



# Dhola Sadiya Bridge

## INDIA'S LONGEST BRIDGE



Building Indian Infrastructure. Usha Martin LRPC used for Bhupen Hazarika Setu (Dhola Sadiya Bridge)

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# CORPORATE INFORMATION

## Board of Directors

Mr. B K Jhawar	- Chairman Emeritus
Mr. G N Bajpai	- Chairman
Mr. Brij K Jhawar	- Director
Mr. Prashant Jhawar	- Director
Mr. S Singhal	- Director
Mr. Jitender Balakrishnan	- Director
Mr. P.S. Bhattacharyya	- Director
Mr. Mukesh Rohatgi	- Director
Mrs. Aarthi Ramakrishnan	- Director
Mr. V. Ramakrishna Iyer	- Nominee Director
Mrs. Ramni Nirula	- Director (ceased w.e.f 04.04.2016)
Mr. Rajeev Jhawar	- Managing Director
Mr. P K Jain	- Jt. Managing Director [Wire & Wire Rope Business]

## Key Managerial Personnel

Mr. Rohit Nanda	- Chief Financial Officer
Mrs. Shampa Ghosh Ray	- Company Secretary

## Senior Management

### India

Mr. Amitava Sircar	- Chief Operating Officer [Steel Division]
Mr. Ajay Sharma	- President [Sales & Marketing Steel]
Mr. Karun Kant Dave	- President [Mining Division]
Mr. D J Basu	- President [HR]
Mr. Debasish Mazumdar	- President [Steel]
Mr. Ashutosh Dixit	- President [Wire & Wire Rope Business]
Mr. Jayanta Bhowmik	- Sr. Vice President [IT]
Mr. Anoop Saxena	- Sr. Vice President [TPM]
Mr. Debasish Majumder	- Sr. Vice President [QA]

### Europe

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

### South East Asia

Mr. Amogh Sharma	- 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	- Vice President [Sales & Marketing] – 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 – 39800300; Fax : 033 – 39800415  
Email : investor@ushamartin.co.in  
Website : www.ushamartin.com

## Works

### India

Adityapur, Jamshedpur  
Tatilswai, Ranchi  
Hoshiarpur, Punjab  
Sri Perumbudur, Tamil Nadu  
Silvassa, (U M Cables)

### Overseas

Navanakoran Industrial Estate, Thailand (Usha Siam Steel Industries)  
Jebel Ali Free Zone, Dubai, UAE (Brunton Wolf Wire Ropes)  
Workshop, Nottinghamshire, UK (Usha Martin UK)

## Mines

Barajamda, Jharkhand  
Brinda and Sasai (yet to be operational)

## Bankers

State Bank of India  
Axis Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited  
IndusInd Bank Limited  
Bank of Baroda  
RBL 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  
12/1/5, Manoharpukur Road, Kolkata – 700 026  
Phone : +91 33 – 40724051-53  
Fax : +91 33 – 40724050  
Email : mcssta@rediffmail.com

## CHAIRMAN'S MESSAGE



*Dear Shareholders,*

Indian economy is today the seventh largest in the world measured by nominal GDP and is also the third largest in terms of purchasing power parity. This definitely reflects the potential of Indian economy and its growth at 7% demonstrates that India is the next 'growth story' in the world economy. Notwithstanding the initial hiccups, we are on the threshold of a long term sustainable high growth trajectory.

2016-17 has been a tough year for your company due to various national and international events affecting the steel industry. Steel industry continues to suffer due to global over capacity of 265 million tonnes. Even in India we are saddled with excess steel capacity resulting in continuous pressure on margins. The input raw material prices fluctuated widely affecting the steel industry worldwide. However, "green shoots" in the economy driven

by increased infrastructure spending and simultaneous growth in the automobile sector, steel consumption is expected to touch 104 million tonnes by 2017. Implementation of GST and Insolvency and Bankruptcy Code demonstrate the Government of India's will to carry out fundamental structural reforms which will put the country on sound footing and accelerate the growth going forward.

The Company is focused towards driving operational efficiencies and cost reduction. A reputed international consultant has been engaged to prepare and help in implementation of a sustainable improvement plan for steel division. More actions to ensure sustainability of growth are being planned including possibility of sale of wire and wire rope division of the Company.

Wire and wire rope business is witnessing demand revival in most of the sectors both in India as well as internationally. Overall we are optimistic about growth in this business due to improvement in investment in various sectors of the economy.

The performance of the Company has to be seen in this macro-economic background. I am confident that the situation will alter with domestic economy picking up steam and with infrastructure development accelerating, it will generate demand for speciality grade alloy steel in this process.

I immensely value and acknowledge the support of all shareholders and other stakeholders as we ride through difficult times in the industry to a brighter future. The journey is challenging. Let us accept this challenge.

**G N Bajpai**

Chairman



## MANAGING DIRECTOR'S OVERVIEW



*Dear Shareholders,*

Global steel markets continue to be afflicted with overcapacity and lack of demand growth. Indian market is one of the few sizeable markets which continue to witness positive growth in demand. Steps taken by the Government of India to create a level playing field for the domestic steel players has helped stabilise the prices in the domestic market.

During the last financial year, volatility in the coking coal prices in the international market was the biggest challenge that the Company had to grapple with. The spikes at times took the price of coking coal as high as two to three times the normal price in very short periods posing very serious challenge. This one factor resulted in substantial increase in cost of production and this was the largest drag on the Company's profitability. Overhang of global overcapacity continues to limit the ability of steel manufacturers to pass on increase in their cost to their customers.

The small diversions in the economy e.g. demonetisation created short term uncertainty in the market place impacting the demand for our products. It is expected that this initiative of the Government along with implementation of GST will do good to the national economy in the

long run thereby positively impacting your Company.

You would have noticed that the prices of products mainly automobiles, subsequent to implementation of GST, have come down and is expected to drive the demand upwards. It is also expected that these economic reforms will give the required impetus to our economy to grow and improve the demand for our products. Your company is ready to harvest the benefits of this improvement.

While the steel industry continues to go through difficult times, in our wire and wire rope business we are already seeing demand revival in both the domestic and international markets. The National Steel Policy 2017, Sagar Mala Project and Affordable Housing programs of the Government of India coupled with robust push to infrastructure projects are further expected to improve the demand for our products which in turn will help the steel sector.

Overall, while the year gone by was very difficult due to cost escalations and softer demands, the early green shoots are visible now and the industry is looking forward to strengthening of this trend.

In my message last year I had informed you that the management team was working hard on cost control, operational efficiency and improvement in productivity.

While we were getting reasonable results on some of these initiatives we realised that the demand side pain is not going away in a hurry and decided to get external help to give impetus to these efforts and to identify and implement more robust initiatives for sustainability of company operations. We have engaged a global management consultancy firm to help our teams in the steel business and are confident of getting positive results.

While disposal of non-core assets has been underway for some time now we also realised that to ensure long term sustainability we needed to address our debt burden in a more significant manner. To this end an investment bank of international repute has been appointed to look at the possibility of sale of wire and wire rope business of the Company to ensure long term profitable survival of the Company in the best interest of all stakeholders.

