,609</b>	<b>2,55,820</b>
	<b>From financial institutions</b>			
(xv)	Export Import Bank of India [note (d) below]	A, B, C, D	<b>19,750</b>	<b>18,671</b>
(xvi)	From a body corporate [note (h) below]	J	<b>196</b>	<b>662</b>
(xvii)	From Others (unsecured) [note (j) & (k) below]		<b>42</b>	<b>112</b>
	<b>Total</b>		<b>2,30,597</b>	<b>2,75,265</b>

**Loan covenants**

Bank loans contain certain debt covenants relating to net debt to EBITDA, debt service coverage ratio, fixed assets coverage ratio etc. The Company's applications to a lender for financial year 2017-18 in respect of certain covenants not being met for the relevant year is under consideration. The management believes that the Group's borrowings classified as non-current borrowings will continue to be on the same repayment terms and conditions as was agreed at the time of disbursement.

**Nature of security**

- A These are secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders and second pari-passu charge in favour of lenders of working capital loans.
- B These are secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- C Personal guarantee of Mr. Rajeev Jhwar, Managing Director of the Company.
- D Pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis
- E These are secured by a first pari-passu charge by hypothecation over all the movable property, plant and equipment (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) of UM Cables Limited excluding the assets exclusively charged to other lenders.
- F These are secured by a second charge on entire current assets of UM Cables Limited (present and future), pari-passu with other term lenders.
- G These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of De Ruiters Staakabel B.V., subsidiary of Usha Martin International Limited.
- H These are secured by a first pari-passu charge by mortgage over land and

other immovable properties (present and future) of Usha Martin Singapore Pte. Limited.

- I These are secured by a portion of land, buildings and structures, plant and machinery and equipment of Usha Siam Steel Industries Limited.

- J These are secured against assets procured from proceeds of borrowings.

**Secured term loan - interest rate and terms of repayment**

- (a) Out of the rupee term loan from a bank amounting to Rs. 83,231 lakhs (31st March, 2018 : Rs. 89,307 lakhs), Rs.25,076 lakhs has been subsequently prepaid and the balance amount of loan for Rs. 58,155 lakhs is repayable within 30th September, 2019. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 4.50% p.a.
- (b) Out of the rupee term loan from a bank amounting to Rs. 7,498 lakhs (31st March, 2018 : Rs. 10,107 lakhs), Rs.2,500 lakhs has been subsequently prepaid and the balance amount of loan for Rs. 4,998 lakhs is repayable in seven quarterly instalments from 31st March 2021, to 30th September, 2022. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 2.15% p.a.
- (c) Rupee term loan from a bank amounting to Rs. 9,151 lakhs (31st March, 2018 : Rs. 9,836 lakhs) is repayable in twenty three quarterly instalments from 30th June, 2020 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund of the bank plus 2.15% p.a.
- (d) Subsequently prepaid by 11th of April, 2019 after receiving the cash consideration from Tata Sponge Iron Limited on 9th April, 2019 towards sale of Steel and Bright Bar business.
- (e) Rupee term loan from a bank amounting to Rs. 933 lakhs (31st March, 2018 : Rs. 3,163 lakhs) is repayable in five quarterly instalments from 1st April 2020 to 28th July, 2021. Interest is payable on monthly basis at base rate of the bank plus 1.15% p.a. Prepayment of Rs 1,562 lakhs was made on 27th March 2019.

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

- (f) Foreign currency term loan from a bank amounting to Rs. 2,394 lakhs (31st March, 2018 : Rs. 1,893 lakhs) is repayable in one hundred and sixty five monthly instalments from 1st April, 2019 to 31st December, 2033. Interest is payable on monthly basis at three month EURIBOR plus 2.1% p.a.
- (g) Foreign currency term loan from a bank amounting to Rs. 255 lakhs (31st March, 2018 : Rs. 779 lakhs) is repayable in two quarterly instalments from 1st April, 2020 to 30th September, 2020. Interest is payable on monthly basis at Libor plus 2.35% p.a.
- Unsecured loan from a body corporate - interest rate and terms of repayment**
- (h) Rupee loan from a body corporate amounting to Rs. 196 lakhs (31st March, 2018 : Rs. 662 lakhs) is repayable in quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2019 to 1st April, 2021. Interest is payable on quarterly basis at 11.81% p.a.
- (i) Outstanding balances of loans and terms of repayment as indicated in (a) to (h) above are exclusive of current maturities of such loans as disclosed in Note 20(iii).
- Finance lease obligation - interest rate and terms of repayment**
- (j) Finance lease obligation amounting to Rs. 27 lakhs (31st March, 2018 : Rs. 84 lakhs) towards movable fixed assets is repayable in three yearly instalments from April 1, 2020 to March 31, 2023. Interest is payable on monthly basis at a range of 3.6% to 6% p.a.
- (k) Finance lease obligation amounting to Rs. 15 lakhs (31st March, 2018 : Rs. 28 lakhs) towards immovable fixed assets is repayable in twelve monthly instalments from April 13, 2020 to March 13, 2021. Interest is payable on monthly basis at a base rate of the bank plus 2.68% p.a.

Changes in liabilities arising from financing activities						
Particulars	1st April 2018	Cash flows	Exchange differences	EIR adjustment	Others*	31st March, 2019
Non Current borrowings	2,75,153	5,650	-	-	(50,206)	2,30,555
Non Current obligations under finance leases and hire purchase contracts	112	-	-	-	(70)	42
Current maturities of long term borrowings	34,990	(44,993)	-	286	50,206	40,489
Current maturities of finance lease obligation	19	(68)	(1)	-	70	20
Loans repayable on demand	49,096	10,507	-	-	-	59,603
Working capital loans from banks	9,910	6,912	-	-	-	16,822
Buyer's credit including acceptances from banks	14,032	(11,150)	-	-	-	2,882
From a body corporate	-	3,400	-	-	-	3,400
Bill discounting#	23,951	(9,692)	-	-	-	14,259
<b>Total liabilities from financing activities</b>	<b>4,07,263</b>	<b>(39,434)</b>	<b>(1)</b>	<b>286</b>	<b>-</b>	<b>3,68,072</b>

# include figures from continuing and discontinued operations (Rs. 11,595 lakhs).

Particulars	1st April 2017	Cash flows	Exchange differences	EIR adjustment	Others*	31st March, 2018
Non Current borrowing	2,84,356	25,542	-	-	(34,745)	2,75,153
Non Current obligations under finance leases and hire purchase contracts	125	-	-	-	(13)	112
Current maturities of long term borrowing	56,537	(56,544)	-	252	34,745	34,990
Current maturities of finance lease obligation	51	(45)	-	-	13	19
Loans repayable on demand	32,202	16,894	-	-	-	49,096
Working capital loans from banks	22,854	(12,944)	-	-	-	9,910
Buyer's credit including acceptances from banks	19,174	(5,142)	-	-	-	14,032
Bill discounting	21,055	2,896	-	-	-	23,951
<b>Total liabilities from financing activities</b>	<b>4,36,354</b>	<b>(29,343)</b>	<b>-</b>	<b>252</b>	<b>-</b>	<b>4,07,263</b>

\* Includes the effect of reclassification of non-current portion of borrowings.

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

16. Provisions	As at 31st March, 2019	As at 31st March, 2018
<b>Provision for employee benefits</b>		
Gratuity (refer note 35)	1,962	3,022
Leave encashment	56	-
Long service award (refer note 35)	87	76
Retirement compensation (refer note 35)	729	727
<b>Others</b>		
Provision for site restoration and rehabilitation	-	1,926
<b>Total</b>	<b>2,834</b>	<b>5,751</b>
<b>Site restoration and rehabilitation</b>		
<b>Opening balance</b>	1,926	1,739
Less Reversal of provisions under discontinued operations	1,133	-
Add: Unwinding of discount	-	187
Less: transferred to discontinued operations	793	-
<b>Closing balance</b>	<b>-</b>	<b>1,926</b>

17. Government grants	As at 31st March, 2019	As at 31st March, 2018
Grants relating to property, plant and equipment	-	3,151

Represents Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as Government grants. Grants relating to Property, Plant & Equipment as at 31st March, 2019 is part of discontinued operations as disclosed in note 39(ii). Contingencies attached to these grants has been disclosed in note 34B(ii).

18. Income taxes	As at 31st March, 2019	As at 31st March, 2018
<b>Deferred tax liabilities (net)</b>		
<b>Deferred tax assets (DTA)</b>		
On expenses allowable against taxable income in future years	204	3,189
On carry-forward unabsorbed depreciation	-	63,015
On carry-forward business losses	-	12,109
<b>Total DTA</b>	<b>204</b>	<b>78,313</b>
<b>Deferred tax liabilities (DTL)</b>		
Arising out of temporary difference in depreciable assets	2,135	79,455
Others	-	491
<b>Total DTL</b>	<b>2,135</b>	<b>79,946</b>
<b>Deferred tax liabilities (net)</b>	<b>1,931</b>	<b>1,633</b>
Unabsorbed depreciation which can be carried forward for an indefinite period on which no DTA has been recognised	-	69,468

Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise.

At March 31st 2019, a deferred tax liability of Rs. 14,086 lakhs (March 31, 2018: Rs. 14,705 lakhs) in respect of temporary differences related to undistributed profit in subsidiaries has not been recognised because the Group controls the dividend policy of its subsidiaries and management is satisfied that they are not expecting to distribute profit in the foreseeable future.

Refer note 8 for reconciliation in respect of income tax expense applicable to accounting profits / (loss) before tax at the statutory income tax rate to recognise income tax expense for the year.

19. Other non-current liabilities	As at 31st March, 2019	As at 31st March, 2018
Accruals for various obligations (towards obligations in respect of entry tax, sales tax and other legal cases )	1,675	1,592

## Current liabilities

<b>20. Financial liabilities</b>		
<b>(i) Borrowings</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Secured *</b>		
Loans repayable on demand	59,603	49,096
Working capital loans from banks #	16,822	9,910
Buyer's credit including acceptance from banks ##	2,882	14,032
<b>Unsecured loans</b>		
From body corporate	3,400	-
Bill discounting ###	2,664	23,951
<b>Total</b>	<b>85,371</b>	<b>96,989</b>

\* **Nature of security** - Secured by hypothecation of all current assets of the Company. Further such loans from banks are also secured by charge on certain immovable properties, subject to prior charges in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company. Further, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis. The loans are repayable on demand and carry interest @ 11.10% to 16.25% p.a. payable at monthly rests. Credit facilities and long-term loans by a subsidiary company, Usha Siam Steel Industries Public Company Limited, are secured by the mortgage of a portion of the company's land, building and structures and property, plant and equipment. Further, savings deposits and fixed deposits have been pledged as collaterals against such credit facilities. Working capital loan from a bank by a subsidiary company, Usha Martin Americas, Inc., is collateralized by current assets of the said subsidiary company and a corporate guarantee from the Company.

# Represents short-term credit facilities by a subsidiary company, Usha Siam Steel Industries Public Company Limited, covering promissory notes, packing credits and trust receipts. Working capital loans bears interest at the rate referenced to minimum overdraft rate per annum. Promissory notes bear interest at minimum lending rate per annum. Liabilities under trust receipt agreements carry interest at 4.00% per annum.

Working capital loan from a bank by a subsidiary company, Usha Martin Americas, Inc., is repayable in quarterly instalments and carry interest at the three-month LIBOR rate plus 4.75%.

## Import buyer's credit of the Company carries interest @ 1/2/3/6 months LIBOR plus 25 bps p.a. to 100 bps p.a. and acceptances of the Company carry interest @ 8% to 9% p.a. Such buyer's credit and acceptances from banks are repayable within 180 days.

Loans under buyer's credit of a subsidiary company, Usha Siam Steel Industries Public Company Limited, represents short-term loans from a bank for settlements of raw materials acquired from the Company. Such loan bears interest (inclusive of withholding tax) at the 6-month LIBOR plus 4.5% per annum. These loans have been guaranteed by the Company.

### The Group has discounted trade receivables on recourse basis. Accordingly, the monies received on this account are shown as borrowings as the trade receivable does not meet de-recognition criteria. These bills are discounted @ 8.25% to 10.50% p.a. and are repayable within 180 days.

<b>(ii) Trade payables</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Total outstanding dues of micro and small enterprises (refer note 41)	<b>93</b>	<b>1,856</b>
Total outstanding dues of creditors other than micro and small enterprises	23,930	77,250
Acceptances	8,430	117,306
	<b>32,360</b>	<b>194,556</b>
<b>Total</b>	<b>32,453</b>	<b>196,412</b>

Trade payables are non-interest bearing and are normally settled up to 365 day terms.

Acceptances have been prepaid subsequently, carry interest @ 8.35% to 10.50% p.a.

Acceptances are secured by hypothecation of all current assets of the Company. Further such acceptances are also secured by charge on certain immovable properties, subject to prior charges in favour of financial institutions and banks created/to be created in respect of any existing/future financial assistance/accommodation which has been/may be obtained by the Company. Further, these are secured against pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis.

Refer note 38B for explanations on the Group's liquidity risk management processes.

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

(iii) Other financial liabilities	As at 31st March, 2019	As at 31st March, 2018
<b>Derivatives not designated as hedges</b>		
Foreign exchange forward contracts #	49	79
<b>Other financial liabilities at amortised cost</b>		
Current maturities of long-term borrowings ###	40,489	34,990
Current maturities of finance lease obligation [refer note (h) below]	20	19
Interest accrued but not due on borrowings	3,497	2,491
Interest accrued on trade payables and others	186	2,072
Unclaimed dividends ##	3	16
Equity warrant application money received in excess	-	10
Security deposits received	395	842
Liability towards project vendors (including acceptances)	5,198	6,722
Payable relating to coal mines	1,384	1,384
Employees benefits payable @	2,836	3,404
Other payables	1,478	1,087
<b>Total</b>	<b>55,535</b>	<b>53,116</b>

# Financial liabilities at fair value through profit and loss

Derivative instruments at fair value through profit and loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 38B for details regarding the nature and extent of risks arising from financial instruments to which the Group is exposed at the end of the reporting year.

## There are no amount due for payment to the Investor Education and Protection Fund under Section 125C of the Companies Act, 2013 as at the year end.

### Interest rate, nature of security and terms of repayment are:

	Term Loan (secured)	Nature of security	As at 31st March, 2019	As at 31st March, 2018
	<b>From banks (Rupee loans)</b>			
(i)	ICICI Bank Limited [note (a) below]	A, B, C, D	700	25
(ii)	State Bank of India [note (b) below]	A, B, C, D	6,300	225
(iii)	ICICI Bank Limited [note (b) below]	A, D	2,625	1,875
(iv)	State Bank of India [note (b) below]	A, D	6,248	1,876
(v)	State Bank of India [note (b) below]	A, B, C, D	5,373	4,144
(vi)	HDFC Bank Limited [note (b) below]	A, B, D	285	71
(vii)	RBL Bank Limited [note (b) below]	A, B, D	7,300	1,400
(viii)	Bank of Baroda [note (b) below]	A, B, D	2,063	1,125
(ix)	ICICI Bank Limited [note (b) below]	A, D	5,000	3,750
(x)	Axis Bank Limited [note (b) below]	A, B, C, D	1,850	1,013
(xi)	IndusInd Bank [note (c) below]	E, F	665	665
			<b>38,409</b>	<b>16,169</b>
	<b>From banks (Foreign currency loans)</b>			
(xii)	CIMB Bank [note (d) below]	I	589	555
(xiii)	TMB Bank Limited	J	-	98
(xiv)	Barclays Bank [note (e) below]	H	509	1,269
(xv)	RABO Bank [note (f) below]	G	175	181
			<b>1,273</b>	<b>2,103</b>
			<b>39,682</b>	<b>18,272</b>
	<b>From financial institution (Rupee loan)</b>			
(xvi)	Export Import Bank of India [note (b) below]	A, B, C, D	250	-
(xvii)	Export Import Bank of India [note (b) below]	A, B, D	-	16,250
			<b>250</b>	<b>16,250</b>
			<b>557</b>	<b>468</b>
(xviii)	<b>From a body corporate -Rupee loan</b> [note (g) below]	K	557	468
			<b>557</b>	<b>468</b>
	<b>Total</b>		<b>40,489</b>	<b>34,990</b>

**Nature of security**

- A These are secured by a first pari-passu charge by hypothecation/mortgage over all the property, plant and equipment (present and future) of the Company other than the assets exclusively charged to other lenders and second pari-passu charge in favour of lenders of working capital loans.
- B These are secured by a second charge on entire current assets of the Company (present and future), pari-passu with other term lenders.
- C Personal guarantee of Mr. Rajeev Jhavar, Managing Director of the Company.
- D Pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis
- E These are secured by a first pari-passu charge by hypothecation over all the movable property, plant and equipment (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) of UM Cables Limited excluding the assets exclusively charged to other lenders.
- F These are secured by a second charge on entire current assets of UM Cables Limited (present and future), pari-passu with other term lenders.
- G These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of De Ruiter Staalkabel B.V., subsidiary of Usha Martin International Limited.
- H These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of Usha Martin UK, subsidiary of Usha Martin International Limited.
- I These are secured by a first pari-passu charge by mortgage over land and other immovable properties (present and future) of Usha Martin Singapore Pte. Limited.
- J These are secured by a portion of land, buildings and structures, plant and machinery and equipment of Usha Siam Steel Industries Limited.
- K These are secured against assets procured from proceeds of borrowings.

**Secured term loan - interest rate and terms of repayment**

- (a) Rupee term loan from a bank amounting to Rs. 700 lakhs (31st March, 2018 : Rs. 25 lakhs) is repayable in four quarterly instalments from 30th June, 2019 to 31st March, 2020. Interest is payable on monthly basis at

base rate of the bank plus 2.15% p.a.

- (b) Subsequently prepaid by 11th of April, 2019 after receiving the cash consideration from Tata Sponge Iron Limited on 9th April, 2019 towards sale of Steel and Bright Bar business.
- (c) Rupee term loan from a bank amounting to Rs. 665 lakhs (31st March, 2018 : Rs. 665 lakhs) is repayable in four quarterly instalments from 1st April 2019 to 1st January 2020. Interest is payable on monthly basis at base rate of the bank plus 1.15% p.a.
- (d) Foreign currency term loan from a bank amounting to Rs. 589 lakhs (31st March, 2018 : Rs. 555 lakhs) is repayable in twelve monthly instalments from 1st April, 2019 to 31st March, 2020. Interest is payable on monthly basis at one month LIBOR plus 2.59% p.a.
- (e) Foreign currency term loan from a bank amounting to Rs. 509 lakhs (31st March, 2018 : Rs. 1,269 lakhs) was repayable in four quarterly instalments from 1st April, 2019 to 30th November, 2020. Interest was payable on monthly basis at three month LIBOR plus 2.35% p.a.
- (f) Foreign currency term loan from a bank amounting to Rs. 175 lakhs (31st March, 2018 : Rs. 181 lakhs) was repayable in twelve monthly instalments from 1st April, 2019 to 31st March, 2020. Interest was payable on monthly basis at three month EURIBOR plus 2.1% p.a.