**Rajeev Jhawar**

Managing Director

# MANAGEMENT DISCUSSION & ANALYSIS

## Economic and Industry Overview

The World Steel Association forecasts that global steel demand will increase by 1.3% to 1,535.2 MT in 2017, following growth of 1.0% in 2016. In 2018, it is forecasted that global steel demand will grow by 0.9% and will reach 1,548.5 MT.

In 2017 and 2018, steel demand is expected to see a cyclical upturn with a continuing recovery in the developed economies and an accelerating growth momentum in the emerging and developing economies. However, China, which accounts for 45% of global steel demand, is expected to return to a more subdued growth rate after its recent short uplift. For this reason, overall growth momentum will remain modest.

## Global economy is gaining strength, but uncertainty escalates

The risk of global recession is receding and economic performance improving across most regions. A number of geopolitical changes still create some concern. US policy uncertainties, Brexit, the rising populist wave in current European elections, potential retreat from globalisation and free trade under the pressure of rising nationalism adds a new dimension of uncertainty in investment environments.

## Oil and other commodities

The pickup in oil prices in 2016 helped the fiscal position of oil producing countries. In 2017-18 oil prices are expected to show a moderate gain but any spike in oil prices to the levels seen in 2010-12 seems unlikely despite the recent OPEC agreement on oil production cuts. The mildly rising oil prices may stimulate investment in economies worldwide.

## Sector wise Outlook

The automotive sector has been the top performer among key steel using sectors thanks to the consumption driven recovery.

The construction, building and infrastructure sector, which accounts for 50% of global steel use, has been showing a divided picture between the developing and developed economies. This sector has been a major driver for steel demand in the developing countries driven by urbanisation, but activity in the developed economies since the 2008 financial crisis has been more subdued.

Depression in shipbuilding activities is expected to continue for some time given the global glut in shipping capacity.

## Developed world

United States is expected to continue to lead growth in the developed world in 2017-18 related to fiscal stimuli and rising infrastructure spending. However, a rebound of investments in the oil and gas sector may be limited given the increased efficiency of shale producers.

Steel demand in the developed economies will increase by 0.7 % in 2017 and 1.2 % in 2018.

The Russian and Brazilian economies are stabilising and expected to show modest growth in 2017. After the demonetisation shock, the

Indian economy is growing fast now. The ASEAN countries are expected to demonstrate solid growth in 2017-18.

Steel demand in the emerging and developing economies excluding China, which accounts for 30% of world total, is expected to grow by 4.0% in 2017 and then 4.9% in 2018.

## India

Steel production and consumption in India is likely to remain higher in 2017-18 backed by an increase in infrastructure allocation in the Budget.

The National Steel Policy 2017 released by the Government, also aims to increase steel production. The New Steel Policy, 2017 aspires to achieve 300MT of steel-making capacity by 2030. This would translate into additional investment of Rs. 10 lakh Crore by 2030-31. The Policy seeks to increase per capita steel consumption to the level of 160 Kgs by 2030 from existing level of around 60 Kg.

For the infrastructure push, expenditure for transport sector has been raised to INR 0.64 trillion, taking it up to a total of INR 2.4 trillion in Union Budget for 2017-18. Around INR 1.31 trillion of capital expenditure is assigned towards Railways. This will clearly have a large effect on the demand for steel and the metals.

The budget also focuses on housing with schemes such as housing for all by 2022, Smart Cities etc. which is expected to revive domestic steel demand as it will push up demand for construction grade steel particularly those for roofing purposes.

Expectations of normal monsoon will further generate demand from agricultural sector.

All these factors in turn will generate multiplier effect in economy and especially for the transport sector. Automobile demand will show growth of 7-9% in 17-18 due to all these factors as per SIAM.

## Domestic GDP Growth

	2015 (A)	2016 (E)	2017 (E)	2018 (F)
Agriculture	0.2%	1.1%	2.8%	4.1%
Industry & Infrastructure	5.9%	7.3%	7.2%	5.2%
-Manufacturing	2.5%	2.7%	2.4%	2.7%
-Mining	1.5%	1.7%	1.7%	2.2%
Services	10.2%	9.3%	9.5%	8.8%
Overall	7.2%	7.6%	7.1%	7.5%

Source : CSO, GOI

## Company Overview

### Business Configuration

Usha Martin is an integrated specialty steel and value added steel products Company, having business locations across the world including through its subsidiaries and/or joint ventures.

The Company has state-of-art integrated steel plant near Jamshedpur

(Jharkhand) producing a wide range of specialty steel wire rods and bars, with captive iron ore mine in Jharkhand. The other/auxiliary products include iron ore pellet, coke, DRI, pig iron, sinter, oxygen and power generation, primarily for captive consumption. The operations of the Company's Brinda & Sasai Coal block in Jharkhand is likely to commence in FY'19.

The Company is one of the largest producers of specialty steel in India, catering to requirements of automotive, railways, defence and general engineering sectors.

The steel products manufactured at Jamshedpur facilities were sold in the market to the extent of 65% and 35% was for in-house production of value added products such as wire ropes, wires, strands and bright bars at Ranchi, Hoshiarpur, Chennai and Bangkok.

In wire rope manufacturing, the Company is the largest in India and one of the largest in the world. Its manufacturing plants are located at Ranchi and Hoshiarpur in India, Thailand, Dubai and United Kingdom. The wide range of wire ropes produced by the Company has applications in offshore oil exploration, mining, elevators, cranes, bridges, infrastructure, construction, fishing and variety of general purposes.

Besides wire ropes, other value added products include cords, strands, wires, bright bars and oil tempered wires. The Company also has a plant at Chennai to manufacture bright bars.

The global business of wire rope is supported by marketing, distribution and rigging facilities at various locations in the USA, Europe, Africa, Middle East and rest of Asia. The Company provides products and solutions for oil and gas sectors for anchoring, drilling and mooring applications from its facilities at Aberdeen in UK. Further, the Company has an R&D Centre in Italy.

The Company has an in-house machinery manufacturing facility at Ranchi for captive engineering requirements as well as to cater to external demand in India and export markets.

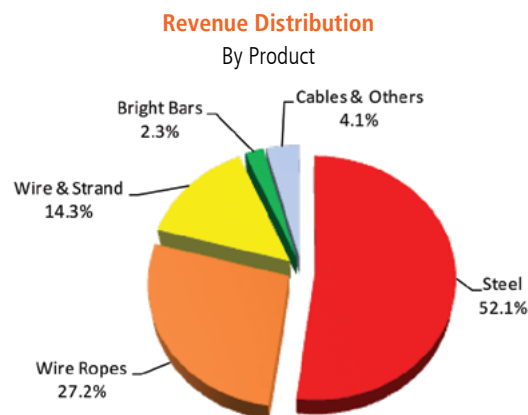
Through one of its wholly owned subsidiaries U M Cables Limited, the Company also manufactures a wide range of telecommunication cables meant for variety of applications and caters to requirements of domestic and export markets.