**Unsecured loan from a body corporate - interest rate and terms of repayment**

- (g) Rupee loans from a body corporate amounting to Rs. 557 lakhs (31st March, 2018 : Rs. 468 lakhs) is repayable in quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2019 to 31st March, 2020. Interest is payable on quarterly basis at 11.81% p.a.

**Finance lease obligation - interest rate and terms of repayment**

- (h) Finance lease obligation amounting to Rs. 20 lakhs (31st March, 2018 : Rs. 19 lakhs) towards movable fixed assets is repayable in twelve monthly instalments between 1st April 2019 to 31st March, 2020. Interest is payable on monthly basis at a range of 3.6% to 6% p.a.
- @ Includes payable to key management personnel Rs 27 lakhs (31st March, 2018 : Rs 20 lakhs) [refer note 36(iii)].

<b>21. Provisions</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Provision for employee benefits</b>		
Gratuity (refer note 35)	27	390
Leave encashment	677	1,208
Long service award (refer note 35)	5	15
Retirement compensation (refer note 35)	168	103
<b>Total</b>	<b>877</b>	<b>1,716</b>

<b>22. Current tax liabilities (net)</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Provision for income tax [net of taxes paid Rs 713 lakhs (31st March, 2018: Rs 713 lakhs)]	259	402

<b>23. Other current liabilities</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Contract liabilities *	3,337	12,043
Statutory dues payable #	4,249	18,426
Advance received against sale of land	15	390
Other liabilities ##	3,853	2,466
<b>Total</b>	<b>11,454</b>	<b>33,325</b>

\*Contract liabilities are short-term advances received towards sale of goods and are non-interest bearing

# Statutory dues primarily includes payable in respect of goods and service tax (GST), excise duty, royalties, tax deducted at source etc.

## represent liability towards renewable power obligation

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

24. Revenue from operations	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of goods	2,38,729	2,02,922
Sale/ rendering of services	3,738	2,969
Other operating revenue:		
Product scrap sales	4,045	3,650
Sale of captive power	440	426
<b>Total</b>	<b>2,46,952</b>	<b>2,09,967</b>

Sale of goods includes excise duty collected from customers of Rs. Nil (31st March, 2018: Rs. 3,395 lakhs).

Revenue for the period upto June 30 2017, is grossed up for Central Excise Duty. Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, Central Excise was also abolished from that date and revenue from operations is disclosed net of GST. As mandated by Ind AS 115 and Schedule III of Companies Act 2013, GST is not to be included as part of Revenue and hence revenue from operations for the year ended March 31, 2019 is not comparable with revenue from operations for the year ended March 31, 2018 presented in the financial statements.

24A. Disaggregated Revenue Information	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Segment</b> (refer note 37)		
Wire and Wire ropes	2,36,472	1,97,253
Others	10,480	12,714
<b>Total revenue from contracts with customers</b>	<b>2,46,952</b>	<b>2,09,967</b>
India	1,46,876	1,25,042
Outside India	1,00,076	84,925
<b>Total revenue from contracts with customers</b>	<b>2,46,952</b>	<b>2,09,967</b>

24B. Contract Balances	Year ended 31st March, 2019	Year ended 31st March, 2018
Trade receivables [refer note 11(i)]	32,545	67,137
Contract liabilities (refer note 23)	3,337	12,043

24C. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted prices	Year ended 31st March, 2019	Year ended 31st March, 2018
Revenue as per contracted prices	2,48,519	2,11,328
Less: discount	1,567	1,361
<b>Revenue from contract with customers</b>	<b>2,46,952</b>	<b>2,09,967</b>

25. Other income	Year ended 31st March, 2019	Year ended 31st March, 2018
Miscellaneous scrap sales	67	47
Exchange differences (net)	-	300
Gain on derivative contracts / cancellation of forward contracts (net)	250	60
Liabilities no longer required written back	367	1,063
Allowance for credit impaired debts and advances no longer required written back	146	13
Claims received	15	17
Gain on disposal of property, plant and equipment (net)	-	3,417#
Export incentive	1,873	1,501
Rent received	252	319
Miscellaneous income	437	310
Interest income on financial assets carried at amortised cost	569	632
<b>Total</b>	<b>3,976</b>	<b>7,679</b>

# Includes Rs. 3,335 lakhs on account of profit on sale of land at Ranchi.

26. Cost of materials consumed	Year ended 31st March, 2019	Year ended 31st March, 2018
Opening Stock	13,694	11,289
Add: Purchases	1,61,678	1,30,683
	<b>1,75,372</b>	<b>1,41,972</b>
Less: Closing stock	16,325	13,694
<b>Cost of materials consumed *</b>	<b>1,59,047</b>	<b>1,28,278</b>

\* Cost of materials consumed includes packing materials amounting to Rs 3,629 lakhs (31st March, 2018 : Rs. 3,415 lakhs)

**Notes to the consolidated financial statements**

(All amounts in Rs. lakhs)

<b>27. (Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
<b>(A) Finished goods</b>		
Opening stock	24,108	20,863
Less : Closing stock	24,594	24,108
Adjustment on account of discontinued operations	(325)	(73)
	<b>(811)</b>	<b>(3,318)</b>
<b>(B) Work-in-progress</b>		
Opening stock	14,126	15,738
Less : Closing stock	21,390	14,126
Adjustment on account of discontinued operations	(693)	(650)
	<b>(7,957)</b>	<b>962</b>
<b>(C) Stock-in-trade</b>		
Opening stock	44	22
Less : Closing stock	96	44
Adjustment on account of discontinued operations	2	-
	<b>(50)</b>	<b>(22)</b>
<b>(D) Scrap/by-product</b>		
Opening stock	503	1,909
Less : Closing stock	199	503
Adjustment on account of discontinued operations	(1)	(8)
	<b>303</b>	<b>1,398</b>
<b>Net (Increase) / decrease in inventories [(A) + (B) + (C) + (D)]</b>	<b>(8,515)</b>	<b>(980)</b>
<b>28. Employee benefits expenses</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
Salaries, wages and bonus	25,434	22,591
Contribution to provident and other funds (refer note 35)	1,318	1,180
Gratuity expense (refer note 35)	400	269
Staff welfare expenses	740	840
<b>Total</b>	<b>27,891</b>	<b>24,880</b>
<b>29. Finance costs</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
Interest expense on financial liabilities measured at amortised cost	10,504	8,682
Other borrowing costs (includes letter of credit opening and retirement charges, loan processing fees etc.)	849	565
<b>Total</b>	<b>11,353</b>	<b>9,248</b>
<b>30. Depreciation and amortisation expenses</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
Depreciation of property, plant and equipment and investment property (refer note 3)	5,684	5,631
Depreciation on Investment Properties (refer note 4)	38	35
Amortization of intangible assets (refer note 5)	364	360
<b>Total</b>	<b>6,086</b>	<b>6,026</b>

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

<b>31. Other expenses</b>	<b>Year ended 31st March, 2019</b>		<b>Year ended 31st March, 2018</b>	
Power and fuel [refer note (i) below]		12,646		10,960
Freight and forwarding charges		8,844		7,436
Consumption of stores and spare / loose tools		3,421		2,733
Material handling charges		435		197
Operations and maintenance :				
Plant and machinery		3,802		3,716
Buildings		261		319
Processing charges		141		133
Allowance for credit impaired debts and advances		294		203
Consultants and professional fees		319		467
Exchange differences (net)		157		-
Insurance		529		512
Travelling and conveyance		1,028		975
Rent and hire charges		969		991
Bad Debts / advances written off	182		88	
Less: adjusted against provision for credit impaired debts and advances	14	168	-	88
Rates and taxes		578		392
Corporate social responsibility (CSR) expenditure [refer note (ii) below]		19		27
Remuneration to auditors [refer note (iii) below]		233		222
Excise Duty on increase/(decrease) in inventories		-		(489)
Loss on sale of property, plant and equipment (net) *		361		-
Miscellaneous expenses [ refer note (iv) below]		3,992		3,106
<b>Total</b>		<b>38,197</b>		<b>31,988</b>

\*Includes Rs. 1,096 lakhs on account of loss on sale of a assets related to steel business of a subsidiary company netted off with profit on sale of Agra plant of Rs. 612 lakhs.

<b>(i) The following expenses are included in Power and fuel expenses in the Statement of Profit and Loss :</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
Consumption of stores and spares / loose tools	119	87
Material handling charges	127	123
Operations and maintenance: plant and machinery	333	298
Operations and maintenance: buildings	6	3
Miscellaneous expenses	24	17
<b>Total</b>	<b>609</b>	<b>528</b>

<b>(ii) Details of CSR expenditure</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
a) Gross amount required to be spent by the group during the year	19	27
b) Amount spent during the year		
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	19	27
<b>Total</b>	<b>19</b>	<b>27</b>

<b>(iii) Remuneration to auditors comprises of :</b>	<b>Year ended 31st March, 2019</b>	<b>Year ended 31st March, 2018</b>
<b>As auditor:</b>		
As auditor - for statutory audit and limited reviews	196	186
Tax audit fee	11	9
Other matters	20	16
Reimbursement of expenses	6	11
<b>Total</b>	<b>233</b>	<b>222</b>

(iv) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 396 lakhs (31st March, 2018: Rs 315 lakhs), and they are recognised in miscellaneous expenses.

32. Earnings / (loss) per equity share (EPS)	Year ended 31st March, 2019	Year ended 31st March, 2018
The following reflects the income and share data used in the basic and diluted EPS computations :		
<b>Net profit /(loss) before OCI attributable to equity holders for basic and diluted EPS from continuing operations (a)</b>	39,201	13,792
<b>Net profit /(loss) before OCI attributable to equity holders for basic and diluted EPS from discontinued operations (b)</b>	(34,271)	(40,587)
<b>Profit/(loss) for the period [(c) = (a) + (b)]</b>	4,930	(26,795)
Weighted average number of equity share outstanding for the purpose of basic and diluted EPS	30,47,41,780	30,47,41,780
Basic and diluted earnings / (loss) per equity share (Rs.) from continuing operations	12.82	4.42
Basic and diluted earnings / (loss) per equity share (Rs.) from discontinued operations	(11.25)	(13.32)
Basic and diluted earnings / (loss) per equity share (Rs.) from continuing and discontinued operations	1.57	(8.90)
Nominal value per share (Re.)	1	1

Till previous year ended March 31, 2018, the holding company was recognising deferred tax assets (DTA) arising on unabsorbed depreciation and brought forward business losses to the extent of aggregate deferred tax liabilities only and balance were not recognised in view of prudence and uncertainty of recovery of such assets against future taxable income. Pursuant to transfer of steel division subsequent to balance sheet date as per the terms of BTA /Supplemental BTA with TSIL, the Company has recognised net DTA of Rs 23,846 lakhs as part of continuing business. Management believes that it is probable that such DTA can be utilised against long-term capital gain arising from sale of SBB business and balance against future taxable income arising from the continuing business.

The earnings per share of continuing operations for the year ended 31st March, 2019 are hence not comparable with the earnings per share of the previous periods reported.

### 33. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions, that affect the reported amounts and the disclosures. The group based its assumptions and estimates on parameters available when the financial statements were prepared and these are reviewed at each Balance Sheet date. Uncertainty about these assumptions and estimates could result in outcomes that may require material adjustment to the reported amounts and disclosures.

#### (i) Discontinued Operations [refer note 39(ii)]

The Steel and Bright and Bar Business (SBB Business) include only those assets and liabilities (including contingencies) that are to be acquired by the Purchaser under the terms of the BTA subject to the amendments and substitution vide Supplemental BTA (assumed assets, assumed liabilities and assumed litigations).

The assumed assets and assumed liabilities, related income and expenses and allocated expenses including interest cost and corporate shared service expenses have been reported in the SBB Business in accordance with recognition, measurement, recognition principles prescribed by Ind AS.

As per BTA subject to the amendments and substitution vide Supplemental BTA, "Bright Bar Unit" means all the plant and machinery pertaining to the bright bar business of the Company located at Ranchi and Chennai respectively. Accordingly, only plant and machinery pertaining to the bright bar business of the Company located at Ranchi and Chennai has been considered.

The SBB Business has historically operated as part of the Company and not as a standalone entity. Financial statements representing the operations of the SBB Business have been derived from the Company's accounting records. As part of the Company, the SBB Business is dependent upon the Company for all of its working capital and financing requirements as the Company uses a centralized approach to cash management and financing of its operations. All long-term borrowings including current maturities and short term borrowings representing working capital loans and loans repayable on demand are not assumed liabilities of discontinued operations under the terms of BTA.

Assets, liabilities, income and expenses recognised in the SBB Business are those which are directly attributable to these Business and are based on the books of account and underlying accounting records maintained by the SBB Business.

Assets, liabilities, income and expenses recognised in the SBB Business that

are either not readily identifiable from the books of account maintained by the Company or not directly attributable to SBB Business have been allocated on a reasonable basis as below -

- The historical costs include an allocation for certain corporate and shared service functions historically provided by the Company to the SBB Business, including, but not limited to, accounting, treasury, tax, legal, human resources and other shared services. These expenses have been allocated to SBB Business on the basis of direct utilisation where identifiable and in other cases allocated on the basis of turnover of the business vis a vis the turnover of the Company as a whole.
- Finance costs relating to borrowings have been recognised in SBB Business because the proceeds from borrowings were used to fund the operations of the SBB Business during the year. An appropriate amount of interest charge based on the portion of the debt pertaining to the SBB Business has been allocated and recognised.
- Income and expenses pertaining to bright bar business have been allocated on a reasonable basis taking into consideration the percentage of production, turnover, employee head count, etc.
- Unrealised profit/ loss arising on account of sale of wire rod by SBB Business to the Company's other businesses and included in period end inventories of those other businesses have been eliminated from profits of the SBB Business with corresponding adjustments against such period end inventories.

Pursuant to the terms of the BTA, certain assets pertaining to SBB Business are pass through in nature (i.e. the beneficial ownership of these assumed assets continued to be with the Company) such as export incentives receivable, claims receivables, deposit for fuel surcharge matter/electricity matter and deposit for a legal mining case which would be transferred immediately to the Company by the Purchaser whenever received post-closing date. Consequently, such receivables have been retained by the Company and is forming part of the continuing operations.

As per BTA subject to the amendments and substitution vide Supplemental BTA, the costs that may have to be incurred for transfer of plant and machinery of bright bar business from their current location to the Purchaser's premises and other transaction costs in respect of appraisal cost, professional fees, documentation, legal expenses, counsel's fees etc. will not be borne by the SBB Business.

Contingent liabilities of the SBB Business have been reported on the basis of list of assumed litigations read with excluded liabilities as per the terms

specified in the BTA subject to the amendments and substitution vide Supplemental BTA.

**(ii) Useful economic lives of property, plant and equipment and impairment considerations**

Property, plant and equipment are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Group also reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Group's business plans and changes in regulatory environment are taken into consideration.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above mentioned factors could impact the carrying value of the assets.

**(iii) Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

A provision is recognized if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The group has capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the group. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

**(iv) Provisions for site restoration and rehabilitation [under discontinued operation as disclosed in note 39(ii)]**

In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The group estimates that the costs would be incurred upon the expiration of the lease and calculates the provision using the DCF method.

The iron ore mines is being governed by Mineral Conservation and Development Rules, 1988 (MCDR), which requires final mines closure plan to be submitted before two years from the date of intended closure. The mining lease operation is valid up to the year 2055 and accordingly, final mining closure plan is required to be submitted in the year 2053 or any earlier date when mine is intended to be closed due to any reason in future, which is not visible in next two years.

MCDR requires mining plan to be approved for every 5 years which consists of progressive mine closure plan which is being reviewed for implementation at every occasion of approval in 5 years and devised for next 5 years. As such, in case of iron ore mine there will be no incremental activities required at the stage of final mine closure plan beyond the activities of progressive mine closure plan.

Accordingly, provision has been recognised in respect of site restoration and rehabilitation based on best estimate in respect of progressive mine closure plan.

**(v) Defined benefit plans**

The cost and the present value of the defined benefit gratuity plan, long term service award and retirement compensation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans, the management considers the interest rates of Government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

**(vi) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Till previous year ended March 31, 2018, the Group was recognising deferred tax assets (DTA) arising on unabsorbed depreciation and brought forward business losses to the extent of aggregate deferred tax liabilities only and balance were not recognised in view of prudence and uncertainty of recovery of such assets against future taxable income. Pursuant to transfer of steel division subsequent to Balance Sheet date as per the terms of BTA /Supplemental BTA with TSIL, the Group has recognised net DTA as disclosed in note 8 as part of continuing business. Management believes that it is probable that such DTA can be utilised against long-term capital gain arising from sale of SBB business and balance against future taxable income arising from the continuing business.

**(vii) Fair value measurement**

When fair value of financial assets and financial liabilities recorded in the balance sheet can not be measured based on quoted prices in active markets, their fair value are measured using valuation techniques which involve various judgements and assumptions that may differ from actual developments in the future.

**(viii) Non-current assets held for sale**

Assets and liabilities of non-current assets held for sale are measured at the lower of carrying amount and fair value less cost to sale. The determination of fair value less costs to sale include use of management estimates and assumptions. The fair value has been estimated using valuation techniques (including income and market approach) which includes unobservable inputs.

**(ix) Valuation of inventories**

The Group follows suitable provisioning norms for writing down the value of slow-moving, non-moving and surplus inventory. This involves various judgements and assumptions that may differ from actual developments in the future.

**34. Commitments and contingencies****A Leases****Operating lease commitments — Group as lessee**

The Company had two non-cancellable operating lease agreements, in connection with establishment and operation of plants, by the lessor, for production of gaseous oxygen to cater to the Companies Steel Plant at Jamshedpur. One of such agreements became operative in 2001-02 (Lease A) and the other one has become operative in 2005-06 (Lease B). Both these lease agreements shall stand automatically extended for a further period up to 31st March 2032 and either party shall be entitled to terminate the agreement, at anytime after 31st March, 2027. The Company paid minimum lease rent and fixed, as well as, variable operating and maintenance charges for both the leases. There were no subleases and contingent rent in the lease arrangements.

The Group's significant leasing arrangements are in respect of operating leases for land and building premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' under note 31. With regard to certain other non-cancellable operating leases for premises, the future minimum rentals are as follows:

Lease rent	As at 31st March, 2019	As at 31st March, 2018
Within one year	400	1,854
After one year but not more than five years	858	5,244
More than five years	7,673	10,736
<b>Operation and maintenance charges*</b>		
Within one year	19	350
After one year but not more than five years	-	1,265
More than five years	-	1,270

\*Leases related to oxygen plants of SBB business have been transferred to discontinued operations, hence information as at March 31, 2019 have not been shown above.

The above amounts are exclusive of taxes and duties. The Group has charged the following amount in the consolidated statement of profit and loss on account of the aforesaid leases.

	Year ended 31st March, 2019	Year ended 31st March, 2018
Lease rent	441	1,846
Operation and maintenance charges	19	398
Escalation charges and taxes	-	469
<b>Total*</b>	<b>460</b>	<b>2,713</b>

\* Rs.1,663 lakhs (31st March, 2018 : Rs. 2,086 lakhs) and Rs. 310 lakhs (31st March, 2018 : Rs. 358 lakhs) are booked under consumption of stores and spares / loose tools and Rent and hire charges respectively under other expenses in discontinued operations.

The Group has entered into cancellable operating lease arrangements for another gaseous oxygen plant, accommodation for office spaces and employees residential accommodation etc. Tenure of leases generally vary between 1 and 10 years. There are no subleases and contingent rent in the lease arrangements. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating to Rs. 969 lakhs (31st March, 2018 : Rs. 991 lakhs) have been debited to rent and hire charges under continuing operations.

**Operating lease — Group as lessor**

A subsidiary of the Group, Usha Martin Singapore Pte. Limited, has given a certain portion of a building under cancellable operating lease for 2 years at the prevailing market and on such terms and conditions that contained or such variations or modifications thereof as shall be mutually agreed. Related lease rental income aggregating Rs. 193 lakhs (31st March, 2018 : Rs. 223 lakhs) has been recognized in the Statement of Profit and Loss for the year.

**B Commitments**

	As at 31st March, 2019	As at 31st March, 2018
<b>(i) Capital commitments</b>	459	989
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
<b>(ii) Other commitments</b>	1,46,000	229,144
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme. The Company is reasonably certain to receive the discharge certificates in respect of its pending export obligations, hence it does not anticipate a liability with respect to its obligations		
<b>(iii) Guarantees</b>		
(a) Corporate guarantee given by the Company to banks / third parties to secure the financial assistance / accommodation extended on behalf of subsidiaries.	6,762	5,015

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

	As at 31st March, 2019	As at 31st March, 2018
(b) The Company has provided a letter of comfort to a bank that has provided credit facilities to its joint venture, Pengg Usha Martin Limited. Such facilities have been utilised to the extent of Rs. 3,659 lakhs as at 31st March, 2019 (Rs 4,875 lakhs as at 31st March, 2018) by the joint venture company. Vide the letter of comfort, the Company has provided an undertaking not to dispose off its investment in that joint venture company and to provide full support to its operations.		
<b>(iv) Bank guarantees</b>		
The Group has given bank guarantees details of which are as below:		
(a) in favour of the nominated authority, New Delhi against the allocation of Brinda and Sasai coal block ###	-	13,371
(b) in favour of the regional controller of mines against the progressive mines closure plan ###	-	189
(c) in favour of various parties against various contracts	1,844	3,628
The Company has assessed that it is only possible, but not probable, that outflow of economic resources will be required.		

### These items have been transferred to discontinued operations, hence information as at March 31, 2019 have not been shown above.

<b>C. Contingent liabilities</b>	As at 31st March, 2019	As at 31st March, 2018
<b>(a) Continuing operations</b>		
<b>Claims against the Group not acknowledged as debt * ##</b>		
Tax and duty for which the Group has preferred appeal before appropriate authorities:		
Demand for income tax matters	3,107	4,501
Demand for sales tax, entry tax and electricity duty **	11,015	10,110
Demand for excise duty and service tax	14,266	13,645
Demand for customs duty	2,139	2,095
Outstanding labour disputes	65	60
Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	6,790	13,443
Electricity demand on account of low power factor pending with appropriate authority	-	4,715
Demand for mining matter is pending with appropriate authority #	-	4,784
Demand for differential royalty on different grade of coal extracted	-	5,734
Demand for compensation on account of mining and dump /infrastructure/colony established outside approved mining lease area	1,710	27,146
Demand for financial assurance amount in Escrow account	226	226
Disputed claims by parties not acknowledged as debt by the Company	5,347	465
Demand for land rent etc. by Adityapur Industrial Development Authority	8,641	-

\*\* Includes demand aggregating to Rs. 2,067 lakhs (31st March, 2018 : Rs. 2,968 lakhs) received by the Company towards entry tax in West Bengal and Punjab. Subsequent to the decision of the Hon'ble Supreme Court of India, vide order dated 11th November, 2016, upholding the rights of State Governments to impose entry tax, the Company has filed petitions before the Hon'ble High Courts of the aforesaid States and also Jharkhand on grounds that entry tax imposed by respective State legislations is discriminatory in nature. Pending decisions by the Hon'ble High Courts, the Company's obligation, if any, towards entry tax is not ascertainable. Based on legal opinion obtained, management believes that there will be no adverse impact on the Company.

# In respect of one case, the Company has given an undertaking to deposit Rs. 1,922 lakhs in six instalments within a period of six months from January 2018. Against the same, the Company had deposited Rs. 300 lakhs upto 31st March, 2018 .

<b>(b) Discontinued operations</b>	As at 31st March, 2019	As at 31st March, 2018
<b>Claims against the Company for SBB business not acknowledged as debt * ##</b>		
Duty for which the Company has preferred appeal before appropriate authorities for SBB business :		
Outstanding labour disputes	13	-
Demand for fuel surcharge matter and delayed payment surcharge pending with appropriate authority	4,190	-
Demand for mining matter is pending with appropriate authority @	2,862	-
Demand for Goods and Service Tax	443	-

@ The Company has given an undertaking to deposit Rs. 1,922 lakhs in six instalments within a period of six months from January 2018. Against the same, the Company had deposited Rs. 1,000 lakhs upto 31st March, 2019 and subsequent to the balance sheet date, the Company has deposited Rs 922 lakhs by April 24, 2019.

## Pending necessary clarification, the Company has complied with the order of the Hon'ble Supreme Court of India regarding applicability of Employees' Provident Funds & Miscellaneous Provisions Act, 1952 to certain fixed elements of remuneration paid/payable to employees with effect from the date of such order, i.e., February 28, 2019. Any additional provision in respect of earlier periods will be recognised as and when further clarifications will be available.

\* Future cash outflows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities. Based on discussions with the solicitors/favourable decisions in similar cases/legal opinions taken by the Company, the management believes that the Company has a good chance of success in above mentioned matters and hence no provision there against is considered necessary.

**35. Post employment defined contribution plans and post employment defined benefit plans****(a) Post employment defined contribution plans**

	Year ended 31st March, 2019	Year ended 31st March, 2018
Amount recognised in the statement of profit and loss		
(i) Provident fund paid to the authorities *	113	102
(ii) Pension fund paid to the authorities	655	583
(iii) Superannuation fund - Contribution payable / paid to a Trust	230	192
<b>Total</b>	<b>998</b>	<b>877</b>

\*Contribution towards Provident Fund for certain employees is made to the regulatory authorities. Such provident fund benefit is classified as defined contribution scheme as the Group does not carry any further obligations, apart from the contribution made on a monthly basis which is recognised as expense in the statement of profit and loss, as indicated above.

**(b) Post employment defined benefit plans****I. Gratuity plan (funded)**

The Company and UM Cables Limited, an Indian subsidiary of the Group, has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

**II. Gratuity plan (unfunded)**

Brunton Wolf Wire Ropes FZCo. Limited, an overseas subsidiary of the Group, provides for gratuity, a defined benefit retirement plan, covering its eligible employees. Pursuant to the plan, gratuity benefit equivalent to eligible salary for specified number of days for each year of completed service is paid to respective employees upon retirement, death or cessation of service. Vesting generally occurs upon completion of five years of service.

**III. Long term service award (unfunded)**

Employees of the Company rendering greater than twenty years of service will receive long service award on all causes of exit as per the Company's policy. The cost of providing benefits under this plan is determined by actuarial valuation using the projected unit credit method by independent qualified actuaries at the year end.

**IV. Retirement compensation (unfunded)**

Usha Siam Steel Industries' Company Limited, an overseas subsidiary of the Group, provides for retirement compensation, a defined benefit plan, covering its employees. Pursuant to the plan, retirement compensation is paid to employees based on last drawn salary and length of service upon retirement, death or resignation. Vesting occurs upon completion of 120 days of service.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the above defined benefit plans:

A	Expenses recognised in the statement of profit & loss	Year ended 31st March, 2019				Year ended 31st March, 2018			
		Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)
1	Current / past service cost	382	42	5	74	159	34	55	75
2	Net Interest cost	221	15	5	15	174	14	(55)	16
	Less: Amount recognised in statement of profit and loss- discontinued operations	(260)	-	(4)	-	(112)	-	-	-
<b>3</b>	<b>Total (i)</b>	<b>343</b>	<b>57</b>	<b>6</b>	<b>89</b>	<b>221</b>	<b>48</b>	<b>-</b>	<b>91</b>
	<b>Expenses recognised in other comprehensive income</b>								
4	<b>Remeasurement (gains)/losses on defined benefit plans</b>								
	Arising from changes in experience	79	(26)	36	-	65	(12)	-	(9)
	Arising from changes in financial assumptions	105	-	2	-	(75)	-	-	46
	Actuarial (gains) / losses on plan assets	-	-	-	-	-	-	-	-
	Less: Amount recognised in current year-discontinued operations	(297)	-	(23)	-	(23)	-	-	-
<b>5</b>	<b>Total (ii)</b>	<b>(113)</b>	<b>(26)</b>	<b>15</b>	<b>-</b>	<b>(33)</b>	<b>(12)</b>	<b>-</b>	<b>37</b>
<b>6</b>	<b>Total expense (i)+(ii)</b>	<b>230</b>	<b>31</b>	<b>21</b>	<b>89</b>	<b>188</b>	<b>36</b>	<b>-</b>	<b>128</b>

**Notes to the consolidated financial statements**

(All amounts in Rs. lakhs)

B	Net asset / ( liability ) recognised in the balance sheet	As at 31st March, 2019		As at 31st March, 2018	
		Gratuity	Long term service award	Gratuity	Long term service award
1	Present value of defined benefit obligation	3,112	68	5,110	72
2	Fair value of plan assets	1,777	-	2,243	-
<b>3</b>	<b>Net asset / ( liability )</b>	<b>(1,335)#</b>	<b>(68)</b>	<b>(2,867)</b>	<b>(72)</b>

# Net of Rs 20 lakhs plan assets of a subsidiary

C	Change in the present value of the defined benefit obligation during the year	As at 31st March, 2019				As at 31st March, 2018			
		Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Long term service award	Retirement Compensation (Unfunded)
1	<b>Present value of defined benefit obligation at the beginning of the year</b>	<b>5,110</b>	<b>298</b>	<b>72</b>	<b>830</b>	<b>5,157</b>	<b>269</b>	<b>77</b>	<b>679</b>
2	Current service cost / plan amendments	382	42	5	74	159	34	55	75
3	Interest cost	370	15	5	15	374	14	(55)	16
4	Benefits paid	(611)	(16)	(10)	(96)	(570)	(3)	(5)	(63)
5	Remeasurement (gains)/losses	184	(26)	38	-	(10)	(12)	-	37
6	Return on plan assets greater/(lesser) than discount rate	(43)	-	-	-	-	-	-	-
	Arising from changes in demographic assumptions	-	-	-	-	-	-	-	-
	Arising from changes in financial assumptions	-	-	-	-	-	-	-	-
7	Exchange differences on foreign plans	-	33	-	74	-	(4)	-	86
8	Less Amount recognised in discontinued operations	(2,280)	-	(42)	-	-	-	-	-
<b>9</b>	<b>Present value of defined benefit obligation at the end of the year</b>	<b>3,112</b>	<b>346*</b>	<b>68#</b>	<b>897</b>	<b>5,110</b>	<b>298</b>	<b>72</b>	<b>830</b>

\* Excludes liability for gratuity amounting to Rs. 287 lakhs (31st March, 2018 : Rs. 247 lakhs) of Usha Martin Singapore Pte Limited, a subsidiary of the Company. The liability has been provided on actual basis for the unfunded gratuity plan.

# Excludes liability for long term service award amounting to Rs. 24 lakhs (31st March, 2018 : Rs. 19 lakhs) of Usha Martin Singapore Pte Limited, a subsidiary of the Company. The liability has been provided on actual basis for the unfunded long term service award.

D	Change in the fair value of plan assets during the year	As at 31st March, 2019	As at 31st March, 2018
		Gratuity	
1	Plan assets at the beginning of the year	2,243	2,599
2	Interest income	150	200
3	Contribution by employer	38	14
4	Actual benefits paid	(611)	(570)
5	Return on plan assets greater/(lesser) than discount rate	(43)	-
<b>6</b>	<b>Plan assets at the end of the year</b>	<b>1,777</b>	<b>2,243</b>

E In 2019-20, the Company expects to contribute Rs 27 lakhs (2018-19: Rs 75 lakhs) to gratuity fund.

F. The major categories of plan assets as a percentage of the fair value of total plan assets	As at 31st March, 2019	As at 31st March, 2018
	<b>Gratuity (funded)</b>	
Investments with insurer	98%	96%
Cash and cash equivalent	2%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>

G	Actuarial assumptions	As at 31st March, 2019				As at 31st March, 2018			
		Gratuity (funded)	Gratuity (unfunded)	Long term service award	Retirement Compensation (unfunded)	Gratuity (funded)	Gratuity (unfunded)	Long term service award	Retirement Compensation (unfunded)
1	Discount rate	7.50% / 7.70%	5.25%	7.70%	1.86%	7.7% / 7.70%	5.25%	7.70%	1.86%
2	Expected rate of return on plan assets	7.50% / 7.70%	NA	NA	NA	7.7% / 7.70%	NA	NA	NA
3	Mortality pre retirement	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	100% of the Male and Female Thai Mortality Ordinary Tables of 2008	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate	100% of the Male and Female Thai Mortality Ordinary Tables of 2008
4	Mortality post retirement	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate	NA	TMO 2008	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate	NA	TMO 2008
5	Employee turnover rate	1%	1%	1%	2% - 48%	1%	1%	1%	2% - 48%

H The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

I. Maturity profile of the defined benefit obligation (undiscounted amount)								
Expected benefit payments for the year ending	As at 31st March, 2019				As at 31st March, 2018			
	Gratuity (funded)	Gratuity (unfunded)	Long term service award	Retirement Compensation (unfunded)	Gratuity (funded)	Gratuity (unfunded)	Long term service award	Retirement Compensation (unfunded)
Not later than 1 year	293	4	4	108	333	4	8	104
Later than 1 year and not later than 5 years	1,015	88	27	496	1,135	83	23	474
Later than 5 years and not later than 10 years	1,948	128	43	569	1,463	121	21	544
More than 10 years	10,023	-	15	1,335	4,530	-	21	1,277
<b>Total expected payments</b>	<b>13,279</b>	<b>220</b>	<b>89</b>	<b>2,508</b>	<b>7,461</b>	<b>208</b>	<b>73</b>	<b>2,399</b>

#### J. Sensitivity analysis

The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:

Increase /(decrease) in defined benefit obligation	As at 31st March, 2019				As at 31st March, 2018			
	Gratuity	Gratuity (unfunded)	Long term service award	Retirement Compensation (unfunded)	Gratuity	Gratuity (unfunded)	Long term service award	Retirement Compensation (unfunded)
<b>Discount rate</b>								
Increase by 0.5% / 1%	(306)	(37)	(104)	(39)	(143)	(35)	(2)	(42)
Decrease by 0.5% / 1%	202	45	24	43	152	42	2	46
<b>Expected rate of increase in compensation level of covered employees</b>								
Increase by 0.5% / 1%	202	-	2	43	75	-	2	38
Decrease by 0.5% / 1%	(370)	-	(2)	(40)	(80)	-	(2)	(35)
<b>Expected rate of increase in attrition rate</b>								
Increase by 0.5% / 1%	*	-	-	40	3	-	*	43
Decrease by 0.5% / 1%	*	-	-	(35)	(3)	-	*	(36)
<b>Expected rate of increase in mortality rate</b>								
Increase by 0.5% / 1%	*	-	-	-	3	-	*	-
Decrease by 0.5% / 1%	*	-	-	-	(3)	-	*	-

\* Amount is below the rounding off norm adopted by the Group.

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the project unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

**K Risk analysis**

The Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

**(i) Interest risk**

A decrease in the interest rate on plan assets will increase the plan liability.

**(ii) Longevity risk/Life expectancy**

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability

**(iii) Salary growth risk**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

**(iv) Investment risk**

The Gratuity plan is funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**V. Provident fund**

Provident fund contributions in respect of employees [other than those covered in (a) above] are made to Trusts administered by the Company and such Trusts invest funds following a pattern of investments prescribed by the Government. Both the employer and the employees contribute to this Fund and such contributions together with interest accumulated thereon are payable to employees at the time of their separation from the Company or retirement, whichever is earlier. The benefit vests immediately on rendering of services by the employee. The interest rate payable to the members of the Trusts is not lower than the rate of interest declared annually by the Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, on account of interest is to be made good by the Company. In terms of the guidance on implementing Indian Accounting Standard 19 on Employee Benefits, a provident fund set up by the Company is treated as a defined benefit plan in view of the Company's obligation to meet interest shortfall, if any.

The Actuary has carried out actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected unit credit method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, there is no future anticipated shortfall with regard to interest rate obligation of the Company as at the balance sheet date. Further during the period, the Company's contribution Rs 320 lakhs (31st March, 2018 : Rs 303 lakhs\*) to the Provident Fund Trust, has been expensed under "Contribution to Provident and Other Funds". Disclosures given hereunder are restricted to the information available as per the Actuary's report.

\* for continuing operation only.

**Principal Actuarial Assumptions**

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

	As at 31st March, 2019	As at 31st March, 2018
Discount Rate	7.50%	7.70%
Expected rate of increase in compensation level of covered employees	5.00%	5.00%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate
EPFO Return	8.55%	8.65%

**36. Related party disclosures****(i) Related Parties**

(a)	Joint ventures	Pengg Usha Martin Wires Private Limited (PUMWPL)
		CCL Usha Martin Stressing Systems Limited (CCLUMSSL)
		Tesac Usha Wire rope Company Limited (TUWCL) *
(b)	Key managerial personnel	Mr. Basant Kumar Jhawar, Chairman Emeritus (till 31st March, 2019)
		Mr. G.N.Bajpai, Chairman (till 31st March, 2019)
		Mr. Brij K Jhawar, Director
		Mr. Prashant Jhawar, Director
		Mr. Salil Singhal, Director
		Mr. Jitender Balakrishnan, Director
		Mr. P.S.Bhattacharyya, Director
		Mr. M. Rohatgi, Director
		Ms. A. Ramakrishnan, Director (till 9th January, 2019)
		Mr. V. Ramakrishna Iyer, Director
		Mr. Rajeev Jhawar, Managing Director
		Mr. P.K.Jain, Joint Managing Director (Wire and Wire Rope Business)
		Mr. Rohit Nanda, Chief Financial Officer (till 9th April, 2019)
		Mr. Anirban Sanyal, Chief Financial Officer (w.e.f. 10th April, 2019)
		Ms. Shampa Ghosh Ray, Company Secretary
(c)	Substantial interest in the voting power of the entity	UMI Special Steel Limited (UMISSL) (under liquidation)
(d)	Others	Usha Martin Employee Provident Fund Trust
		Joh Pengg Austria AG (Holding Company of PUMWPL)

\* Represents step-down Joint venture.