The strategy of integration places the Company in a unique position by combining both ends of value chain, from iron ore mining to high value wire ropes and further providing end use solutions on its key product applications. In addition to providing benefits of quality, consistency and self-sufficiency for principal raw materials, it provides captive markets for a sizeable portion of the finished products. Also it enables the Company to aspire to become truly competitive across the entire value chain of its chosen product range.

### Business Environment

Both Steel and Wire Ropes businesses continued to be under pressure due to domestic as well as international factors. Global excess capacity, significant jump in imports and another bad year for agriculture sector

weighed heavily on the steel business and steel prices. On the other hand, continued fall in oil prices and slackness in the mining sector the world-over lead to a fall in volumes and reduction in margins in Wire Ropes business. During 2016-17 the Company generated 31.6% of its revenue from exports and overseas businesses as compared to about 22.7% last year. Similarly Steel contributed 52.1% of the revenue during 2016-17 as compared to 51% during 2015-16, corresponding percentage reduction being there in Wire Ropes revenue.



### WWR Business

Wire rope business continues to progress satisfactory despite many challenges. Oil prices started to firm up from mid November 2016. Enquiries from Oil & Offshore sectors have started trickling in since November and we expect some uptrend. Commodities (coal, metals) market have gained ground since November 2016 and demand in this segment have started to pick-up. Overall demand scenario for wire ropes saw an uptick across most geographies and across most product segments. Wire rope prices have also started to improve in view of improvement in demand.

### Steel Business

The erratic variation in Coking coal prices has had a major impact on the steel production and margins. Our steel is mainly consumed by automobile and engineering industry, however the industry was not ready to absorb any price increase due to higher input costs of steel producers. This forced us to operate at lower capacity utilization. In order to stay competitive the Company continued to drive for lower cost through process optimization and other cost reduction initiatives.

Despite subdued steel market, the Company continued to push and achieve higher sales volume in the rolled products segment. Due to steep fall in prices, the sales volume of billets was lower by about 44.5% as compared to the previous year. Due to reduction in prices of iron ore in the global and domestic markets, production in pellet plant remained suspended during the year. In order to stay competitive the Company continued to drive for lower cost through process optimization and other cost reduction initiatives.

## Steel Production Volume – MT

	FY 16-17	FY 15-16
Iron Ore	2,496,483	2,044,572
Coal	-	-
Coke	336,551	373,587
Hot Metal	542,295	565,114
DRI	390,593	402,653
Pellet	-	353,216
Sinter	815,850	840,919
Billets	670,405	693,699
Rolled Products	601,018	577,063

## Operational Highlights

The Steel business achieved a sales turnover of Rs.2253.1 Cr in the current Financial Year against Rs.2398.74 Cr in the previous year, down by 6.1%. The Earnings before Interest, Depreciation and Tax (EBIDTA) and EBIDTA margins were at Rs. (159.64) Cr at (7.08%) during the year against Rs.(301.59) Cr at (12.57%) in the previous year.

During FY'17 the export turnover of Steel business was Rs. 102.70 Cr, which is 4.6% of its turnover, against Rs. 84.24Cr in the previous year.

Wire Ropes business of the Company continued to be profitable despite incessant fall in oil prices and dwindling fortunes of the mining industry which however led to a fall in the turnover. The Company continued its push into other product segments like elevator ropes and LRPC to substitute loss of volume and profitability in oil and mining industry. Relative currency devaluation of other large developing economies also led to a fall in exports as well as revenue from international businesses.

At Usha Martin standalone level, during FY'17, the Wire & Wire Rope (WWR) business achieved gross production of Wire Ropes and Conveyor Cords of 51,524 MT against 54,360 MT in the previous year. The gross production of Strands, Wires and Bright Bars was 125,280 MT in FY' 17 against 126,766 MT in FY' 16. Total Value Added products production was down by about 24.4% in FY'17 compared to that in the previous Financial Year.

On standalone basis, the WWR business delivered turnover of Rs. 1346.97 Cr. in the current Financial Year against Rs.1405.51 Cr. in previous year. The EBIDTA and EBIDTA margins were at Rs. 114.13 Cr. and 8.47% during the year against Rs.116.34 Cr. at 8.28% in previous year respectively.

## Production Volume VA Products–Standalone

Qty in MT	FY 16-17	FY 15-16
Wire Ropes	49,684	51,173
Strands	50,111	53,574
Wires	60,899	59,350
Bright Bars	14,270	15,404
Conveyor Cords	1,840	3,187

## 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

Level of activity from the international businesses of the Company continued to fall. The turnover and EBIDTA from international businesses fell to Rs. 750.60 Cr and Rs. (8.25) Cr in 2016-17 from Rs.892 Cr and Rs.54.47 Cr respectively, the year before. The Company's international business accounted for 17% of its consolidated gross activity level.

## Usha Martin International Limited [UMIL]

UMIL enjoys a presence in the UK 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, and
- De Ruiter Staalkabel B.V. Netherlands, which has end use solutions and distribution facilities for wire ropes.
- Usha Martin Italia, which has set up R&D Centre for wire ropes.

The consolidated turnover of UMIL was GBP 31.4 Mn in 2016-17 as against GBP 34.6 Mn in 2015-16. UMIL reported a consolidated loss of GBP 0.04 Mn as against a profit of GBP 0.8 Mn in the previous year.

	GBP in Mn		
UMIL	FY'15	FY'16	FY'17
Turnover	46.3	34.6	31.4
Net Profit	3.3	0.8	(0.04)

Main reason for this year's lower profitability was the drop in oil price leading to rapid reduction in level of activity at the going project sites as well as shelving of planned projects.

## Usha Martin Americas Inc [UMAI]

During the year, UMAI reported a turnover of US\$ 4.8 Mn as against US\$ 10.0 Mn in the previous year. The Company has reported a loss of US\$ 1.5 Mn as against loss of US\$ 0.1 Mn in the previous year.

	USD in Mn		
UMAI	FY'15	FY'16	FY'17
Turnover	12.3	10.0	4.8
Net Profit	0.1	(0.1)	(1.5)

Decline in sales and profitability was mainly due to scaling back of offshore drilling activity in the Gulf of Mexico and elsewhere.

## Brunton Wolf Wire Ropes FZCo [BWWR]

BWWR, a joint venture with Gustav Wolf of Germany, reported a turnover and net profit of US\$ 16.9 Mn and US\$ 0.5 Mn respectively in 2016-17 as against US\$ 18.1 Mn and US\$ 0.6 Mn respectively in the previous year.



	USD in Mn		
<b>BWWR</b>	<b>FY'15</b>	<b>FY'16</b>	<b>FY'17</b>
Turnover	24.0	18.1	16.9
Net Profit	0.8	0.6	0.5

The business saw a decline in sales due to deceleration of industrial & trading activities in almost all the significant economies of Africa, Middle East & North Asia. However, the Company managed to limit the fall in profitability through various marketing and distribution initiatives.

#### **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 1,145.5 Mn during the year under review as against Thai Baht 1,155.1 Mn in the previous year. It reported a loss of Thai Baht 2.3 Mn against loss of Thai Baht 28.1 Mn in the previous year.

	THB in Mn		
<b>USSIL</b>	<b>FY'15</b>	<b>FY'16</b>	<b>FY'17</b>
Turnover	1,308	1,155.1	1145.5
Net Profit	(46)	(28.1)	(2.3)

The Company registered a decline in its turnover but also managed to curtail its net loss. There was an improvement in operations because of better cost control and reduction in overheads.

#### **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\$ 15.2 Mn and net loss of US\$ 2.8 Mn during the year under review as against US\$ 22.9 Mn and net loss of US\$ 2.5 Mn respectively in the previous year.

	USD in Mn		
<b>UMSPL</b>	<b>FY'15</b>	<b>FY'16</b>	<b>FY'17</b>
Turnover	37.4	22.9	15.2
Net Profit	(0.4)	(2.5)	(2.8)

Singapore and China business which caters largely to new built vessels, platforms, drill rigs, etc. was badly affected as the activity come to a standstill. Vietnam, Indonesia and Australia businesses held on as these are less oil and offshore dependent.

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

UMCL, a wholly owned Indian subsidiary of the Company, engaged in business of telecommunication cables achieved turnover of Rs. 154.9 Cr against Rs.127.3 Cr in the previous year. The net profit for the year was Rs. 9.7 Cr as against Rs. 3.7 Cr in FY 15-16.

	Rs. in Cr		
<b>UMCL</b>	<b>FY'15</b>	<b>FY'16</b>	<b>FY'17</b>
Turnover	177.4	127.3	154.9
Net Profit	12.1	3.6	9.6

Sales as well as profitability were adversely affected due to slow roll out of government spend on telecom infrastructure projects. However, the Company managed to stay profitable through efficient operations.

#### **Financial Discussion**

During the year, consolidated turnover of the Company stood a Rs. 3881.94 Cr, which is 5.6% lower than Rs. 4,112.24 Cr in the previous year. On standalone basis, the Company's turnover decreased to Rs. 3246.54 Cr in the current Financial Year against Rs.3431.79 Cr in the previous year, down by 5.4%.

The EBITDA achieved by the Company on consolidated basis was Rs. 509.33 Cr, being 13.12% of the reported turnover, and on standalone basis at Rs. 462.64 Cr, being 14.3%, for the reported turnover against Rs. 373.48 Cr and Rs. 325.34 Cr respectively in previous year.

The export sales dropped to Rs. 325 Cr, with share being 10% of net turnover on standalone basis against 10.4% in previous year, while share of domestic sales in the current year was 90% against 89.6% in previous year.

Fall in the turnover was a combined result of lower sales prices in Steel business and lower volumes and prices in Wire Ropes business. Steel prices were under constant pressure due to global excess capacity and surge in imports into India. Wire Ropes business suffered volume loss and price erosion, as billions of dollars of fresh capex into oil was put on hold and mining industry continued to weather rough waters as commodity guzzler Chinese juggernaut decelerated.

#### **Forex Management**

During 2016-17, Indian Rupee appreciated by about 2.1% to close the year at 64.85. The main reasons for this appreciation included general US Dollar weakness and victory of the ruling party BJP in various state elections in India. After the announcement of state election results, FII's have poured in \$3.4 billion into Indian financial markets, compared to an outflow of similar magnitude in the first ten months of FY'17. RBI also shifted its monetary policy stance from 'accommodative' to 'neutral', consequently the rise in bond yields has also led to an influx of foreign capital into the Indian debt market. Since large part of appreciation happened towards the end of the year, on the basis of average exchange rate, the depreciation was 2.5% during the year in FY'17 as against 7.1% in the FY'16. The hedging cost during FY'17 went below 5% per annum.

The Company has followed the practice of keeping its trade exposures hedged through forward contracts, after using natural hedge available through its export business.

The changes in the value of long term capex loans due to forex fluctuation have continued to be accounted for in the fixed assets, as in the previous financial years, in accordance with the notification issued

by Ministry of Corporate Affairs. By exercising this option the Company capitalized effect of exchange rate fluctuations on foreign currency loans, amounting to Rs.4.38 Cr, in the fixed assets during the current financial year.

By way of premium on booking of forex trade exposures, losses on booking and cancellations of hedged positions, payment/receipt of trade exposure and revaluation of trade exposures and MTM of outstanding forward contracts etc., the Company has incurred cost of Rs.24.71 Cr.

### Finance Cost

The average cost of debt as on 31st March, 2017 was at 10.95%. The net interest charge [excluding other borrowing costs] of the Company increased from Rs.498.54 Cr to Rs. 522.80 Cr during the Financial Year mainly on account of reduction in proportion of FCY debt, which carries lower cost, from 17.8% to 8.7%.

### Capital Expenditure

The Company, on a standalone basis, has incurred Rs. 60.45 Cr on projects and normal capital expenditure excluding effect of depreciation and valuation of FCY loans.

### Debt Mobilization, Payments & Management

During FY'17, the Company on standalone basis, has raised long term rupee debt of Rs. 477 Cr. The Company has further sanctions of Rs.480 Cr of long term loans for funding development of new coal mine, normal capex and other requirements. The Company has repaid long term loans of Rs. 408.78 Cr and prepaid Rs.16 Cr of long term capex L/ Cs and long term loans.

Overall, there is decrease in debt by Rs. 0.74 Cr. on standalone basis and Rs. 50.40 Cr on consolidated basis.

The Company had a net debt of Rs. 3,717.93 Cr (including working capital loans, current maturities of long term debt and net of cash & bank balance of Rs. 4.64 Cr) as on 31st March, 2017, with about 8.7% of it in foreign currency. The Company's Net Debt Equity ratio was 8.16 as on 31st March, 2017. On consolidated basis, the net debt level and Debt Equity Ratio were Rs. 3,943.44 Cr and 4.17 respectively at year end.

### Ratings

The Company enjoys rating of "CARE A3" 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 rating of "IND BBB-" with negative outlook 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 registrars and transfer agents.

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.0.12 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 continue to remain listed at Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and GDRs at Societe de la Bourse de Luxembourg.

### Internal Control System and Risk Management

The Company has an in-house audit team and also avails services of external firms of consultants and chartered accountants to help the Company to further strengthen the internal audit and risk management functions.

### Human Resources

The Company continues to leverage the potential of Human Resources through Job rotation, Job enrichment and developing the 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 Company's training institute (Usha Martin Training Institute, Jamshedpur) provides in-house training to freshers and functional personnel, on-the-job training, leadership training sessions, soft-skill grooming sessions and flexible job rotation enhances employee skills. Regular seminars and workshops are conducted on a pan-India basis.

The Human Resource Department in close coordination with Company's CSR arm, KGVK is working in the surrounding villages of its plants for sustainable development through Total Village Management 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 31st Annual Report and Audited Accounts for the Financial Year ended 31st March, 2017.