## 36. Related party disclosures

## (ii) Particulars of transactions

The following table provides the total amount of transactions that have been entered into with the related parties for the relevant financial period:

Name and relationship	Year-end	Transactions during the period						
		Sale of products and services	Purchase of Machineries	Dividend Received	Interest expenses/ (income) (net)	Key management personnel' remuneration #	Directors' sitting fees	Contribution to Employees Provident Fund Trust
<b>Key managerial personnel</b>								
Mr. Rajeev Jhawar	<b>31st March 2019</b>	-	-	-	-	<b>158</b>	-	-
	31st March 2018	-	-	-	-	125	-	-
Mr. Brij K Jhawar	<b>31st March 2019</b>	-	-	-	-	-	<b>3</b>	-
	31st March 2018	-	-	-	-	-	3	-
Mr. P. K. Jain	<b>31st March 2019</b>	-	-	-	-	<b>159</b>	-	-
	31st March 2018	-	-	-	-	142	-	-
Mr. Rohit Nanda	<b>31st March 2019</b>	-	-	-	-	<b>165</b>	-	-
	31st March 2018	-	-	-	-	116	-	-
Ms. Shampa Ghosh Ray	<b>31st March 2019</b>	-	-	-	-	<b>34</b>	-	-
	31st March 2018	-	-	-	-	19	-	-
Mr. Basant Kumar Jhawar	<b>31st March 2019</b>	-	-	-	-	-	<b>3</b>	-
	31st March 2018	-	-	-	-	-	2	-
Mr. Prashant Jhawar	<b>31st March 2019</b>	-	-	-	-	-	<b>3</b>	-
	31st March 2018	-	-	-	-	-	1	-
Mr. Jitender Balakrishnan	<b>31st March 2019</b>	-	-	-	-	-	<b>10</b>	-
	31st March 2018	-	-	-	-	-	9	-
Mr. G.N.Bajpai	<b>31st March 2019</b>	-	-	-	-	-	<b>13</b>	-
	31st March 2018	-	-	-	-	-	11	-
Mr. Salil Singhal	<b>31st March 2019</b>	-	-	-	-	-	<b>9</b>	-
	31st March 2018	-	-	-	-	-	6	-
Mr. P.S.Bhattacharyya	<b>31st March 2019</b>	-	-	-	-	-	<b>8</b>	-
	31st March 2018	-	-	-	-	-	7	-
Mr. V. Ramakrishna Iyer	<b>31st March 2019</b>	-	-	-	-	-	<b>4</b>	-
	31st March 2018	-	-	-	-	-	3	-
Mr. M. Rohatgi	<b>31st March 2019</b>	-	-	-	-	-	<b>5</b>	-
	31st March 2018	-	-	-	-	-	5	-
Ms. A. Ramakrishnan	<b>31st March 2019</b>	-	-	-	-	-	<b>6</b>	-
	31st March 2018	-	-	-	-	-	5	-
<b>Total</b>	<b>31st March 2019</b>	-	-	-	-	<b>516</b>	<b>64</b>	-
	31st March 2018	-	-	-	-	402	52	-
<b>Others</b> Usha Martin Employees Provident Fund Trust	<b>31st March 2019</b>	-	-	-	-	-	-	<b>320</b>
	31st March 2018	-	-	-	-	-	-	554
Joh Pengg Austria AG	<b>31st March 2019</b>	<b>897</b>	<b>27</b>	<b>120</b>	-	-	-	-
	31st March 2018	793	217	120	17	-	-	-
<b>Total</b>	<b>31st March 2019</b>	<b>897</b>	<b>27</b>	<b>120</b>	-	-	-	<b>320</b>
	31st March 2018	793	217	120	17	-	-	554
<b>Grand Total</b>	<b>31st March 2019</b>	<b>897</b>	<b>27</b>	<b>120</b>	-	<b>516</b>	<b>64</b>	<b>320</b>
	31st March 2018	793	217	120	17	402	52	554

# Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is included above on payment basis.

36. Related party disclosures							
(iii) Balance outstanding at the year end 31st March, 2019							
Name and relationship		Balance outstanding at the year end					
		Corporate / other guarantees given	Trade receivables	Trade payables/ other financial liabilities	Loans and advances (long-term / short-term)	Investments in equity shares	Company's contribution to Related Party Trust
<b>Substantial interest in voting power of the Company</b>							
UMISSL	<b>31st March, 2019</b>	-	-	-	-	*	-
	31st March, 2018	-	-	-	-	*	-
<b>Key managerial personnel</b>							
Mr. Rajeev Jhawar	<b>31st March, 2019</b>	1,99,594	-	2	-	-	-
	31st March, 2018	2,03,750	-	2	-	-	-
Mr. P. K. Jain	<b>31st March, 2019</b>	-	-	9	-	-	-
	31st March, 2018	-	-	8	-	-	-
Mr. Rohit Nanda	<b>31st March, 2019</b>	-	-	14	-	-	-
	31st March, 2018	-	-	9	-	-	-
Ms. Shampa Ghosh Ray	<b>31st March, 2019</b>	-	-	2	-	-	-
	31st March, 2018	-	-	1	-	-	-
<b>Total</b>	<b>31st March, 2019</b>	<b>1,99,594</b>	-	<b>27</b>	-	-	-
	31st March, 2018	2,03,750	-	20	-	-	-
<b>Others</b> Usha Martin Employees provident Fund Trust	<b>31st March, 2019</b>	-	-	-	-	-	<b>228</b>
	31st March, 2018	-	-	-	-	-	46
Joh Pengg Austria AG	<b>31st March, 2019</b>	-	342	-	1	1,620	-
	31st March, 2018	-	224	8	1	1,620	-
<b>Total</b>	<b>31st March, 2019</b>	-	<b>342</b>	-	<b>1</b>	<b>1,620</b>	<b>228</b>
	31st March, 2018	-	224	8	1	1,620	46
<b>Grand Total</b>	<b>31st March, 2019</b>	<b>1,99,594</b>	<b>342</b>	<b>27</b>	<b>1</b>	<b>1,620</b>	<b>228</b>
	31st March, 2018	2,03,750	224	28	1	1,620	46

\* Amount is below the rounding off norm adopted by the Group.

#### Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. For the year ended 31st March, 2019 and 31st March, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The Group routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

**37. Segment information**

Based on evaluation of the Group's business performance by the Chief operating decision maker, the Group's businesses are organised in the following reportable segments :

- The wire and wire ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, bright bar, related accessories, etc.
- Discontinued operations mentioned below represents steel segment which used to manufacture and sell steel wire rods, bars, blooms, bright bar, billets, pig iron and allied products.
- Others include manufacturing and selling of wire drawing and allied machines and Jelly Filled Telecommunication Cables.

The Group's financing (including finance costs and finance income) and income taxes are managed on a Group level and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis.

The following table presents revenue and profit information and certain asset information regarding the Group's business segment as at and for the year ended March 31st, 2019 and March 31st, 2018.

**I. Business Segment Analysis**

Year ended 31st March, 2019					
Particulars	Business segments				Total
	Discontinued operations	Wire and wire ropes (Continuing operations)	Others (Continuing operations)	Adjustments and eliminations	
<b>Segment revenue</b>					
<b>External revenue</b>	<b>2,89,301</b>	<b>2,36,472</b>	<b>10,480</b>	-	<b>5,36,253</b>
	2,64,987	1,97,253	12,714	-	4,74,954
<b>Inter-segment revenue</b>	<b>1,04,899</b>	-	-	<b>(1,04,899)</b>	-
	79,640	-	-	(79,640)	-
<b>Total revenue from operations</b>	<b>3,94,200</b>	<b>2,36,472</b>	<b>10,480</b>	<b>(1,04,899)</b>	<b>5,36,253</b>
	3,44,627	1,97,253	12,714	(79,640)	4,74,954
<b>Segment results</b>	<b>14,744</b>	<b>28,120</b>	<b>(438)</b>	<b>(60,526)</b>	<b>(18,100)</b>
	8,862	22,693	842	(58,765)	(26,368)
<b>Depreciation and amortisation</b>	<b>23,832</b>	<b>5,693</b>	<b>305</b>	<b>88</b>	<b>29,918</b>
	24,461	5,615	311	100	30,487
<b>Total assets</b>	<b>4,28,418</b>	<b>1,99,220</b>	<b>40,128</b>	<b>33,353</b>	<b>7,01,119</b>
	5,29,327	1,98,029	9,478	8,593	7,45,427
<b>Total liabilities</b>	<b>1,96,690</b>	<b>35,964</b>	<b>28,375</b>	<b>3,58,647</b>	<b>6,19,676</b>
	2,04,921	37,795	17,357	4,09,279	6,69,352
<b>Reconciliations to amounts reflected in the financial statements</b>					
<b>Reconciliation of profit</b>					
<b>Segment profit</b>	<b>14,744</b>	<b>28,120</b>	<b>(438)</b>	-	<b>42,426</b>
	8,862	22,693	842	-	32,397
Less : Finance costs					<b>60,368</b>
					58,697
Less : Other unallocable expenditure (net of unallocable income)					<b>158</b>
					68
<b>Loss before tax and share of profit/(loss) of Joint Ventures</b>					<b>(18,100)</b>
					(26,368)
<b>Reconciliation of assets</b>					
<b>Segment assets</b>	<b>4,28,418</b>	<b>1,99,220</b>	<b>40,128</b>		<b>6,67,766</b>
	5,29,327	1,98,029	9,478		7,36,834
<b>Investments -unallocable</b>					<b>4,221</b>
					3,855
<b>Advance income tax assets (net) (note 7)</b>					<b>4,162</b>
					3,842
<b>Deferred tax assets(net) (note 8)</b>					<b>24,970</b>
					896
<b>Total assets</b>					<b>7,01,119</b>
					7,45,427

Year ended 31st March, 2019					
Particulars	Business segments				
	Discontinued Operations	Wire and wire ropes (Continuing Operations)	Others (Continuing Operations)	Adjustments and eliminations	Total
<b>Reconciliation of liabilities</b>					
<b>Segment liabilities</b>	<b>1,96,690</b>	<b>35,964</b>	<b>28,375</b>	<b>-</b>	<b>2,61,029</b>
	2,04,921	37,795	17,357	-	2,60,074
<b>Long-term borrowings including current maturities</b>					<b>2,71,086</b>
					3,10,255
<b>Short-term borrowings</b>					<b>85,371</b>
					96,989
<b>Current tax liabilities (net)</b>					<b>259</b>
					402
<b>Deferred tax liabilities</b>					<b>1,931</b>
					1,633
<b>Total liabilities</b>					<b>6,19,676</b>
					6,69,352

Note: Figures in normal type relate to 31st March, 2018

## II. Geographical segment analysis

The Group's operations are located in India and outside India. The following table provides an analysis of Group's sales by region in which the customer is located, irrespective of the origin of the goods.

Revenue by geographical segment	Year ended 31st March, 2019	Year ended 31st March, 2018
India	1,46,876	1,25,042
Outside India	1,00,076	84,925
<b>Total revenue from operations as per Statement of Profit and Loss</b>	<b>2,46,952</b>	<b>2,09,967</b>

Details of non-current assets (property, plant and equipment, capital work-in-progress, investment property, goodwill on consolidation and other intangible assets) based on geographical area is as below:

	As at 31st March, 2019	As at 31st March, 2018
India	48,494	4,49,672
Outside India	46,325	47,854
<b>Total</b>	<b>94,819</b>	<b>4,97,526</b>

## Segment capital expenditure

	Year ended 31st March, 2019	Year ended 31st March, 2018
India	767	2,497
Outside India	934	402
<b>Total</b>	<b>1,701</b>	<b>2,899</b>

The accounting policies of the reportable segments are the same as of the Group's accounting policies.

## 38 A. Fair value hierarchy

## a) Financial instruments by category

Particulars	As at 31 March 2019				As at 31 March 2018			
	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value	Fair value through profit or loss	Amortised cost	Total carrying value	Total fair value
<b>Financial assets</b>								
Investments	5	-	5	5	5	-	5	5
Trade receivables	-	32,545	32,545	32,545	-	67,137	67,137	67,137
Cash and cash equivalents	-	4,553	4,553	4,553	-	4,973	4,973	4,973
Other bank balances	-	2,766	2,766	2,766	-	1,243	1,243	1,243
Loans	-	949	949	949	-	1,018	1,018	1,018
Other financial assets	82	14,475	14,557	14,557	-	15,554	15,554	15,554
<b>Total financial assets</b>	<b>87</b>	<b>55,288</b>	<b>55,375</b>	<b>55,375</b>	<b>5</b>	<b>89,925</b>	<b>89,930</b>	<b>89,930</b>
<b>Financial liabilities</b>								
Borrowings (including current maturities)	-	3,56,477	3,56,477	3,56,477	-	4,07,263	4,07,263	4,07,263
Trade payables	-	32,453	32,453	32,453	-	1,96,412	1,96,412	1,96,412
Derivatives	49	-	49	49	79	-	79	79
Other financial liabilities	-	14,976	14,976	14,976	-	18,027	18,027	18,027
<b>Total financial liabilities</b>	<b>49</b>	<b>4,03,907</b>	<b>4,03,956</b>	<b>4,03,956</b>	<b>79</b>	<b>6,21,702</b>	<b>6,21,781</b>	<b>6,21,781</b>

The following explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value through profit and loss. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

## (b) Fair value measurement hierarchy for assets and liabilities

Financial assets and liabilities measured at fair value at 31 March 2019				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	5	5
Derivative financial assets	-	82	-	82
<b>Financial liabilities</b>				
Derivative financial liabilities	-	49	-	49
Financial assets and liabilities measured at fair value at 31 March 2018				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments	-	-	5	5
<b>Financial liabilities</b>				
Derivative financial liabilities	-	79	-	79

## Notes:

The Group uses the following hierarchy for determining and /or disclosing the fair value of financial instruments by valuation techniques :

Level 1 hierarchy includes financial instruments measured using quoted prices in active markets for identical assets or liabilities.

Level 2 hierarchy includes the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) and the fair value is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between levels 1 and 2 during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**38 B. Financial risk management****Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the Risk Management Committee (RMC) which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and control and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's activities expose it to market risk, liquidity risk and credit risk which are measured, monitored and managed to abide by the principles of risk management.

**(a) Credit risk**

Credit risk refers to the risk of financial loss that may arise from counterparty failure on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

The Group controls its own exposure to credit risk. All external customers undergo a creditworthiness check. The Group performs an on-going assessment and monitoring of the financial position and the risk of default. Based on the aforesaid checks, monitoring and historical data, the Group does not perceive any significant credit risk on trade receivables.

In addition, as part of its cash management and credit risk function, the Group regularly evaluates the creditworthiness of financial and banking institutions where it deposits cash and performs trade finance operations. The Group primarily has banking relationships with the public sector, private and large international banks with good credit rating.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at 31st March, 2019 and 31st March, 2018.

The maximum exposure to the credit risk at the reporting date is the carrying value of all financial assets as disclosed in note 37A(a).

Of the yearend trade receivables, the following were past due but not impaired as at 31st March, 2019 and 31st March, 2018 :

Particulars	As at 31st March, 2019	As at 31st March, 2018
Neither impaired nor past due	22,410	52,150
<b>Past due but not impaired</b>		
Due less than one month	6,224	7,708
Due between one - three months	2,970	3,838
Due between three - twelve months	543	2,625
Due greater than twelve months	398	816
<b>Total</b>	<b>32,545</b>	<b>67,137</b>

**(b) Liquidity risk**

The Group has liquidity risk monitoring processes covering short-term, mid-term and long-term funding. Liquidity risk is managed through maintaining adequate amount of committed credit facilities and loan funds. The Group also has plans to sell some of its identified non core assets to manage its liquidity position. Management regularly monitors projected and actual cash flow data, analyses the repayment schedules of the existing financial assets and liabilities and performs annual detailed budgeting procedures coupled with rolling cash flow forecasts.

The contractual maturities of the Group's financial liabilities are presented below:-

31st March 2019	Contractual cash flows				
	Less than 1 year	1-3 years	3-8 years	Above 8 years	Total
Non-derivative financial liabilities					
Borrowings (including current maturities)*#	1,25,880	77,935	1,41,174	11,488	3,56,477
Trade payables	32,453	-	-	-	32,453
Other financial liabilities	14,976	-	-	-	14,976
Derivative financial liabilities	49	-	-	-	49
<b>Total</b>	<b>1,73,359</b>	<b>77,935</b>	<b>1,41,174</b>	<b>11,488</b>	<b>4,03,956</b>
31st March 2018	Contractual cash flows				
	Less than 1 year	1-3 years	3-8 years	Above 8 years	Total
Non-derivative financial liabilities					
Borrowings (including current maturities) *	1,31,998	73,484	1,84,414	17,367	4,07,263
Trade payables	1,96,412	-	-	-	1,96,412
Other financial liabilities	18,027	-	-	-	18,027
Derivative financial liabilities	79	-	-	-	79
<b>Total</b>	<b>3,46,516</b>	<b>73,484</b>	<b>1,84,414</b>	<b>17,367</b>	<b>6,21,781</b>

\* Includes non-current borrowings, current borrowings, current maturities of non-current borrowings.

# Out of above borrowings, Rs 1,91,767 lakhs has been prepaid by 11th April, 2019 from the sales consideration received from Tata Sponge Iron Limited on sale of Steel and Bright Bar (SBB) business.

The amount of guarantees given on behalf of subsidiaries included in note 34B(iii) represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement.

**(c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group is exposed to different types of market risks. The market risk is the possibility that changes in foreign currency exchange rates, interest rates and commodity prices may affect the value of the Group's financial assets, liabilities or expected future cash flows.

The fair value information presented below is based on the information available with the management as of the reporting date.

**(c.1) Foreign currency exchange risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The risk of fluctuations in foreign currency exchange rates on its financial liabilities including borrowing, trade and other payable etc., are mitigated through the use of derivative instruments. The Group does not use derivative financial instruments for trading or speculative purposes.

A reasonably possible strengthening /weakening of the Indian Rupee against such foreign currency (converted to US Dollars) as at 31st March, 2019 and 31st March, 2018 would have affected profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

	Changes in USD rate	Unhedged foreign currency receivables / (payables) (net)	Effect on profit/(loss) before Tax	Impact on Equity
31st March , 2019	10%	17,689	1,769	1,769
	-10%		(1,769)	(1,769)
31st March , 2018	10%	18,792	1,879	1,879
	-10%		(1,879)	(1,879)

**Derivative financial instruments**

The Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution.