## FINANCIAL SUMMARY / HIGHLIGHTS

(Rs. in Crore)

	Stand Alone		Consolidated	
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Net Sales / Income from Operations	3,246.54	3,431.79	3,881.94	4,112.24
Other Income (including Finance Income)	116.76	34.36	119.91	32.51
Net Sales and Other Income	3,363.30	3,466.15	4,001.85	4,144.75
Profit/(Loss) Before Interest, Depreciation & Tax	462.64	325.34	509.33	373.48
Depreciation	268.58	273.11	299.98	307.98
Finance Costs	549.01	531.14	564.24	546.63
Profit/(Loss) Before Tax	(354.95)	(478.91)	(354.89)	(481.13)
Tax expenses ( including MAT and Deferred Tax)	-	(59.42)	4.63	(54.72)
Profit /(Loss) After Tax [Profit /(loss) for the year attributable to equity shareholders of the Company]	(354.95)	(419.49)	(358.91)	(429.72)

## Review of Operations

The turnover for the year was Rs. 3,881.94 Cr on consolidated basis and Rs. 3,246.54 Cr on standalone basis as compared to Rs. 4,112.24 Cr and Rs. 3,431.79 Cr respectively in the previous year. The Earnings Before Interest, Depreciation and Tax was Rs. 509.33 Cr on consolidated basis as compared to Rs. 373.48 Cr in previous year and on standalone basis from Rs. 325.34 Cr to Rs. 462.64 Cr.

The detailed review of operations under Steel and Wire & Wire Rope businesses has been discussed in Management Discussion and Analysis which forms part of this Report.

The Board, with a view to reduce the existing debt burden of the Company, appointed a consultant to evaluate the possibility of sale of Wire & Wire Rope business of the Company.

## Dividend & Reserves

In view of there being no profits, the Directors are unable to recommend dividend for the year under review, nor do they propose to carry any amount to reserves.

## Outlook and business

The steel demand all over the world has stabilized and is showing moderate growth. India's crude steel production grew by 7.4 per cent year-on-year to 95.6 million tonnes (MT) in 2016. India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors. With automobile demand to grow at 7-9%, we expect automotive sector steel demand to be robust.

Wire rope business continues to progress satisfactory despite many challenges. Oil prices started to firm up from mid November 2016 and had been hovering around the US\$ 55 mark for quite sometime. Again it slid dramatically in the 1st week of March and has been a bit volatile, currently remaining around US\$ 49. Enquiries from Oil & Offshore sectors have started trickling in since November. Commodities (coal, metals) market has gained ground since November 2016 and demand in this segment has started to pick-up. Overall demand scenario for wire ropes saw an uptick across most geographies and across most product segments with stocks gradually depleting and fresh demand coming in. Even the wire rope price has started slowly increasing and we expect the business to do well going forward.

## TPM & Quality

Steel Division continues to have following certification ISO 9001:2008 in Quality Management System, ISO-TS 16949:2009 in connection with QMS for Automotive Industries, ISO 14001:2004 Environment Management System, ISO50001:2011 Energy Management System and OHSAS 18001:2007. Further, Steel Division is also certified by JIPMS, Japan for TPM excellence.

WWR business is moving ahead on TQM journey and work on various projects for continuous improvement is continuing on all fronts.

## Subsidiaries & Joint Ventures

The international subsidiaries provide significant synergy and support to the Company's wire rope business and performance. Further, 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, the Company, as part of reduction of non-core assets, completed divestment of its entire shareholding of 50% in Dove Airlines Private Limited ("DAPL"). Subsequent to the above divestment in August 2016, DAPL has ceased to be a joint venture of the Company.

Except for the above divestment, there were no other changes in subsidiaries, joint ventures and associates of the Company during the Financial Year 2016-17.

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.

### Environment

Steel Division and Wire Ropes & Specialty Products Division operate under ISO 14001 Environment Management Systems (EMS) Standards from Det Norske Veritas (DNV) of U.K.

In Steel Division, various initiatives such as enclosing DRI 4 and 5 for minimizing dust, installing rain gun sprinklers, activating Bag and Dust filters, using telescopic chutes for sponge delivery etc. were implemented. Online Effluent Treatment Monitoring System (ETP) was installed to give real time data of emissions. Also total 3,134 trees were planted as a part of green initiative. As a result of all these initiatives, Steel Division has been awarded the Good Green Governance award from Srishti foundation.

Wire Rope & Specialty Products Division is also driving improvements in effluent treatment plant by online monitoring of ETP. Fly Ash utilization has gone above 100% to ensure disposal of all fly ash accumulated in last few years. Water used above 3,000 KL/Month is recycled and reused. 3,400 trees have been planted and a Forest Plant Nursery has been set up to grow saplings.

### Deposits

During the year 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 on 31st March, 2017, there are no unclaimed deposits with the Company. Further the Company has not defaulted in repayment of deposits or payment of interest thereon in the past.

### Share Capital

The Paid-up Equity Share Capital as on 31st March, 2017 stood at Rs. 30.54 Crores. 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 report.

Subsequent to Shareholder's approval obtained at the Extra Ordinary General Meeting held on 16th March, 2015 the Company had, issued and allotted 34,285,600 convertible Equity Warrants each convertible into one Equity Share of face value of Re.1 each at the option of the

allottees, to certain persons from the Promoter and Promoter Group. Out of the aforesaid warrants, 750,000 convertible Equity Warrants had lapsed on 31st March, 2016. During the year under review, balance 33,535,600 Convertible Equity Warrants had lapsed due to allottees not exercising their option to convert.

### 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 which may affect the status of going concern 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 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, 2017.

### Directors and Key Managerial Personnel

Mr. Basant Kumar Jhavar (DIN:00086237) is retiring by rotation and being eligible, offers himself for re - appointment. A brief profile of Mr. Jhavar is given in the Notice convening the forthcoming Annual General Meeting.

Mr. Ashok Kumar Somani (FCS 1705) consequent to his superannuation has ceased to be the Chief Financial Officer and Company Secretary of the Company with effect from 30th June, 2016. The Board of Directors has on recommendations of the Nomination & Remuneration Committee, appointed Mr. Rohit Nanda as Chief Financial Officer of the Company with effect from 1st July, 2016 and Mrs. Shampa Ghosh Ray (ACS 16737) as Company Secretary of the Company with effect from 8th August, 2016.

During the year, Mr. Mukesh Rohatgi (DIN:00136067) and Mrs. Aarthi Ramakrishnan (DIN:07672826) were appointed as Additional Directors effective from 9th December, 2016. At the forthcoming Annual General Meeting they are proposed to be appointed as Independent Directors. Details relating to their profile, term and other specifications are provided in the Notice of the Annual General Meeting.

The Board of Directors at their meeting held on 25th April, 2017 appointed Mr. G N Bajpai as Non-Executive Chairman of the Board and of the Company in place of Mr. Prashant Jhavar.

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.

## 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, 2017 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, 2017 have been prepared on a going concern basis;
- (v) internal financial controls are in place and that such financial controls are operating effectively.
- (vi) adequate systems to ensure compliance with the provisions of all applicable laws are in place and are operating effectively.

## Board Evaluation

Criteria 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 make its 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 Management Personnel) and other employees. The Remuneration Policy of the Company is annexed as part of this Report.

## 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 all employees or directors of the Company ("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, 2017 to the Board of Directors.

## Additional Disclosures

The Company had adopted effective from 1st April, 2017, the recently notified Indian Accounting Standards (Ind AS) and accordingly the Financial Statements (both standalone and consolidated) for the year ended 31st March, 2017 (including comparative Financial Statements for earlier year(s)) 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) has 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.