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

	As at 31st March, 2019	As at 31st March, 2018
<b>Less than 1 year</b>		
Forward contract to cover both present and future foreign currency exposures :		
Import payables	5,060	3,877
Export Receivables	1,557	2,732

**(c.2) Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs. The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

The exposure of the Group's financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 to interest rate risk is as follows :

Financial Assets	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
<b>March 31, 2019</b>	<b>55,375</b>	-	<b>4,408</b>	<b>50,967</b>
March 31, 2018	89,930	-	1,214	88,716
Financial liabilities	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
<b>March 31, 2019</b>	<b>4,03,956</b>	<b>3,62,153</b>	<b>2,753</b>	<b>39,049</b>
March 31, 2018	6,21,781	5,21,440	3,129	97,213

If the interest rates applicable to floating rate instruments is increased/decreased by 1%, the profit before tax for the year ended 31st March, 2019 would decrease/increase by Rs 3,622 lakhs (31st March, 2018 : Rs 5,214 lakhs) on an annualised basis. This assumes that the amount and mix of fixed and floating rate debt remains unchanged during the year from that in place as at year end.

**(c.3) Commodity price risk**

The Group's revenue is exposed to the risk of price fluctuations related to the sale of its wire & wire rope products. Market forces generally determine prices for such products sold by the Group. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Group earns from the sale of wire & wire rope products.

The Group primarily purchases its raw materials in the open market from third parties. The Group is therefore subject to fluctuations in prices of wire rods, zinc, lead, lubricants, core and other raw material inputs. The Group purchased substantially all of coal requirements from third parties in the open market during the year ended 31st March, 2019 and 31st March, 2018 respectively .

The Group does not have any commodity forward contract for Commodity hedging.

The following table details the Group's sensitivity to a 5% movement in the input price of wire rod and zinc. The sensitivity analysis includes only 5% change in commodity prices for quantity sold or consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit or equity where the commodity prices decrease by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit or equity, and the

balances below are negative.

<b>Impact for a 5% change on the statement of profit and loss</b>		
<b>Particulars</b>	<b>Increase</b>	<b>Decrease</b>
<b>March 31st, 2019</b>		
Wire Rod	(3,875)	3,875
Zinc	(176)	176
<b>March 31st, 2018</b>		
Wire Rod	(3,182)	3,182
Zinc	(199)	199

### 38 C. Derivative financial instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies. The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### 39 D. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and other equity. The Group's primary capital management objectives are to ensure its ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders. The Group manages its capital structure and makes adjustments to it as and when required. To maintain or adjust the capital structure, the Group may pay dividend or repay debts, raise new debt or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2019 and 31st March, 2018 respectively. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

The following table summarises the capital of the Group -

<b>Particulars</b>	<b>31st March, 2019</b>	<b>31st March, 2018</b>
Cash and cash equivalents [refer note 11 (ii)]	4,553	4,973
Other bank balances [refer note 11 (iii)]	2,766	1,243
<b>Total cash (a)</b>	<b>7,319</b>	<b>6,216</b>
Non - current borrowings [refer note 15]	2,30,597	2,75,265
Current borrowings [refer note 20 (i)]	85,371	96,989
Current maturities of long-term borrowings [refer note 20 (iii)]	40,509	35,009
<b>Total borrowings (b)</b>	<b>3,56,477</b>	<b>4,07,263</b>
<b>Net debt (c = b-a)</b>	<b>3,49,158</b>	<b>4,01,047</b>
Total equity	78,201	72,706
<b>Total capital (equity + net debt) (d)</b>	<b>4,27,359</b>	<b>4,73,753</b>
<b>Gearing ratio (c/d)</b>	<b>0.82</b>	<b>0.85</b>

The Group has after the end of the financial year, sold off its steel and bright bar business and utilised the sales proceeds to pay off a significant portion of its borrowings.

- 39 (i) (a) The Company was allocated two coal blocks namely, Kathautia Coal Block and Lohari Coal Block in the State of Jharkhand for captive use. Pursuant to the Supreme Court order dated 24th September, 2014 followed by promulgation of the Coal Mines (Special Provisions) Act, 2015, (CMSP Act), the allocation of all coal blocks since 1993, including the aforesaid coal blocks allocated to the Company was cancelled with effect from 24th September, 2014 in case of Lohari Coal Block and 1st April, 2015 in the case of Kathautia Coal Block.

Through the process of public auction as envisaged in the CMSP Act, the aforesaid Coal Blocks of the Company had been allocated to other successful bidders by the Central Government. Pursuant to conclusion of such auction, the Central Government had also issued vesting orders for Kathautia and Lohari Coal Blocks for transfer and vesting the Company's rights, title and interest in and over the land and mine infrastructure of the said coal blocks to the respective successful bidders.

Upon de-allocation of aforesaid coal blocks, the Company has reclassified its related assets in form of land, movable and immovable properties, advances etc. and presented the same in the Balance Sheet as follows:

	As at 31st March, 2019	As at 31st March, 2018
Assets held for sale	1,405	2,290
Advances against land-coal mines under other non-current financial assets [refer note 6 (iv)]	1,485	-
Advances against land-coal mines under other non-current assets (refer note 9)	2,851	2,851
Advances against land-coal mines under current- other financial assets [refer note 11 (v)]	8,458	10,532
<b>Total</b>	<b>14,199</b>	<b>15,673</b>

Under the CMSP Act, the Company is entitled to receive compensation for its investment in the land with interest @12% p.a. from the date of purchase / acquisition till the date of the execution of the vesting order and compensation for mine infrastructure as per the written down value reflected in the audited balance sheet of the Company for the previous financial year. Under the said Act, a successful bidder or allottee may negotiate with prior allottee, being the Company, to own or utilize movable properties of the latter used in coal mining operations on such terms and conditions as may be mutually agreed.

During an earlier year, the Hon'ble Jharkhand High Court had, vide order dated January 11, 2017, directed the State Government of Jharkhand to take decision on denotification of land acquisition proceedings in respect of land which was being acquired for the Company's mining purposes. The land acquisition proceedings have since been denotified by the State Government of Jharkhand. During the year, the Company has filed an application before Hon'ble Delhi High court for refund of Rs. 10,532 lakhs (discounted value of Rs. 9,943 lakhs). Management believes that above advance deposited by the Company for such acquisition will be refunded/received within the next financial year.

Further, the Company is also engaged in ongoing negotiations with the party to whom the aforesaid Coal Blocks were subsequently allotted for realization of compensation/investments in the mines.

After taking into consideration the present developments as set out above and the recourses available to the Company for recovery of investments from the concerned authorities / parties on the basis of advice of legal counsel, management is of the opinion that the realizable value of aforesaid assets will not be less than their carrying values.

- 39 (i) (b) The Company has earmarked for disposal certain assets of its Bright Bar plant at Chennai. The written down value of such assets amounting to Rs. 1,202 lakhs (31st March, 2018: Rs 1,295 lakhs) has been disclosed as "Assets held for sale".
- 39 (i) (c) As at March 31, 2018, the Company had closed down the construction steel division at Agra for subsequent sale of its land, building and plant and equipment and the written down value of such assets amounting Rs 1,035 lakhs had been disclosed as "Assets held for sale". During the year ended March 31, 2019, the Company has disposed off the said division and recognised the profit on sale in other income in the Statement of Profit and Loss.
- 39 (i) (d) As at March 31, 2018, the Company had received advance against sale of land Rs 390 lakhs and consequently, the written down value of such assets amounting to Rs 114 lakhs had been disclosed as "Assets held for sale". During the year ended March 31, 2019, the Company has disposed off the said division and recognised the profit on sale in other income in the Statement of Profit and Loss.

### 39 (ii) Discontinued Operations

The Board of Directors and shareholders of the Company at their meeting held on September 22, 2018 and November 10, 2018 respectively, approved the sale and transfer of the Company's Steel Business and Plant and Machinery of the Bright Bar Business ("SBB Business") to Tata Steel Limited or its subsidiaries ("TSL") on a going concern basis under a slump sale arrangement. The SBB business includes a specialised steel alloy manufacturing plant, an operative iron ore mine, a coal mine under development, captive power plants and Plant and Machinery of Bright Bar Business. Accordingly, a Business Transfer Agreement ('BTA') was executed on September 22, 2018 between the Company and TSL. Subsequently, on October 24, 2018, the Company has entered into a novation agreement with TSL and Tata Sponge Iron Limited (the 'Purchaser'), a subsidiary of TSL whereby all rights and obligations of TSL under the terms of the BTA was assumed by the Purchaser. On April 7, 2019, the Company further entered into a supplemental agreement ('Supplemental BTA') with the Purchaser to record the amendment and substitution of certain provisions of the BTA. The transfer of SBB Business to the Purchaser was subject to the satisfaction of conditions precedent as stipulated in the BTA and Supplemental BTA and receipt of applicable permissions and consents from concerned regulators / authorities. The basis of allocation is as set out in note 33 (i).

Assets and liabilities of SBB business covered by the BTA has been disclosed as held for sale and disclosed separately in the Balance Sheet as at March 31, 2019 as ""Assets of discontinued operations classified as held for sale"" and "" Liabilities of discontinued operations classified as held for sale"" respectively. As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period i.e. year ended March 31, 2018. In terms of the BTA, certain assets pertaining to SBB Business which are pass through in nature, which would be paid back to the Company as and when received by the Purchaser, hence shown as part of the continuing business.

In the Consolidated Financial Statements, the net results of SBB business has been determined taking into consideration directly attributable and appropriately

allocated income and expenditure including interest costs and has been disclosed separately as discontinued operation as required by Indian Accounting Standard (Ind AS) 105 Asset Held for Sale and Discontinued Operations and Schedule III to the Companies Act, 2013. Consequently, the Company's Statement of Profit and Loss for the year ended March 31, 2019 presented pertains to its continuing operations only and for that purpose the Statement of Profit and Loss for the year ended March 31, 2018 had to be restated accordingly.

On April 9, 2019 (closing date), the Company has completed the sale of its steel business to the Purchaser (except for transfer of an operative iron ore mine, coal mine under development and some of the assets which would be transferred subsequently subject to fulfilment of certain conditions precedent contained in the BTA and supplemental BTA). Out of the total consideration agreed as per BTA of Rs 4,52,500 lakhs, cash consideration of Rs 3,46,863 lakhs [after adjustments for provisional negative working capital (NWC) of Rs 43,093 lakhs on the closing date and holdbacks of Rs 64,000 lakhs pending transfers of some of the assets including mines and certain land parcels] was discharged by the Purchaser in the Escrow accounts. The Company has utilised the above cash consideration to prepay the borrowings of various lenders. Certain adjustments to current assets and liabilities (NWC) as required by the terms of BTA would be quantifiable at the time of transfer of the entire SBB business and hence will be accounted for at the time of such transfer.

The closing date being subsequent to the Balance Sheet date, no gain/loss with respect to sale of steel business has been recognised in the Statement of Profit and Loss for the year ended March 31, 2019. Subject to final working capital adjustments, total assets and liabilities of SBB business is Rs 4,28,418 lakhs and Rs 1,96,690 lakhs respectively as at March 31, 2019.

(I) The results of SBB for the year are presented below :

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Income</b>		
Revenue from operations	3,94,200	3,44,627
Other income	6,711	3,544
<b>Total income</b>	<b>4,00,911</b>	<b>3,48,171</b>
<b>Expenses</b>		
Cost of materials consumed	1,93,945	1,67,904
(Increase) / decrease in inventories of finished goods, work-in-progress and scrap/by-product	23,504	16,286
Excise duty on sale of goods	-	9,872
Employee benefits expense	15,495	13,364
Finance costs	49,015	49,449
Depreciation and amortisation expenses	23,832	24,461
Other expenses	1,29,391	1,07,422
<b>Total expense</b>	<b>4,35,182</b>	<b>3,88,758</b>
<b>Profit /(loss) for the period</b>	<b>(34,271)</b>	<b>(40,587)</b>

(II) Major classes of assets and liabilities of SBB business classified as held for sale as at 31st March, 2019 are as follows:

Particulars	As at 31st March, 2019
<b>Assets</b>	
<b>Non-current assets</b>	
(a) Property, plant and equipment*	3,67,743
(b) Capital work-in-progress	2,487
(c) Intangible assets	1,805
(d) Financial assets	
Other financial assets	676
(e) Other non-current assets	2,852
<b>Total non-current assets</b>	<b>3,75,563</b>
<b>Current assets</b>	
(a) Inventories	30,383
(b) Financial assets	
(i) Trade receivables	21,504
(ii) Cash and cash equivalents	209
(iii) Loans	4
(c) Other current assets	755
<b>Total current assets</b>	<b>52,855</b>
<b>Total assets classified as held for sale</b>	<b>4,28,418</b>

Particulars	As at 31st March, 2019
<b>Liabilities</b>	
<b>Non - current liabilities</b>	
(a) Provisions	2,192
(b) Government grants	2,820
<b>Total non-current liabilities</b>	<b>5,012</b>
<b>Current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	11,595
(ii) Trade payables	
(A) Total outstanding dues of micro and small enterprises	2,048
(B) Total outstanding dues of creditors other than micro and small enterprises	1,49,322
(iii) Other financial liabilities	6,638
(b) Other current liabilities	20,282
(c) Provisions	1,683
(d) Government grants	110
<b>Total current liabilities</b>	<b>1,91,678</b>
<b>Total liabilities classified as held for sale</b>	<b>1,96,690</b>
<b>Net assets of SBB business</b>	<b>2,31,728</b>

Net cash flows attributable to SBB business are as follows:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Net cash flow from operating activities	83,253	74,711
Net cash flow used in investing activities	(3,122)	(6,044)
Net cash flow used in financing activities	(79,933)	(68,718)
<b>Net cash generated from / (used in) discontinued operations</b>	<b>198</b>	<b>(51)</b>

\*Freehold land includes:

Three plots (31st March, 2018 : three plots) of land of Rs. 742 lakhs as at 31st March, 2019 (31st March, 2018 : Rs. 742 lakhs ) located at Jamshedpur, in respect of which conveyance deed is yet to be executed in favour of the Company.

#### 40 Group information

- (a) The Group consists of a parent company, Usha Martin Limited, incorporated in India and a number of subsidiaries and Joint ventures held directly and indirectly by the Group which operate and are incorporated around the world. Following are the details of shareholdings in the subsidiaries and Joint ventures.

	Country of incorporation	% of equity interest as on 31st March, 2019	% of equity interest as on 31st March, 2018
<b>Information about subsidiaries</b>			
<b>Domestic:</b>			
U M Cables Limited	India	100%	100%
Usha Martin Power and Resources Limited	India	100%	100%
Bharat Minex Private Limited	India	100%	100%
Gustav Wolf Speciality Cords Limited	India	100%	100%
<b>Overseas:</b>			
Usha Martin International Limited	United Kingdom	100%	100%
Usha Martin UK Limited @	United Kingdom	100%	100%
European Management and Marine Corporation Limited @	United Kingdom	100%	100%
Brunton Shaw UK Limited @	United Kingdom	100%	100%
De Ruiter Staalkabel B.V. @	Netherlands	100%	100%
Usha Martin Europe B.V. @	Netherlands	100%	100%
Usha Martin Italia S.R.L. @	Italy	100%	100%
Brunton Wolf Wire Ropes FZCo.	United Arab Emirates, Dubai	60%	60%
Usha Martin Americas Inc.	United States of America	100%	100%
Usha Siam Steel Industries Public Company Limited	Thailand	98%	98%

	Country of incorporation	% of equity interest as on 31st March, 2019	% of equity interest as on 31st March, 2018
Usha Martin Singapore Pte. Limited	Singapore	100%	100%
Usha Martin Australia Pty Limited @	Australia	100%	100%
Usha Martin Vietnam Company Limited @	Vietnam	100%	100%
PT Usha Martin Indonesia @	Indonesia	100%	100%
Usha Martin China Company Limited @	China	100%	100%
<b>Information about Joint ventures</b>			
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	50%	50%
Tesac Usha Wirerope Company Limited*	Thailand	50%	50%

@ Represents step-down subsidiaries

\* Represents step-down joint venture

### (b) Non - controlling interests

The non-controlling interests of the Group relate to the following:

Non - controlling interests	Country of incorporation	% of ownership interest as on 31st March, 2019	% of ownership interest as on 31st March, 2018
Brunton Wolf Wire Ropes FZCo.	United Arab Emirates, Dubai	40%	40%
Usha Siam Steel Industries Public Company Limited	Thailand	2%	2%

The table below shows summarised financial information of subsidiary of the Group, Brunton Wolf Wire Ropes FZCo, that has non-controlling interest and is material to the Group. In the opinion of the management, other non-controlling interests are not material to the Group.

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current assets	1,158	1,161
Current assets	12,368	10,145
Non-current liabilities	329	299
Current liabilities	5,848	3,710
Equity attributable to owners of the Company	5,845	5,731
Non-controlling interests	1,503	1,565

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue	16,364	13,421
Expenses	15,769	12,584
Profit/(loss) after tax	595	837
Profit/(loss) attributable to the equity shareholders	284	491
Profit/(loss) attributable to the non-controlling interest	311	346
Other comprehensive income during the year	12	12
Other comprehensive income attributable to the equity shareholders	7	7
Other comprehensive income attributable to the non-controlling interest	5	5
Total comprehensive income during the year	608	849
Total comprehensive income attributable to the equity shareholders	291	498
Total comprehensive income attributable to the non-controlling interest	316	351
Dividends paid/payable to non-controlling interests, including dividend tax	727	280

### (c) Interest in Joint ventures

Set out below are the Joint ventures of the group as at March 31, 2019. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Joint ventures	Principal place of business	% of equity interest as on 31st March, 2019	% of equity interest as on 31st March, 2018
Pengg Usha Martin Wires Private Limited	India	40%	40%
CCL Usha Martin Stressing Systems Limited	India	50%	50%
Tesac Usha Wirerope Company Limited*	Thailand	50%	50%

\* Represents step-down joint ventures

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

The table below shows summarised financial information of Joint Venture of the Group, Pengg Usha Martin Wires Private Limited, that is material to the Group. In the opinion of the management, other Joint ventures are not material to the Group.

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets	6,674	7,095
Current assets	6,592	6,558
Non-current liabilities	2,759	3,335
Current liabilities	4,344	5,364
Equity attributable to owners of the Group	6,162	4,954

Particulars	For the year ended March 2019	For the year ended March 2018
Revenue	13,876	10,807
Expenses	12,189	9,706
Profit/(loss) after tax	1,208	531
Other comprehensive income during the year	1	22
Total comprehensive income during the year	1,208	553

### 41. Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act 2006 (MSMED)

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	As at 31st March, 2019	As at 31st March, 2018
i) Principal amount due to micro and small enterprise	93	1,856
ii) Interest due on above	10	199
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	Nil	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	10	349
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	Nil	Nil

The above particulars, as applicable, have been given in respect of MSMEs to the extent they could be identified on the basis of information available with the Group.

### 42. Pursuant to the requirement of Schedule III of Companies Act, 2013, additional information of the group considered in preparation of Consolidated Financial Statements are set out below:

Name of the entity in the Group	Net Assets (total assets less total liabilities)		Share in profit or (loss)		Share in Other comprehensive Income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Usha Martin Limited	<b>28.35</b>	<b>23,093</b>	<b>119.67</b>	<b>5,900</b>	<b>(23.01)</b>	<b>(160)</b>	<b>102.02</b>	<b>5,740</b>
	22.81	17,355	(105.37)	(28,234)	(0.28)	15	(131.61)	(28,219)
<b>Subsidiaries</b>								
<b>Indian</b>								
UM Cables Limited	<b>3.70</b>	<b>3,017</b>	<b>(67.96)</b>	<b>(3,350)</b>	<b>3.44</b>	<b>24</b>	<b>(59.11)</b>	<b>(3,326)</b>
	8.34	6,343	1.56	418	0.10	(5)	1.92	413
Usha Martin Power and Resources Limited	<b>0.00</b>	<b>2</b>	-	*	-	-	-	*
	0.00	3	-	*	-	-	-	*
Bharat Minex Private Limited	<b>0.01</b>	<b>5</b>	<b>(0.10)</b>	<b>(5)</b>	-	-	<b>(0.08)</b>	<b>(5)</b>
	0.01	9	(0.05)	(13)	-	-	(0.06)	(13)
Gustav Wolf Speciality Cords Limited	<b>0.29</b>	<b>240</b>	<b>0.13</b>	<b>6</b>	-	-	<b>0.11</b>	<b>6</b>
	0.31	234	0.03	8	-	-	0.04	8
<b>Foreign</b>								
Usha Martin International Limited \$	<b>40.13</b>	<b>32,685</b>	<b>23.85</b>	<b>1,176</b>	-	-	<b>20.89</b>	<b>1,176</b>
	42.06	31,997	8.62	2,308	-	-	10.77	2,308
Usha Martin Singapore Pte Limited \$	<b>8.92</b>	<b>7,267</b>	<b>(1.77)</b>	<b>(87)</b>	-	-	<b>(1.55)</b>	<b>(87)</b>
	9.60	7,301	0.16	44	-	-	0.20	44
Usha Siam Steel Industries Public Company Limited	<b>18.98</b>	<b>15,454</b>	<b>6.99</b>	<b>345</b>	<b>(0.09)</b>	<b>(1)</b>	<b>6.11</b>	<b>344</b>
	19.61	14,918	2.72	729	0.56	(30)	3.26	699

## Notes to the consolidated financial statements

(All amounts in Rs. lakhs)

Name of the entity in the Group	Net Assets (total assets less total liabilities)		Share in profit or (loss)		Share in Other comprehensive Income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Usha Martin Americas Inc	4.53	3,693	6.67	329	-	-	5.84	329
	4.41	3,358	(2.16)	(580)	-	-	(2.71)	(580)
Brunton Wolf Wire Ropes FZCo	9.02	7,348	12.07	595	1.81	13	10.80	608
	9.59	7,297	3.12	837	(0.22)	12	3.96	849
<b>Non-controlling interests in all subsidiaries</b>	<b>(3.98)</b>	<b>(3,242)</b>	<b>2.67</b>	<b>132</b>	-	-	<b>2.34</b>	<b>132</b>
	(4.43)	(3,369)	1.22	328	-	-	1.53	328
<b>Joint ventures (investment accounting as per the equity method)</b>								
<b>Indian</b>								
Pengg Usha Martin Wires Private Limited	3.03	2,465	8.43	416	-	-	7.39	416
	2.60	1,982	0.47	127	-	-	0.59	127
CCL Usha Martin Stressing Systems Limited	0.05	42	0.03	2	-	-	0.03	2
	0.05	40	0.01	2	-	-	0.03	2
<b>Foreign</b>								
Tesac Usha Wirerope Company Limited#	2.16	1,760	(2.72)	(134)	-	-	(2.38)	(134)
	2.38	1,810	(0.16)	(43)	-	-	(0.20)	(43)
Elimination / adjustment due to consolidation	(15.20)	(12,386)	(8.01)	(395)	117.71	821	7.58	426
	(17.34)	(13,202)	(10.17)	(2,725)	(100.16)	5,364	12.32	2,639
<b>Total</b>	<b>100</b>	<b>81,443</b>	<b>100</b>	<b>4,930</b>	<b>100</b>	<b>697</b>	<b>100</b>	<b>5,627</b>
	100	76,075	(100)	(26,795)	(100)	5,356	(100)	(21,439)

\* Amount is below the rounding off norm adopted by the Group.

# Represents step-down joint ventures

§ Financial information is inclusive of its subsidiaries

Figures in normal type relate to previous year 2017-18.

43. The Board of Directors of the Company had in their meeting held on April 8, 2019 approved sale of Wire Mill facility situated at Jamshedpur on a going concern basis to the Tata Sponge Iron Limited or to its parent company or its subsidiaries or its associates ("Buyer") for a consideration not exceeding Rs 1,000 lakhs and at such other terms and conditions as may be mutually agreed between the Company and Buyer. The proposed sale of wire mill has been considered as non-adjusting event as per Ind AS 10 "Events after the Reporting Period".
44. During the year ended March 31, 2019, the Company has received demand letter from Adityapur Industrial Area Development Authority (AIADA) for Rs 3,091 lakhs in relation to 92.14 acres of leased land on account of past merger purportedly under Regulation 24(i) of the Jharkhand Industrial Area Development Authority Regulations, 2016 ("JIADA Regulations") and Rs 5,550 lakhs in relation to 207.12 acres of freehold land on account of charges for past merger purportedly under JIADA regulations, outstanding land rent, land levy and processing fees on account of name change. The above 207.12 acres of land has been capitalised as freehold land in the books based on conveyance deed executed in the name of the Company, which has been considered leasehold land by the authority. The Company intends to pursue these matters for refund of the amount paid before appropriate authorities. The Company has paid the above amount under protest and without prejudice to Company's rights and contentions, including the right to refund of the same. Management believes that the final outcome in this matter will be in favour of the Company which is duly supported by a legal opinion obtained and accordingly no adjustment are considered necessary in the financial statements.
45. Previous year's figures have been regrouped / rearranged wherever necessary, to conform to current year's presentation. As required by Indian Accounting Standard (Ind AS) 105 "Asset Held for Sale and Discontinued Operations", the Statement of Profit and Loss for the year ended March 31, 2018 has been restated to make it comparable however Balance Sheet as at March 31, 2018 has not been reclassified or re-presented.

The accompanying notes are an integral part of the consolidated financial statements.  
As per our report of even date

For and on behalf of Board of Directors of Usha Martin Limited

### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration number : 301003E/E300005

per **Bhaswar Sarkar**, Partner

Membership No. : 055596

Place : Kolkata

Date : 27th May, 2019

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Pravin Kumar Jain**

Joint Managing Director

[Wire & Wire Rope Business]

DIN: 02583519

**Anirban Sanyal**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS 16737

## Annexure to Directors Report Cont...

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and other details:

i)	CIN	L31400WB1986PLC091621
ii)	Registration Date	22/05/1986
iii)	Name of the Company	Usha Martin Limited
iv)	Category / Sub-Category of the Company	Public Company
v)	Address of the Registered office and contact details	2A, Shakespeare Sarani, Kolkata – 700071; Ph - (033) 71006300; Fax - (033) 71006415
vi)	Whether listed company (Yes / No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited, 383, Lake Gardens, 1st Floor, Kolkata-700045 Phone : (033) 4072 4051/52/53; Fax : (033) 4072 4050; Email : mcssta@rediffmail.com

#### II. Principal business activities of the Company [Continuing Operations]

All the Business activities contributing 10% or more of the total turnover of the Company are:-

Sl. No	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover* of the Company
1	Wires, Wire Ropes, Strands including Locked Coil Wire Ropes	3310	96.05

\* For computation of percentage – Total Revenue from Operations (Gross) has been considered.

#### III. Particulars of holding, subsidiary and associate companies

Sl. No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	U M Cables Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U26932WB1987PLC091221	Wholly Owned Subsidiary	100%	2(87)
2	Usha Martin Power and Resources Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U74999WB2008PLC126847	Wholly Owned Subsidiary	100%	2(87)
3	Bharat Minex Private Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U13203WB2007PTC168604	Wholly Owned Subsidiary	100%	2(87)
4	Gustav Wolf Speciality Cords Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U28999WB2003PLC095883	Wholly Owned Subsidiary	100%	2(87)
5	Pengg Usha Martin Wires Private Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U27106WB2006PTC109694	Associate	40%	2(6)
6	CCL Usha Martin Stressing Systems Limited, 2A, Shakespeare Sarani, Kolkata – 700 071	U74210WB2006PLC108112	Associate	49.99%	2(6)
7	Usha Martin International Limited, Sandy Lane, Worksop, UK, Nottinghamshire, S80 3ES, UK	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)
8	Brunton Wolf Wire Ropes FZCo., Plot No. MO 0301, P.O. Box 17491 Jebel Ali Free Zone Dubai, U.A.E.	Company incorporated outside India	Subsidiary	60%	2(87)
9	Usha Martin Americas Inc., 701, Plastic Avenue, Houston, Texas 770 020, USA.	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)
10	Usha Siam Steel Industries Public Company Limited, 101/46, Moo 20, Phaholyothin Road, Klongnueng, Klongluang, Pathumthani 12120, Thailand.	Company incorporated outside India	Subsidiary	97.98%	2(87)
11	Usha Martin Singapore Pte. Limited, No. 91 Tuas Bay Drive, Singapore 637307	Company incorporated outside India	Wholly Owned Subsidiary	100%	2(87)
12	Usha Martin Australia Pty. Ltd., 2/468-470 Victoria Street, Wetherill Park 2164 Sydney, NSW, Australia.	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
13	P T Usha Martin Indonesia, Gedung Konica Building 3A Fl., Jl. Gunung Sahari 78, Jakarta 10610 - Indonesia	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)

Sl. No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
14	Usha Martin Vietnam Company Limited, No.18A, D2 Street ward 25,Binh Thanh District Ho Chi Minh City, S.R Vietnam	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
15	Usha Martin China Company Limited, No.3rd Floor No.122 East Fute No.1 Road, Shanghai Pilot Free Trade Zone, P.R. China Postal Code-200131	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
16	De Ruyter Staalkabel BV Sliedrecht, Ringersstraat 7 Sliedrecht, P.O Box no. 663360 AB, Sliedrecht, Netherlands	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
17	Usha Martin Italia SRL, via Nikolajewka 1, 25062 Concesio (BS), Italy	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
18	Usha Martin Europe B.V. , Kerkeplaat 10, 3313 LC Dordrecht, Netherlands	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
19	Usha Martin UK Limited, Sandy Lane, Workshop, Nottinghamshire, S80 3Es	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
20	Brunton Shaw UK Limited., 1st Floor, Tasman House, Mariner Court, Clydebank, G81 2NP	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)
21	European Management and Marine Corporation Limited , Howe Moss Place Kirkhill Industrial Estate, Dyce Aberdeen AB21 0GS	Company incorporated outside India	Wholly Owned Subsidiary [Step-down subsidiary]	100%	2(87)

#### IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	58,12,267	-	58,12,267	1.91	58,12,267	-	58,12,267	1.91	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	8,66,11,935	-	8,66,11,935	28.42	8,66,11,935	-	8,66,11,935	28.42	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>9,24,24,202</b>	<b>-</b>	<b>9,24,24,202</b>	<b>30.33</b>	<b>9,24,24,202</b>	<b>-</b>	<b>9,24,24,202</b>	<b>30.33</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	2,492,983	-	2,492,983	0.82	2,492,983	-	2,492,983	0.82	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	38,336,135	-	38,336,135	12.58	38,836,135	-	38,836,135	12.74	0.16
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>40,829,118</b>	<b>-</b>	<b>40,829,118</b>	<b>13.40</b>	<b>41,329,118</b>	<b>-</b>	<b>41,329,118</b>	<b>13.56</b>	<b>0.16</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>133,253,320</b>	<b>-</b>	<b>133,253,320</b>	<b>43.73</b>	<b>133,753,320</b>	<b>-</b>	<b>133,753,320</b>	<b>43.89</b>	<b>0.16</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	121,779	14,355	136,134	0.04	109,654	2,500	112,154	0.04	(0.01)
b) Banks / FI	94,384	1,690	96,074	0.03	636,630	1,030	637,660	0.21	0.18
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	7,989,856	-	7,989,856	2.62	3,079,103	-	3,079,103	1.01	(1.61)
g) FIs/ Foreign Portfolio Investors	24,577,143	1,495	24,578,638	8.06	36,935,130	500	36,935,630	12.11	4.05
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>32,783,162</b>	<b>17,540</b>	<b>32,800,702</b>	<b>10.75</b>	<b>40,760,517</b>	<b>4,030</b>	<b>40,764,547</b>	<b>13.37</b>	<b>2.61</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	40,313,303	30,575	40,343,878	13.24	47,309,498	21,380	47,330,878	15.53	2.29
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	44,035,577	2,156,773	46,192,350	15.16	35,155,411	1,289,490	36,444,901	11.96	(3.20)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	25,635,549	-	25,635,549	8.41	21,130,574	-	21,130,574	6.94	(1.46)
c) Others									
i) Non-Resident Individuals/ Foreign Individuals	3,015,976	47,055	3,063,031	1.01	1,512,989	38,355	1,551,344	0.51	(0.50)
ii) IEPF	-	-	-	-	825,766	-	825,766	0.27	0.27
<b>Sub-total (B)(2):-</b>	<b>113,000,405</b>	<b>2,234,403</b>	<b>115,234,808</b>	<b>37.82</b>	<b>105,934,238</b>	<b>1,349,225</b>	<b>107,283,463</b>	<b>35.21</b>	<b>(2.60)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>145,783,567</b>	<b>2,251,943</b>	<b>148,035,510</b>	<b>48.57</b>	<b>146,694,755</b>	<b>1,353,255</b>	<b>148,048,010</b>	<b>48.58</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs @</b>	<b>23,452,950</b>	<b>-</b>	<b>23,452,950</b>	<b>7.70</b>	<b>22,940,450</b>	<b>-</b>	<b>22,940,450</b>	<b>7.53</b>	<b>(0.17)</b>
<b>Grand Total (A+B+C)</b>	<b>302,489,837</b>	<b>2,251,943</b>	<b>304,741,780</b>	<b>100</b>	<b>303,388,525</b>	<b>1,353,255</b>	<b>304,741,780</b>	<b>100</b>	

@ Promoter and Promoter Group are holding 37,48,716 GDRs (representing 1,87,43,580 Equity Shares) outstanding at the beginning of the year and 36,48,716 GDRs (representing 1,82,43,580 Equity Shares) outstanding at the end of the year.

#### ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Akshay Goenka	37,210	0.01	-	37,210	0.01	-	-
2.	Amisha Jhavar	518,500	0.17	-	518,500	0.17	-	-
3.	Anupama Jhavar	36,950	0.01	-	36,950	0.01	-	-
4.	Anupama Jhavar – Trustee of Anupriya Welfare Trust	550,359	0.18	-	550,359	0.18	-	-
5.	Apurv Jhavar	395,245	0.13	-	395,245	0.13	-	-
6.	Basant Kumar Jhavar	82,310	0.03	-	82,310	0.03	-	-
7.	Brij Investments Private Limited	5,111,823	1.68	0.53	5,111,823	1.68	0.53	-
8.	Brij Kishore Jhavar	945,865	0.31	-	945,865	0.31	-	-
9.	Jhavar Venture Management Private Limited	859,825	0.28	-	859,825	0.28	-	-

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
10.	Kenwyn Overseas Limited #	14,364,680	4.71	-	14,364,680	4.71	-	-
11.	Madhushree Goenka	49,460	0.02	-	49,460	0.02	-	-
12.	Nidhi Rajgarhia	331,139	0.11	-	331,139	0.11	-	-
13.	Peterhouse Investment India Limited	20,767,330	6.82	6.44	20,767,330	6.82	6.44	-
14.	Peterhouse Investment Limited ##	23,971,455	7.87	-	24,471,455	8.03	-	0.16
15.	Prajeev Investments Limited	357,000	0.12	-	357,000	0.12	-	-
16.	Prashant Jhawar	2,060,788	0.68	-	2,060,788	0.68	-	-
17.	Rajeev Jhawar	1,561,741	0.51	-	1,561,741	0.51	-	-
18.	Shanti Devi Jhawar	279,243	0.09	-	279,243	0.09	-	-
19.	Shreya Jhawar	213,500	0.07	-	213,500	0.07	-	-
20.	Stuti Raghav Agarwalla	558,330	0.18	-	558,330	0.18	-	-
21.	Susmita Jhawar	438,195	0.14	-	438,195	0.14	-	-
22.	Uma Devi Jhawar	246,415	0.08	-	246,415	0.08	-	-
23.	UMIL Share & Stock Broking Services Limited	38,888,369	12.76	12.47	38,888,369	12.76	12.47	-
24.	Usha Martin Ventures Limited	20,627,588	6.77	6.56	20,627,588	6.77	6.56	-
	<b>Total</b>	<b>133,253,320</b>	<b>43.73</b>	<b>26.00</b>	<b>133,753,320</b>	<b>43.89</b>	<b>26.00</b>	<b>0.16</b>

# Kenwyn Overseas Limited is holding 19,63,025 GDRs ( representing 98,15,125 Equity Shares) outstanding at the beginning and end of the year.

## Peterhouse Investment Limited is holding 17,85,691 GDRs (representing 89,28,455 Equity Shares) outstanding at the beginning of the year and 16,85,691 GDRs ( representing 84,28,455 Equity Shares) outstanding at the end of the year.