However, in accordance with the provisions of Section 139 of the Act, their continuance of office as Auditors shall be subject to ratification of members at the forthcoming Annual General Meeting and is included as an agenda item in the Notice convening the 31st Annual General Meeting.

## 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 2016-17 and had recommended their remuneration to the shareholders which was ratified at the Annual General Meeting held on 9th August, 2016.

The Board of Directors have reappointed Messers Guha, Ghosh, Kar & Associates as the Cost Auditors for the Financial Year 2017-18 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 31st 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 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.

### Audit Committee

Members of the Audit Committee as on 31st March, 2017 were Mr. Jitender Balakrishnan as Chairman, Mr. Salil Singhal and Mr. Ghyandendra 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 constantly involved in sustainable development of communities around its plants & mines. It has expanded its CSR activities to many districts of Jharkhand. Commitment of founders of the Company towards sustainable development has led Krishi Gram Vikas Kendra (KGVK), a non - profit seeking organization, CSR arm of the Company to reach more than 190 villages of Jharkhand.

The CSR Committee consists of the following Members:

Mr. B K Jhwar	-	Chairman (Non – Executive Director)
Mr. Brij K Jhwar	-	Member (Non – Executive Director)
Mr. P S Bhattacharyya	-	Member (Independent Director)

The CSR Policy of the Company is available at [www.ushamartin.com/investor](http://www.ushamartin.com/investor).

The CSR activities undertaken by KGVK on behalf of the Company (including the Annual Report on CSR activities) has been annexed separately and 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.

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

The details regarding Meetings of the Board and its 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 Statement.

### 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 given as an annexure to this Report. The Related Party Transaction Policy as approved by the Board is hosted on the Company's website.

### 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 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 which as part of a risk mapping exercise, reviews risks, identifies ownership of risk, assesses the implication of such risks and the method to mitigate the same.

The Committee consists of the following members:

Mr. P S Bhattacharyya – Chairman (Independent Director)

Mr. Rajeev Jhwar – Member (Managing Director)

Mr. P K Jain – Member (Jt. Managing Director - Wire & Wire Rope Business)

Mr. Mukesh Rohtagi - Member (Independent Director w.e.f. 30.05.2017)

### 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, partners and collaborators.

On behalf of the Board of Directors

**Rajeev Jhwar**  
Managing Director  
DIN: 00086164

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

Place : Kolkata  
Date : 30th May, 2017

## 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, 2017

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;** Jhawar Rajeev; 52, Managing Director; 1,56,52,765; B. Com (Hons); 32; 01-Oct-97; Usha Martin Industries Limited (Since Merged with the Company), Jt. Managing Director; Jain Pravin Kumar; 63; Jt Managing Director (Wire and Wire Rope Business); 1,89,72,746; B.Tech, MBA; 40; 01-Sep-09; Brunton Wolf Wire Ropes, FZCo, Managing Director; Dave Karun Kant; 51; President-Mining Division; 1,43,55,680; MBA (Marketing), Diploma (Mining & Mine Surveying), B.E. (Mining), MBM, Class 1 Mine Manager Certificate, Executive Development Programme; 31; 02-Nov-15; Vedanta Ltd., Chief Operating Officer - Lanjigarh Refinery; Nanda Rohit; 44; Chief Financial Officer; 1,37,97,763; B.Com, C.A.; 22; 02-Nov-15; MTAR Technologies Pvt. Ltd., Chief Financial Officer; Sircar Amitava; 63; Chief Operating Officer-Steel Business; 1,37,79,489; B.E.(Metallurgy); 39; 03-Nov-14; Jindal Steel & Power Ltd., Executive Vice President Operation; Mazumdar Debasish; 53; Associate President-Steel; 84,03,159; B.E (Metallurgy); 30; 01-Sep-11; Electrotherm India Limited, President-Works; Basu Dhrub Jyoti; 59; President-Human Resource; 77,46,719 ; B.Sc. (Hons.), PGD Personnel Management & Industrial Relations; 37; 10-Apr-06; Larfarge India Ltd., Vice President-Human Resource; Dixit Ashutosh; 47; Associate President-(Wire and Wire Rope Business); 76,53,917 ; B.Tech.(Mech.Engg), MBA (General Management), PG Certificate (Metallurgy); 24; 25-Jul-13; Hindalco Industries Ltd., Vice President - Operations; Singhal Sandeep Kumar; 60; President-Commercial, Steel Business; 50,25,006; B.Tech, (Mech. Engg.), & PGDIE in O.M.& S.C.M; 35; 07-Sep-16; Jindal Steel & Power Ltd., Executive Vice President; Sharma Ajay; 55; President-Sales & Marketing, Steel Business; 33,12,816; B.E.(Metallurgy); 29; 12-Dec-16; Sunflag Iron & Steel Company Ltd., Sr.VP Marketing

**(B) Names of every employees 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;** Somani A. K.; 63; Chief Financial Officer & Company Secretary; 64,17,931; B. Com., C.A. C.S; 38; 03-Apr-90; Emami Paper Mills, Vice President - Commercial

#### 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) Remuneration includes basic salary, allowances, taxable value of perquisites etc. The term remuneration has the meaning assigned to it under Sections 2(78), 197 read with Schedule V of the Companies Act, 2013;
- (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 : 30th May, 2017

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

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

**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 Lakhs)

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	UM 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 Rutter Staakabel BV Slidrecht	Usha Martin Italia S.R.L. #	Usha Martin Europe B.V	Usha Martin UK Limited	Bunton Shaw UK Limited	European Management and Marine Corporation Limited
Reporting period for the subsidiary	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17	FY 2016-17
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, 2017 (used for conversation C/Y Vs INR)	-	-	-	-	1.8825	64.8500	17.6549	64.8500	49.5775	64.8500	0.0029	9.4155	80.9004	69.2922	69.2922	69.2922	80.9004	80.9004	80.9004
Share Capital	1,113	5	20	15	2,692	2,594	3,354	371	99	65	51	290	5,034	12	7	12	3,115	*	*
Reserves and Surplus	4,817	(2)	3	210	6,689	1,346	3,376	11,570	1,370	336	268	(2,865)	2,704	3,940	202	(132)	18,330	-	-
Total Assets	18,813	3	55	269	24,953	6,417	9,283	19,313	2,098	592	975	2,620	7,738	9,211	322	719	31,413	*	*
Total Liabilities	12,883	2.90	55	269	15,571	2,477	2,553	7,372	629	192	656	5,194	134	5,258	113	825	9,968	-	-
Investments	-	-	-	-	1,675	-	-	784	-	-	-	-	5,712	-	-	-	-	-	-
Turnover (Net)	15,491	-	-	2	21,564	3,103	10,899	5,032	3,188	1,056	2,038	1,677	-	7,462	611	1,051	19,962	-	-
Profit/(Loss) before Taxation	1,568	(0)	(6)	14	205	(992)	346	(1,904)	99	113	116	(906)	78	306	72	16	(427)	-	-
Provision for Taxation	592	-	-	2	82	(12)	-	(558)	30	25	24	-	23	71	27	3	(90)	-	-
Profit/(Loss) after Taxation	975	(0)	(6)	12	123	(980)	346	(3,198)	69	88	92	(906)	56	235	44	13	(337)	-	-
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	97.98%	100%	60%	100%	100%	100%	100%	100%	92%	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 / 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 related to Associate Companies and Joint Ventures**  
**Part "B" : Associates and Joint Ventures**