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	Peterhouse Investments Limited – 2,39,71,455 equity shares	7.87	-	-
	Peterhouse Investments Limited – 17,85,691 GDRs representing 89,28,455 equity shares	2.93		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Peterhouse Investments Limited – 1,00,000 GDRs representing 5,00,000 equity shares [Conversion of GDRs into Equity shares on 11th October, 2018]	GDRs (0.16) Equity Shares 0.16	Peterhouse Investments Limited – 2,44,71,455 equity shares Peterhouse Investments Limited – 16,85,691 GDRs representing 84,28,455 equity shares	8.03 2.77
At the end of the year	Peterhouse Investments Limited – 2,44,71,455 equity shares	8.03	-	-
	Peterhouse Investments Limited – 16,85,691 GDRs representing 84,28,455 equity shares	2.77		

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Shareholding at the beginning of the year			Shareholding at the end of the year	
	Top Ten Shareholders *	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Bridge India Fund	8,840,100	2.90	8,840,100	2.90
2.	Aquarius India Opportunities Fund	8,600,000	2.82	7,925,500	2.60
3.	The Indiaman Fund (Mauritius) Limited	6,258,733	2.05	6,859,500	2.25
4.	Elara India Opportunities Fund Limited ***	430,000	0.14	5,004,500	1.64
5.	Deepa Bagla Financial Consultants Pvt. Limited	2,229,572	0.73	3,229,572	1.06
6.	Life Insurance Corporation Of India	4,333,005	1.42	2,922,252	0.96
7.	Antara India Evergreen Fund Ltd***	-	-	2,305,000	0.76
8.	S. K. Autotech Private Limited***	1,370,205	0.45	1,985,692	0.65
9.	JMS Mining Services Private Limited	4,532,612	1.49	1,976,465	0.65
10.	Moneywise Financial Services Pvt Ltd***	1,409,864	0.46	1,922,135	0.63
11.	Monet Securities Private Limited ****	3,051,770	1.00	1,877,763	0.62
12.	Mitesh N Mehta **	11,800,000	3.87	-	-
13.	General Insurance Corporation Of India **	3,500,000	1.15	-	-
14.	Jai Annanya Investments Private Limited **	1,997,650	0.66	-	-

\* Considered on the basis of PAN of top ten shareholders as at the end of the year.

\*\* Was on the top ten shareholders at the beginning of the year, but the shareholding had ceased at the end of the year.

\*\*\*Not in the list of top ten shareholder at the beginning of the year. The same is reflected above since the shareholder is in the top ten shareholder as on 31st March, 2019.

\*\*\*\* Was on the top ten shareholders at the beginning of the year.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
	Name of the Director/KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Basant Kumar Jhavar	82,310	0.03	82,310	0.03
2.	Mr. Prashant Jhavar	20,60,788	0.68	20,60,788	0.68
3.	Mr. Brij Kishore Jhavar	9,45,865	0.31	9,45,865	0.31
4.	Mr. Rajeev Jhavar	15,61,741	0.51	15,61,741	0.51
5.	Mr. Ghyanendra Nath Bajpai	20,000	0.01	20,000	0.01
6.	Mr. Salil Singhal	-	-	-	-
7.	Mr. Jitender Balakrishnan	-	-	-	-
8.	Mr. Partha Sarathi Bhattacharyya	-	-	-	-
9.	Mr. Venkatachalam Ramakrishna Iyer	-	-	-	-
10.	Mr. Mukesh Rohatgi	-	-	-	-
11.	Mrs. Aarthi Ramakrishan	-	-	-	-
12.	Mr. Pravin Kumar Jain	10,000	0.00	10,000	0.00
13.	Mr. Rohit Nanda	-	-	-	-
14.	Mrs. Shampa Ghosh Ray	-	-	-	-

## V. Indebtedness

### Indebtedness of the Company including interest outstanding/accrued but not due for payments

(Rs. In Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	355,298	23,715	-	379,013
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,356	-	-	2,356
<b>Total (i+ii+iii)</b>	<b>357,654</b>	<b>23,715</b>	-	<b>381,369</b>
Change in Indebtedness during the financial year				
• Addition	14,502	15,800	-	30,302
• Reduction	45,318	31,417	-	76,735
Net Change	(30,816)	(15,617)	-	(46,433)
Indebtedness at the end of the financial year				
i) Principal Amount	323,682	8,098	-	331,780
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3,156	-	-	3,156
<b>Total (i+ii+iii)</b>	<b>326,838</b>	<b>8,098</b>	-	<b>334,936</b>

## VI. Remuneration of Directors and Key Managerial Personnel

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. In Lakh)

Sl. No.	Particulars of Remuneration	Mr. Rajeev Jhawar, Managing Director	Mr. P K Jain, Jt. Managing Director [Wire & Wire Rope Business]	Total
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	114.00	138.65	252.65
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	24.12	12.23	36.35
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others (includes PF, Gratuity, GPA, etc.)	19.44	7.74	27.18
	<b>Total (A)</b>	<b>157.56</b>	<b>158.62</b>	<b>316.18</b>
	Ceiling as per the Act	In view of absence of profits, the aforesaid remuneration was paid as minimum remuneration. The shareholders at the thirtieth Annual General Meeting of the Company have approved payment of Rs.184.00 Lakhs p.a. as minimum remuneration for the period commencing from 19th May, 2016 till 18th May, 2018. Further the Shareholders at the 32nd Annual General Meeting held on 18th September, 2018 had approved the re-appointment of Mr. Rajeev Jhawar for a term of five years wef 19th May, 2018 and payment of minimum remuneration of Rs. 1.48 Crore p.a. for the period commencing from 19th May, 2018 till 18th May, 2021. Minimum Remuneration has been computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V). Further the Minimum Remuneration excludes the contribution to provident fund, gratuity, etc.	In view of absence of profits, the aforesaid remuneration was paid as minimum remuneration. The shareholders at the 32nd Annual General Meeting held on 18th September, 2018 had approved the re-appointment of Mr. P K Jain for a period commencing from 1st February, 2018 till 15th January, 2019 and payment of minimum remuneration of Rs. 1.48 Crore p.a. for the said period. Further the shareholders of the Company at the Extra-ordinary General Meeting held on 30th March, 2019 had further renewed his term upto 31st January, 2020. Minimum Remuneration has been computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V). Further the Minimum Remuneration excludes the contribution to provident fund, gratuity, etc.	

**B. Remuneration to other directors:**
**I. Independent Directors**

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		Mr. J Balakrishnan	Mr. Salil Singhal	Mr. G N Bajpai	Mr. P S Bhattacharyya	Mr. Mukesh Rohatgi		Mrs. Aarthi Ramakrishnan
1	Fee for attending board / committee meetings	10.50	8.50	13.50	7.50	4.50	5.50	50.00
2	Commission	-	-	-	-	-	-	-
3	Others	-	-	-	-	-	-	-
4	<b>Total(1)</b>	<b>10.50</b>	<b>8.50</b>	<b>13.50</b>	<b>7.50</b>	<b>4.50</b>	<b>5.50</b>	<b>50.00</b>

**II. Other Non-Executive Directors**

(Rs. in Lakh)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Basant Kumar Jhawar	Mr. Prashant Jhawar	Mr. Brij Kishore Jhawar	Mr. Venkatachalam Ramkrishna Iyer	
1	Fee for attending board / committee meetings	3.00	2.50	3.00	3.50	12.00
2	Commission	-	-	-	-	-
3	Others	-	-	-	-	-
4	<b>Total(2)</b>	<b>3.00</b>	<b>2.50</b>	<b>3.00</b>	<b>3.50</b>	<b>12.00</b>
	<b>Total(B)=(1+2)</b>					<b>62.00</b>

Total Managerial Remuneration	378.18
Overall Ceiling as per the Act	#

# In view of absence of profits, the managerial remuneration was paid as 'minimum remuneration' to Executive Directors. Further, Non-Executive Directors were paid only sitting fees for attending Board and Committee Meetings.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Rs. in Lakh)

Sl. no.	Particulars of Remuneration	Mr. Rohit Nanda, Chief Financial Officer	Mrs. Shampa Ghosh Ray, Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	160.96	31.43	192.39
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0.97	0.86	1.83
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	-others, specify	-	-	-
5	Others (includes PF, Gratuity, GPA, etc.)	3.17	1.88	5.05
	<b>Total (A)</b>	<b>165.10</b>	<b>34.17</b>	<b>199.27</b>
	Ceiling as per the Act	Not Applicable	Not Applicable	Not Applicable

**VII. Penalties / Punishment/ Compounding of offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty	No penalty/ punishment was imposed on the Company during the year.				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	No penalty/ punishment was imposed on the Directors during the year.				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	No penalty/ punishment was imposed on the officers of the Company during the year.				
Punishment					
Compounding					

On behalf of the Board of Directors

<b>Rajeev Jhawar</b> Managing Director DIN: 00086164	<b>Pravin Kumar Jain</b> Joint Managing Director [Wire & Wire Rope Business] DIN: 02583519
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 Place : Kolkata  
Date : 27th May, 2019

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programs.

The Company recognizes its responsibility towards meeting its social obligations and hence has been voluntarily doing CSR activities in the villages in and around the plants and mines of the Company in the State of Jharkhand. The CSR initiatives target the rural community for development through a holistic approach emphasising on health, education, water, sanitation, women empowerment, natural resource management and income-generating activities. Subsequent to the enactment of Companies Act, 2013 ("the Act"), the Company has formally constituted a CSR Committee and adopted a CSR Policy for discharging its social responsibilities more effectively.

For Usha Martin, CSR is the commitment of its businesses to contribute to sustainable economic development by working with civil society organizations, local community and society at large to improve their lives in ways that are good for business and development. Thus, implicit in Usha Martin's understanding of CSR is the recognition of the importance of sustainable behaviour where it consistently operates in a manner that increases the social impact to society and stakeholders concerned, and at the same time adheres to the CSR mandate as contained in the Act.

The objective of the Company's CSR Policy is to ensure that the levels of economic, legal, ethical and discretionary activities of Usha Martin is in line with the values as set out under the Act, Companies (Corporate Social Responsibility) Rules, 2014 ("CSR Rules") and Schedule VII of the

Act ("Schedule VII").

The Company's CSR Policy has been hosted on the Company's website [www.ushamartin.com](http://www.ushamartin.com).

2. The composition of the CSR Committee:
- Mr. Basant Kumar Jhavar - Chairman [Till 31st March, 2019]
  - Mr. P.S Bhattacharyya - Member
  - Mr. Brij K Jhavar - Member
3. Net Profit / (Loss) of the Company for last three financial years (as per Section 198 of the Companies Act, 2013)

(Rs. In lakh)

FY 2015 – 16	FY 2016-17	FY 2017 -18
(81,613.09)	(119,659.68)	(149,683.94)

Average Profit / (Loss) for last three Financial Years: Rs. (116,985.57) Lakhs [Loss]

4. Prescribed CSR Expenditure (2% of the amount of average profits for last three years): NIL
5. Details of CSR spent during the financial year:
- Total amount to be spent for the financial year – NOT APPLICABLE.
  - Amount unspent, if any – NIL
  - Manner in which the amount spent during the financial year is detailed below:

(Rs. In lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spend on the project or programs Subheads: (1) (Direct expenditure on projects or programs) (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
NIL							

6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report – NOT APPLICABLE.
7. The implementing and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**Brij K Jhavar**  
Member of CSR Committee  
DIN: 00086200

Place: Kolkata  
Date: 27th May, 2019

**NOTICE TO THE SHAREHOLDERS**

NOTICE is hereby given that the THIRTY-THIRD ANNUAL GENERAL MEETING of the members and shareholders of USHA MARTIN LIMITED will be held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata – 700 017 on Saturday, the 21st September, 2019 at 11.00 A.M, to transact following businesses :

**As Ordinary Business :**

1. To receive and adopt the Financial Statements of the Company (both standalone and consolidated basis) for the year ended 31st March, 2019 together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Prashant Jhawar (DIN:00353020), who retires by rotation and being eligible, offers himself for re-appointment.

**As Special Business:**

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

**3. As Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Vijay Singh Bapna (DIN: 02599024), who was appointed as an Additional Director of the Company with effect from 27th May, 2019 under Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term upto four consecutive years commencing from 27th May, 2019."

**4. As Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mrs. Ramni Nirula (DIN: 00015330), who was appointed as an Additional Director of the Company with effect from 26th July, 2019 under Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term upto five consecutive years commencing from 26th July, 2019."

**5. As Ordinary Resolution**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 1,05,000 per annum (plus service tax as applicable and reimbursement of actual out of pocket expenses) payable to Messers Guha, Ghosh, Kar & Associates, the Cost Auditors for conducting the cost audit of the Company's units as may be required under the Act and Rules made thereunder for the Financial Year ending 31st March, 2020, be and is hereby ratified and confirmed."

By Order of the Board

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

Place : Kolkata  
Date : 26th July, 2019

Notes :

- 1) **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.** As per Section 105 of the Companies Act, 2013 ("the Act") and Rules framed thereunder, a person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. However, a Member holding more than ten percent (10%) of the total Share Capital of the Company may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or shareholder. Proxies, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, at least 48 hours before commencement of the Meeting. No proxies shall be considered valid on its receipt after 11:00 AM on 19th September, 2019. A proxy form is sent herewith. Proxies submitted on behalf of Companies / Association of Persons (AOPs) should be supported by an appropriate Resolution / Authorization, as applicable.
- 2) The Explanatory Statement pursuant to Section 102 of the Act setting out details relating to Items of Special Business is annexed hereto.

- 3) The Registers of Members and Share Transfer Books of the Company shall remain closed from 15th September, 2019 till 21st September, 2019 (both days inclusive).
- 4) a) The shareholders of the Company are informed that the amount of dividend which remains unclaimed for a period of 7 years would be transferred to the Investor Education and Protection Fund [“the Fund”] constituted by the Central Government and the shareholder(s) would be able to claim any amount of the dividend so transferred to the Fund. All unclaimed /unpaid dividends declared for and upto the Financial Year ended 31st March, 2011 have been transferred to the Fund. No dividend was declared for the Financial Year ended 31st March, 2012 and therefore no amount shall be deposited in the Fund.  
b) The shareholders who have not encashed their earlier dividend warrants are requested to write to the Company immediately for claiming unpaid dividends declared by the Company.
- 5) a) Pursuant to the relevant provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘IEPF Rules’), as amended, all shares in respect of which dividend has not been paid or claimed by the shareholder(s) for seven consecutive years or more, the Company is required to transfer such Equity Shares of the members to the demat account of the Investor Education and Protection Fund (‘IEPF’) Authority. The Company had sent necessary communication to all Shareholders concerned and had also published notices in newspapers in this regard. The Company has also uploaded full details of such shareholders, whose dividend remained unclaimed on its website [www.ushamartin.com](http://www.ushamartin.com). The Company will do the needful in connection with transfer such shares to the demat account of IEPF Authority, as required.  
b) The members/ claimants whose shares, if any, unclaimed dividend, etc. have been transferred to the Fund may claim the shares or apply for refund by making an application to IEPF Authority in Form IEPF-5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fees.
- 6) Members holding shares in more than one folio are requested to write to the Company’s R & T Agent, namely, MCS Share Transfer Agent Limited, 383, Lake Gardens, Kolkata–700045 for consolidation of holding into one folio and also send the relevant Share Certificates for this purpose.
- 7) As per RBI notification, with effect from 1st October, 2009, the remittance of money through ECS was replaced by National Electronic Clearing Service (NECS) and banks have been instructed to move to the NECS Platform. Shareholders holding shares in electronic form are requested to furnish to your Depository Participant the new bank account number as allotted to you by the Bank after implementation of its Core Banking Solutions alongwith a photocopy of a cheque pertaining to the concerned bank account.
- 8) a) The Equity Shares of the Company are tradable in dematerialised form with effect from 21st March, 2000. In view of the same and to avail of the in-built advantages of ECS payment, nomination facility and other advantages, the shareholders are requested to dematerialise their shares. The ISIN of the Company is INE228A01035.  
b) As per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.  
c) During the Financial Year 2018-19, the Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs (MCA) has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after 1st April, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required.
- 9) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Further, in accordance with SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 all Members holding shares in physical form are requested to register their PAN and bank account details by submitting their self-attested copy of PAN Card (including that of the joint holders also) and an original cancelled cheque or submit copy of bank passbook /statement of the holder attested by the bank to MCS Share Transfer Agent Limited (Unit: Usha Martin Limited), 383, Lake Gardens, 1st Floor, Kolkata - 700045.
- 10) Electronic copy of the Annual Report for 2018–19 is being sent to all members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for 2018-19 are being sent by the permitted mode.
- 11) Electronic copy of the Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent to all Members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a physical copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 33rd Annual General Meeting of the Company inter alia indicating the process and manner of remote e-voting along with Attendance Slip and Proxy Form are being sent by the permitted mode.
- 12) The Notice of the 33rd Annual General Meeting and the Annual Report for 2018–19 will be available on the Company’s website [www.ushamartin.com](http://www.ushamartin.com). The physical copies of the aforesaid documents will also be available at the Company’s Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive

such communication in physical form, upon making a request for the same, by post free of cost. For any communication, shareholders may send emails to **investor@ushamartin.co.in**.

- 13) As per the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is providing remote e-voting (Electronic Voting) facility to its Members to cast their votes electronically on all Resolutions set forth in this Notice convening the 33rd Annual General Meeting.

The Company has engaged the services of National Services Depository Limited (“NSDL”) as the authorised agency to provide remote e-voting facilities as specified more fully in the instructions thereunder :

- a) The items of business set out in the attached notice may, however, be transacted also through the electronic voting system as an alternative mode of voting provided that once a vote on a Resolution is cast, a Member shall not be allowed to change it subsequently or cast the vote again.
  - b) Members who have not cast their votes through remote e-voting may attend and cast their votes at the Annual General Meeting through Ballot Paper which shall be made available for use at the Meeting.
  - c) Members who have cast their votes through remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their vote again.
  - d) Members can opt for only one mode of voting i.e either by remote e-voting or voting at the Annual General Meeting. In case Members cast their votes through both the modes, voting done by remote e-voting shall prevail and votes casted at the Annual General Meeting shall be treated as invalid.
- 14) A Person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the **“cut-off date” i.e. 14th September, 2019** shall be entitled to avail the facility of either remote e-voting or voting at the Annual General Meeting through Ballot Paper. A Person who is not a Member on the cut-off date should treat this Notice for information purpose only.
- 15) For those Members opting for remote e-voting, the process and manner of remote e-voting will be as follows :

The voting period begins from **9.00 A.M. on 18th September, 2019** and ends at **5.00 P.M. on 20th September, 2019**. During this period, Members of the Company, holding Shares either in physical form or in de-materialised form, as on the **cut-off date (“record date”) i.e. 14th September, 2019**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. The facility for voting through Ballot Paper shall be made available at the Meeting to the Members as on the **“cut-off date” i.e. record date**, attending the Meeting, who has not cast their vote by remote e-voting, shall be able to exercise their right to vote at the Meeting through Ballot Paper.

**Instruction for voting electronically using NSDL e-Voting system**

- I. Step 1 :- Log-in to NSDL e-Voting system at **https://www.evoting.nsdl.com/**
  - A. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
  - B. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
  - C. A new screen will open. Please enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to 15(II) i.e. Cast your vote electronically.*
  - D. Your User ID details are given below :

	Shareholding in Demat Form with		Shareholding in Physical form
	NSDL	CDSL	
User ID	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- E. Your password details are given below:
  - i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- iii) How to retrieve your 'initial password'?
  - a) If your email ID is registered in your Demat Account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - b) If your email ID is not registered, your 'initial password' is communicated to your postal address.
- iv) If you are unable to retrieve or have not received the "initial password" or have forgotten your password :
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
  - v) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - vi) Now, you will have to click on "Login" button.
  - vii) After you click on the "Login" button, Home page of e-Voting will open.