(Rs. in Lakh)

Sl. 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 Wire Rope Company Limited (TUWCL)</b>
<b>Latest audited Balance Sheet Date</b>	31-Mar-17	31-Mar-17	31-Mar-17
<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	47	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 holding 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 extent Company's interest therein.	The financial statement of CUMSSL is taken into consideration for consolidation of financial statements of the extent of Company's interest therein.	The financial statement of TUWCL is taken into consideration for consolidation of financial statements of the extent of the Company's interest therein.
<b>Net worth attributable to Shareholding as per latest audited Balance Sheet</b>	1,857	39	3,671
<b>Profit / Loss for the year</b>	887	3.14	(320)
<b>Considered in Consolidation</b>	355	1.50	(160)
<b>Not Considered in Consolidation</b>	532	1.64	(160)

\* 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.
- (4) During the year ended 31st March, 2017, the company has divested its entire stake held In Dove Airlines Pvt. Ltd. ("DAPL"). Hence DAPL has not been considered in the above statement.

On behalf of the Board of Directors

**Place :** Kolkata  
**Date :** 30th May, 2017

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

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

## Annexure to Directors Report

### 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 web – link 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 through its' CSR arm – Krishi Gram Vikash Kendra [an eligible partner under The Companies (Corporate Social Responsibility Policy) Rules, 2014], to reach out to more than 190 villages in the State of Jharkhand. 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 behavior 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:

- a) Mr. B K Jhawar – Chairman
- b) Mr. Brij Kishore Jhawar – Member
- c) Mr. P S Bhattacharyya – Member (Independent Director)

3. Net profit of the Company for last three Financial Years (as per Section 198 of the Companies Act, 2013) (Rs. in Lakh)

FY 2013 – 14	FY 2014 – 15	FY 2015 – 16
(5,058.86)	(34,188.92)	(81,613.09)

Average profit / (Loss) for last three Financial Years: Rs. (40,286.96) Lakh [Loss]

4. Prescribed CSR Expenditure (2% of the amount of average profits for last three years): NIL. However, the Company as a committed good corporate citizen has voluntarily contributed Rs.185.67 Lakh to KGVK, the CSR arm for undertaking various projects for upliftment of the society.

5. Details of CSR spent during the Financial Year.

- a) Total amount to be spent for the Financial Year – Rs. 185.67 Lakh (*Voluntary spending*).
- b) Amount unspent, if any – NIL
- c) 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
1	Total Village Management (TVM)	Natural Resources Management (NRM), Resource Mobilisation & Infrastructure Development, Health, Nutrition & Sanitation, Education, Women's Empowerment, Energy inclusion, Capacity Building & Market Linkage, Livelihood & Financial inclusion	1) Namkom Block, Ranchi district 2) Patratu block of Ramgarh district 3) Saranda, West Singhbhum, District of Jharkhand	185.67	185.67	185.67	Implemented through KGVK [a society registered under Societies Registration Act, 1860]

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.

Place : Kolkata  
Date : 30th May, 2017

**B K Jhawar**  
Chairman of CSR Committee  
DIN: 00086237

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164



## 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. Reduction of Specific Coal Consumption in CPP from 1.25 Kg/KWHR in FY 15-16 to < 1.05 Kg/KWHR in the FY 16-17.
  - b. Re-routing the boiler bank conveying line and lifting the boiler bank system from zero meter to 4 meters thereby maintaining the boiler draught and reducing the auxiliary power consumption @ 1.112 MU in the FY 16-17.
  - c. Reduction of Auxiliary Power Consumption by stopping the Silo water pump permanently by supplying water to the Silo ash conditioner from ACW pump of respective units @ 192MW in the FY 16-17.
  - d. Reduction of LDO consumption by reducing the number of Startups of Boilers and by increasing the availability of Coal Handling Plant in Rainy season by modifying various chutes etc. Consumption has reduced up to 72.7 KL in FY 16-17 against the average of last four years 123.96 KL.
  - e. 903.3 KWHR/day saving by providing the auto stop logic during the ideal running of the CHP in 25 MW.
  - f. 863.4 KWHR/day of saving by providing the auto stop logic during the ideal running of the CHP in 30 MW unit-1.
  - g. 100.8 KWHR/day of power saving during the shutdowns in 25 MW TG roof exhaust fan during shut down ideal running.
  - h. 38.5 KWHR/day of power saving by providing auto stop logic for the CT make up pump of 30 MW unit-1.
  - i. In DRI RMHS coal circuit optimized and all crushers, some belt conveyors and screens are bypassed and stopped which saved the power consumption.
  - j. 50% RCC yards developed in DRI and remaining under progress to reduce ground losses.
  - k. Enhanced Steam Generation through WHRB/DRI route with Kaizens & Modifications, resulting into more energy conservation and more power generation.
  - l. Sinter Plant modification done in hot water re-circulation system of pump house to directly discharge the re-circulated hot water on the cooling tower without running the hot water pump.
  - m. Sinter Plant modification done by arranging vibrating hopper & increase the discharge opening to eliminate the jamming of materials inside the bin and problem in material flow due to moisture.
  - n. In WRM, ABB ACS800 drive is installed for power saving in approach Roller Table.
  - o. In WRM, RTD is installed in pump house #3 cooling tower fan to save electrical energy by monitoring and controlling it in auto mode as per the set temperature which reduced the running hours of fan motors.
  - p. Continued implementation of LED lights in departments instead of other conventional lights/lamps resulting in saving of electricity.
  - q. Continued saving of power and electrode at SMS by running EAF #3 on oxygen blowing, as per requirements.
  - r. ID Fan speed automation done with respect to O<sub>2</sub> blowing rate in SMS.
  - s. In SMS 1 & 2 Damper Automation done in LRF#3 ID fan.
  - t. Average LRF power consumption in SMS 1&2 is reduced by 9 kwh/t.