II. Step 2 :- Cast your vote electronically on NSDL e-Voting system.

- A. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- B. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- C. Select "EVEN" of company for which you wish to cast your vote.
- D. Now you are ready for e-Voting as the Voting page opens.
- E. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- F. Upon confirmation, the message "Vote cast successfully" will be displayed.
- G. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- H. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- (i) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  - (iii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Further queries relating to voting by electronic means or Resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) may be addressed to the Company Secretary at email : [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in).
- 16) Any person who acquires shares and become a Member of the Company after despatch of Notice for the AGM and is holding shares as on the cut – off date i.e. 14th September, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in).
- 17) The Board of Directors of the Company has appointed Mr. Atul Kumar Labh, Practicing Company Secretary (FCS-4848/CP-3238) of M/s A K Labh & Co., Company Secretaries, Kolkata as Scrutinizer to scrutinise the Ballot Form (Form No. MGT-12) and remote e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed and will be available for the said purpose.
- 18) Voting rights of Members shall be in proportion to their shares in Company's Paid-up Equity Capital as on the cut-off date.

- 19) The Chairman shall, at the end of discussion on the Resolutions on which voting are to be held, allow voting by use of Ballot Paper for those Members present at the Meeting but have not cast their votes through the remote e-voting facility.
- 20) The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting, count the votes cast at the Annual General Meeting and thereafter unblock the votes cast through remote e-voting in presence of at least two witnesses not in the employment of the Company.
- 21) The Scrutinizer will not later than three days of conclusion of the Meeting, make a consolidated scrutiniser's report and submit the same to the Chairman or the Joint Managing Director. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company [www.ushamartin.com](http://www.ushamartin.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The results shall simultaneously be communicated to the Stock Exchanges and displayed on the Notice Board of the Company at the Registered Office at 2A, Shakespeare Sarani, Kolkata – 700 071.
- 22) On receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
- 23) The landmark and route map of the venue of the Annual General Meeting are given on the reverse of the Attendance Slip cum Proxy Form with the Annual Report for Financial Year 2018-19.
- 24) Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [as amended] and Secretarial Standard on General Meeting (SS-2), information about the Directors proposed to be re-appointed are given below:

Name of the Director	Mr. Prashant Jhawar	
Director Identification Number	00353020	
Date of joining the Board	24th June, 1992	
Profile of Director / Brief resume of the Director (including nature of his expertise)	Mr. Jhawar, aged about 56 years is a commerce graduate and has studied Management Development at Wharton Business School. He has been closely associated with the Company since its inception. Mr. Jhawar has experience of more than three decades.	
Disclosure of relationships between directors inter – se	Mr. Jhawar is the son of Mr. Basant Kumar Jhawar (erstwhile director of the Company).	
No. of shares held in the Company as on 31st March, 2019	20,60,788	
Directorship / Committee Membership / Chairmanship in other Companies	Directorship in other Companies	Committee position held
	Usha Breco Limited	-
	Usha Breco Education Infrastructure Limited	-
	Jhawar Venture Management Private Limited	-
	PARS Consultancy & Services Private Limited	-
	Peterhouse Investment India Limited	-
	Usha Martin Ventures Limited	-
	Usha Martin Education & Solutions Limited	-
	Redtech Network India Private Limited	-
	Usha Martin International Limited, UK	-
	Usha Communication Technology Limited, UK	-
	Eppixcomm Tech Limited, UK	-
	Eppixcomm Tech (PTY) Ltd. SA	-
	DSI Archer Limited	-
	Eppixe Solution Limited	-
Eppix Group Holdings Limited	-	
KGVK UK Limited	-	
UMT Corporate Services, UK	-	
Remuneration	Presently Mr. Jhawar is not drawing any remuneration, except sitting fees for attending Meetings of the Board and its' Committees in which he is a Member.	
Number of Meetings of the Board attended during the Financial Year 2018-19.	Mr. Jhawar had attended 5 Board Meetings.	

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3**

The Board of Directors of the Company at their meeting held on 27th May, 2019 appointed Mr. Vijay Singh Bapna (DIN: 02599024) as an Additional Director. As an Additional Director, he shall hold office till the date of the ensuing Annual General Meeting and is eligible for being appointed as an Independent Director. The Company has also received a declaration from him confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). He is not debarred or disqualified from being appointed as a Director in terms of Section 164 of the Act and LODR and has given his consent to act as Director of the Company.

A brief profile of Mr. Bapna is provided herein under :

Name of the Director	Mr. Vijay Singh Bapna	
Director Identification Number	02599024	
Date of Joining the Board	27th May, 2019	
Profile of Director / Brief resume of the director (including nature of his expertise)	Mr. Bapna aged about 70 years is a Master of Commerce from University of Udaipur, Rajasthan and also a qualified Chartered Accountant. Mr. Bapna is presently on the Boards of various corporates. During his illustrious corporate career Mr. Bapna has been associated with corporates like Aditya Birla Group, Essar Group of Companies, Ispat Industries, Reliance Petroleum, Vedanta Group, Indorama Group and Welspun Group in various senior capacities both in India and abroad. He has over four decades of experience which traverses Accounts, Costing, Taxation, Project Implementation and Plant Operation. Mr. Bapna has been the recipient of various awards like Udyog Ratna Award, Rajiv Gandhi Rashtriya Ekta Award, etc.	
Disclosure of relationships between directors inter-se	Mr. Bapna is not related to any of the Directors of the Company.	
No. of shares held in the Company as on 27th May, 2019	NIL	
Directorship / Committee Membership / Chairmanship in other Companies	Directorship in other Companies	Committee position held
	Oil Field Warehouse & Services Ltd.	Audit Committee – Chairman Nomination and Remuneration Committee – Chairman Corporate Social Responsibility Committee - Chairman Whistle Blower Committee - Member
	Lagnam Spintex Ltd.	Stakeholder Relationship Committee – Chairman Nomination and Remuneration Committee – Member Corporate Social Responsibility Committee - Member
	MMP Industries Ltd.	Audit Committee – Chairman Nomination and Remuneration Committee – Member
	Global Education Ltd.	Audit Committee - Chairman Nomination and Remuneration Committee – Chairman Corporate Social Responsibility Committee - Member Stakeholders Relationship Committee – Member
Remuneration	As an Additional Director Mr. Bapna is not drawing any remuneration except sitting fees for attending Meetings of the Board and its' Committees in which he is a Member. Subsequent to his appointment he would continue to draw such remuneration (i.e. sitting fees).	
Number of Meetings of the Board attended during the Financial Year 2018-19	Not Applicable.	

Mr. Bapna brings with him rich and diverse experience in managing big sized corporate houses both in India and abroad and his experience and expertise in the opinion of the Board shall be beneficial for the Company. In the opinion of the Board, Mr. Bapna fulfils the conditions of his appointment as an Independent Director as specified in the Act and LODR [as amended] and is independent of the management. A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.ushamartin.com/investors](http://www.ushamartin.com/investors).

The Ordinary Resolution as set out in Item No. 3 of this Notice is accordingly recommended by the Board for your approval.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Bapna and his relatives, are in any way, concerned or interested in the said Resolution. As per Section 102(2) of the Act, it is clarified that the passing of this Resolution does not and will not relate to or effect any other Company.

#### Item No. 4

The Board of Directors of the Company at their meeting held on 26th July, 2019 appointed Mrs. Ramni Nirula (DIN: 00015330) as an Additional Director. As an Additional Director, she shall hold office till the date of the ensuing Annual General Meeting and is eligible for being appointed as an Independent Director. The Company has also received a declaration from her confirming that she meets the criteria of independence as prescribed under the Act and LODR. She is not debarred or disqualified from being appointed as a Director in terms of Section 164 of the Act and LODR [as amended] and has given her consent to act as a Director of the Company.

A brief profile of Mrs. Ramni Nirula is provided herein under:

Name of the Director	Mrs. Ramni Nirula	
Director Identification Number	00015330	
Date of Joining the Board	26th July, 2019	
Profile of Director / Brief resume of the Director (including nature of her expertise)	<p>Mrs. Ramni Nirula holds a Bachelor's Degree in Economics and a Master's Degree in Business Administration from Delhi University. She has more than four decades of experience in the financial sector and has held various leadership positions in the areas of Project Financing, Strategy, Planning and Resources and Corporate Banking.</p> <p>Mrs. Nirula was the Managing Director &amp; CEO of ICICI Securities Ltd. and also headed the Corporate Banking Group of ICICI Bank. She retired as Senior General Manager of ICICI Bank Limited. She was part of top management team instrumental in transforming ICICI Bank from a term lending institution into technology led diversified financial services group with a strong presence in India's retail financial services market.</p> <p>In the past she has been on the Boards of numerous corporates such as Jindal Steel, Eveready Industries, McLeod Russel, Jubilant Foodworks, Goldman Sachs Trustee Company, etc.</p> <p>She is currently on the Boards of listed entities like DCM Shriram Limited, PI Industries Limited, CG Power and Industrial Solutions Limited and HEG Limited.</p>	
Disclosure of relationships between directors inter-se	Mrs. Ramni Nirula is not related to any of the Directors of the Company.	
No. of shares held in the Company as on 31st March, 2019	Nil	
Directorship / Committee Membership / Chairmanship in other Companies	Directorship in other Companies	Committee position held
	HEG Limited	Risk Management Committee – Member
	PI Industries Limited	Audit Committee – Member Nomination & Remuneration Committee – Chairperson Corporate Social Responsibility Committee – Member
	DCM Shriram Limited	Audit Committee – Member
	CG Power and Industrial Solutions Limited	Audit Committee – Member Corporate Social Responsibility Committee – Chairperson Hungary Business Divestment Committee – Member Stakeholders' Relationship Committee – Member
	Comm Trade Services Limited (under liquidation)	-
	Utkarsh Coreinvest Limited	Audit Committee – Chairperson

Remuneration	As an Additional Director Mrs. Ramni Nirula is not drawing any remuneration, except sitting fees for attending Meeting of the Board and its' Committees in which she is a Member. Subsequent to her appointment she would continue to draw such remuneration (i.e. sitting fees).
Number of Meetings of the Board attended during the Financial Year 2018-19	Not Applicable.

Mrs. Nirula has vast and rich experience in financial and banking sector and has held various leadership positions in the areas of Project Financing, Strategy, Planning & Resources and Corporate Banking which in the opinion of the Board shall be beneficial for the Company. In the opinion of the Board, Mrs. Ramni Nirula fulfils the conditions for appointment as an Independent Director as specified in the Act and LODR [as amended] and is independent of the management. A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the Registered Office of the Company during business hours on any working day and is also available on the website of the Company [www.ushamartin.com/investors](http://www.ushamartin.com/investors).

The Ordinary Resolution as set out in Item No. 4 of this Notice is accordingly recommended by the Board for your approval.

None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Ramni Nirula and her relatives, are in any way, concerned or interested in the said Resolution. As per Section 102(2) of the Act, it is clarified that the passing of this Resolution does not and will not relate to or effect any other Company.

#### **Item No. 5**

The Board, on recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor, Messrs Guha, Ghosh, Kar & Associates, Cost Accountants at a remuneration of Rs.1,05,000/- p.a (plus service tax as applicable and reimbursement of actual out of pocket expenses) to conduct the audit of the cost accounting records of the Company in accordance with the provisions of the Act and Rules made thereunder, for the Financial Year ending 31st March, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditors is required to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought by passing an Ordinary Resolution as set out at item No. 5 of the Notice for ratifying proposed remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2020.

The Board recommends the Ordinary Resolution as set out at Item No. 5 of this Notice for approval of members.

No Director or Key Managerial Personnel of the Company or their relatives have any concern or interest, financial or otherwise, in the Resolution set out at Item No. 5 of the Notice. As per Section 102(2) of the Act, it is clarified that the proposed Resolution does not relate to or affect any other Company.

Place : Kolkata  
Date : 26th July, 2019

By Order of the Board

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737



**Usha Martin Limited**

CIN: L31400WB1986PLC091621  
Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071 India  
Ph.: 033-7100 6300, Fax : 033-7100 6415  
e-mail: investor@ushamartin.co.in, Website: www.ushamartin.com

**ATTENDANCE SLIP**

**33<sup>rd</sup> Annual General Meeting on Saturday, 21<sup>st</sup> September, 2019 at 11:00 A.M.**

Name and Registered Address of the :  
sole/ first named Member

Name of the joint holders (if any) :

Registered Folio / DP ID & Client ID :

No. of Equity Share(s) held :

I/We, hereby record my/our presence at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company to be held on Saturday, 21<sup>st</sup> day of September, 2019 at 11:00 A.M. at "Kala Kunj", 48, Shakespeare Sarani, Kolkata-700 017 and at any adjournment thereof.

Name of the Member/ Proxy (IN BLOCK LETTERS)

Signature of the Member/ Proxy

Note: Please fill and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the entrance of the Meeting Hall.

**ELECTRONIC VOTING PARTICULARS**

EVEN	User ID	Password / PIN

Note : This forms an integral part of the Notice dated 26<sup>th</sup> July, 2019 for the 33<sup>rd</sup> Annual General Meeting scheduled to be held on Saturday, 21<sup>st</sup> September, 2019, which is being sent to you along with the Annual Report for the Financial Year 2018-19 of the Company. Please read the instructions printed under Note No. 15 to the Notice of 33<sup>rd</sup> Annual General Meeting for exercising the vote. The e-Voting period starts from 9:00 A.M. on 18<sup>th</sup> September, 2019 and ends at 5:00 P.M. on 20<sup>th</sup> September, 2019. At the end of the e-Voting period, the portal where the votes are cast shall forthwith be blocked by NSDL

..... Please cut here and bring the above attendance slip to the Meeting Hall .....



**Usha Martin Limited**

CIN: L31400WB1986PLC091621  
Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071 India, Ph.: 033-7100 6300, Fax : 033-7100 6415  
e-mail: investor@ushamartin.co.in, Website: www.ushamartin.com

**PROXY FORM Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**33<sup>rd</sup> Annual General Meeting on Saturday, 21<sup>st</sup> September, 2019 at 11:00 A.M.**

Name of the Member(s) :

Registered Address :

E-mail ID :

Registered Folio/  
DP & Client ID :

No. of Share(s) held :

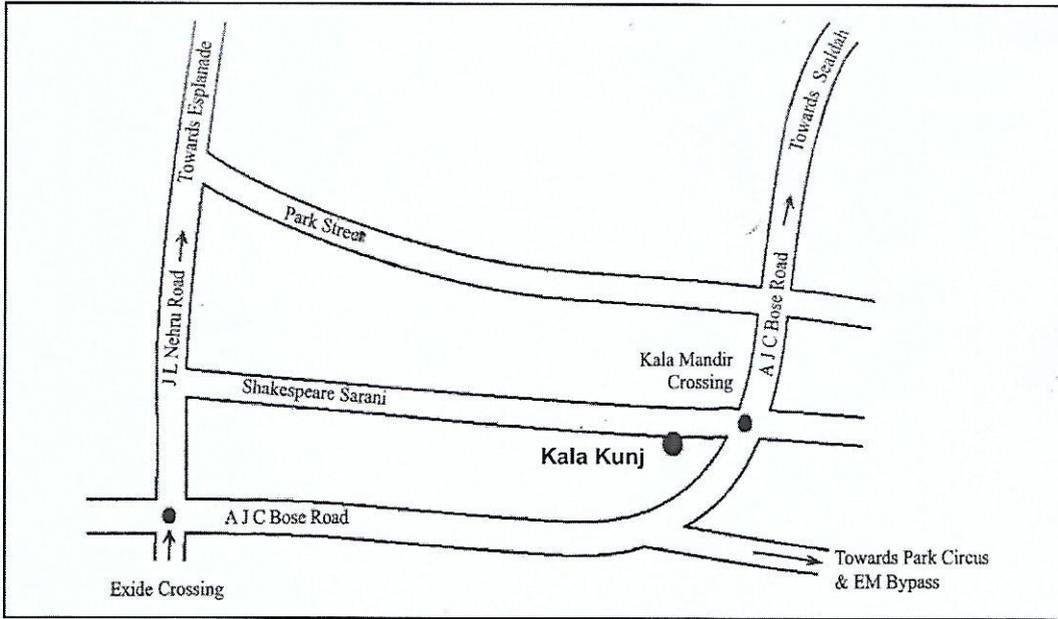
I/We, being the member(s) of Shares of Usha Martin Limited, hereby appoint :

- Name : .....  
Address : .....  
Email : ..... Signature : \_\_\_\_\_ or failing him / her
- Name : .....  
Address : .....  
Email : ..... Signature : \_\_\_\_\_ or failing him / her
- Name : .....  
Address : .....  
Email : ..... Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company to be held on Saturday, 21<sup>st</sup> day of September, 2019 at 11:00 A.M. At "Kala Kunj", 48, Shakespeare Sarani, Kolkata-700 017 and at any adjournment thereof in respect of such resolution as are indicated on reverse:

### Route Map of AGM Venue

"Kala Kunj", 48, Shakespeare Sarani, Kolkata-700 017



Resolution No.	Resolutions Proposed
1	Adoption of the Financial Statements of the Company (both standalone and consolidated basis) for the year ended 31st March, 2019 together with the Directors' and Auditors' Reports thereon.
2	Appointment of a Director in place of Mr. Prashant Jhavar (DIN : 00353020), who retires by rotation and being eligible, offers himself for re-appointment.
3	Appointment of Mr. Vijay Singh Bapna (DIN : 02599024) as an Independent Director of the Company.
4	Appointment of Mrs. Ramni Nirula (DIN : 00015330) as an Independent Director of the Company.
5	Ratification of remuneration payable to the Cost Auditors for Financial Year ending 31st March, 2020.

Signed this ..... day of ..... 2019

Signature of Shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note :**

- This form of proxy in order to be effective should be duly filled, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- For the text of the Resolution, Statement & Notes, please refer to the Notice dated 26<sup>th</sup> July, 2019 convening the Annual General Meeting.
- A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total Paid up Share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the Paid up Share Capital of the Company, then such proxy shall not act as a proxy for any other person or Member.
- The Proxy shall prove his/her identity at the time of attending the Meeting.



# The world's most amazing dinner ride

Usha Martin partners "FLY DINING" - A new concept-dining experience in Bengaluru. Lifted by a crane and suspended high for a breath taking view of the city. Our 22mm steel slings enable holding the platform at such an elevation.

JdJ

**USHA MARTIN LIMITED**

2A, Shakespeare Sarani, Kolkata – 700 071, India  
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Phone : 033 – 7100 6300; Fax : 033 – 7100 6415  
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