- u. Average Ladle life in SMS 3 is increased by 20 heats and in SMS 1 and 2 by 14 heats.
- v. Reduction of Differential Pressure in Boiler Feed Pump in CPP by 30%, leading to energy saving of 50 MWH in FY17.
- w. Reduced Fuel oil consumption (2 KL) in boiler light up. No LDO is being used for CPP Boiler light-up.
- x. Reduced Intermittent Blow-Down and Continuous Blow Down rate to increase the efficiency of boiler, leading to lower Coal Consumption by 304 MT/Annum.
- y. Comprehensive Energy Audit of WWR Unit performed by external agency.
- z. Replacement of LED lamp against traditional SV, MH and Mercury Lamp saved energy about 100 MW.
- ii) Steps taken by the Company for utilising alternate sources of energy:
  - a. Increasing Gas Based Generation and reducing the Coal Based Generation. The percentage of Gas Based Generation has increased upto 43.56 % in FY 16-17 as compared to the average usage of 42.78 % during the last three years.
  - b. Using Biomass-Briquette-fired Hot Water Generator for supply of hot water to Pickling House and Furnaces.
  - c. Installing Roof top Solar Power Plant is being explored.
- iii) Capital investment on energy conservation equipment.
  - a. VFD Drives to be installed for CWP's and BFP's in CPP.
  - b. VFD system to be introduce in furnace blower for better control of air as well as electric consumption in SBWM-1.
  - c. Furnace burner to be changed for proper utilization of oil in SBWM-1.
  - d. Continued steps have been initiated for Entire Plant as per Energy Audits & as per BEE (Bureau of Energy Efficiency- Ministry of Power guidelines) target to reduce Specific Energy Consumption in FYs 16-17, 17-18, 18-19.
  - e. Energy conservation is an ongoing process and there is a continuous programme to create awareness and motivate the employees to conserve energy through small group activities with setup of Energy Management System 50001 in FY 16-17.
  - f. VFD and Soft Starter implementation in CPP auxiliary drives like ID, FD, BFP, ACC etc to reduce energy consumption by about 4,000 MWH in FY17.
  - g. Installation of New Air Compressor for Wire Mill area to reduce number of running compressors thereby reducing energy consumption by approx 4.16 Lacs KWH.
  - h. Replacement of Friction Clutch by AC Drives in 5 heads of Take-Up unit of LeFour furnace, thereby reducing energy consumption by 18,000 KWH.
  - i. Replacement of EFF2 Induction Motors for Air Cooled Condenser (of CPP) by EFF1 motor, to reduce energy consumption by approx. 200 MWH.

#### (B) Technology absorption:

- i) Efforts made towards technology absorption:
  - a. The Company is constantly applying Global benchmark in terms of Quality, Cost & Performance and remains committed to TPM & TQM Process – QMS, EMS & OHSAS, Energy on Plant System Improvement & Development.
  - b. Company received ISO 50001: 2011 EnMs accreditation in 16-17, with focus on to optimize Energy Consumption across the plant & step further to achieve BEE Target on Specific Energy Consumption (As per Guideline of BEE - Bureau of Energy Efficiency – Ministry of Power). Monthly monitoring is being done on Specific Energy

Consumption across Divisions.

- c. Persons has been trained in TPM facilitator course conducted by JMAC, Japan.
- d. The Company has installed innovative system such as mist beam, rain gun, sprinkles for control of fugitive emission.
- e. "Road Sweepers" have been introduced in the plant for controlling dust generated from haul roads caused by vehicular movement. Manual sweeping have been replaced with Mechanical sweepers which works faster and with perfection.
- f. Company has now developed "in-house vehicle exhaust monitoring" to measure the quantum of pollutants emitted from two and four wheelers. Regular monitoring of vehicular emission would help in eliminating the polluting vehicles from operation.
- g. ERP – SAP setup & implementation process is completed to integrate all key business modules for better productivity & co-ordination among Divisions & Department, Functions.
- h. ESP up-gradation from conventional TR sets to Coromax Pulse Technology is planned in the FY 17-18 in four CPP's and is expected to be completed by Dec'17.
- i. Central burner system adopted in DRI 1, 2 and 3 to maximize the carbon utilization which was not in the original design.
- j. In WRM Tyrik midi drive upgrade with latest upgraded version of drives i.e. ABB DCS 800 Drive, in Stand motors 1 to 19 and all shears motors.
- k. In Coke Oven Plant Installation of control contactors for Lighting Automation Project.
- l. In BF Oxygen enrichment in combustion air of stove to improve the hot blast temperature and decrease the coke rate.

- m. In SMS 1 & 2 online preheating, 70% tapping addition, use of synthetic slag & double safety lining is introduced.

- ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- a. Approvals received from various Original Equipment Manufacturers (OEMs) and ancillaries such as Talbros, Caparo Fasteners, M M Forge, RKFL, Usai Forge, Echjay, Happy Forging, Mando Brakes, Amtek Auto, P D Forge, Blue Stamping for supply of different grades to cater requirement of various OEM's.
- b. Sustenance of previous approvals received from various OEM's for supply of bars (including bright bars) for the forging & machining industry.
- c. Continued development & supply of critical steel for medium & heavy commercial vehicles & auto ancillary producers.
- d. Tie up with IIT, Kharagpur for study of failure analysis both for in-house and at customer end and taking action accordingly.
- e. Effort to increase market share of high end products.
- f. Efficient & productive utilization of iron ore & fines through conventional DRI, BF Plants.
- g. Incremental sales revenue from new products.
- h. LRPC strands manufactured have been approved and used for Cryogenic Application for the first time in LNG Tank commissioned at Dahej by IHI-Japan.
- i. Mining Rope with unique Grease Retention System has been developed and supplied to Uralalkali, Russia.

- 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
3 – Roller Compacting technology from M/s DEM, Italy for compacting strands	2014 – 15	Successful trial run has been made;will be inducted into regular manufacturing.	Being absorbed in stages.
Technical Assistance Agreement with Aichi Steel Corporation, Japan for improvement of steel quality and process control in Steel Melting Shops, Rolling Mills and Finishing Area	2013 – 14	Technical assistance is being implemented in stages.	Being absorbed in stages.

iv) Expenditure incurred on Research and Development:	Rs. 254.65 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	11,503.86
ii.	Foreign Exchange outgo during the year in terms of actual outflows	5,137.49

On behalf of the Board of Directors

Place : Kolkata  
Date : 30th May, 2017

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

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

**Details in terms of Sections 134 (3) (g) 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, 2017:**

Requirement		Disclosure
i.	The ratio of remuneration of each Director to the median remuneration of employees of the Company for the Financial Year;	<p>a) Mr. Basant Kumar Jhavar, Chairman Emeritus, Non – Executive, Promoter – Director – 0.47:1*</p> <p>b) Mr. Prashant Jhavar, Chairman, Non – Executive, Promoter – Director – 0.57:1*</p> <p>c) Mr. Brij Kishore Jhavar, Non – Executive, Promoter – Director – 1.42:1*</p> <p>d) Mr. Salil Singhal, Non – Executive, Independent Director – 1.33:1*</p> <p>e) Mr. Ghyanendra Nath Bajpai, Non – Executive, Independent Director – 2.28:1*</p> <p>f) Mr. Jitender Balakrishnan, Non – Executive, Independent Director – 2.18:1*</p> <p>g) Mr. Partha Sarathi Bhattacharyya, Non – Executive, Independent Director – 1.23:1*</p> <p>h) Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Nominee Director – 0.47:1*</p> <p>i) Mr. Mukesh Rohatgi, Non – Executive, Independent Director – 0.28:1*</p> <p>j) Mrs. Aarthi Ramakrishnan, Non – Executive, Independent Director – 0.28:1*</p> <p>k) Mr. Rajeev Jhavar, Managing Director – 29.72:1</p> <p>l) Mr. P K Jain, Joint Managing Director [Wire &amp; Wire Rope Business] – 36.03:1</p> <p><i>*constitutes of sitting fees only which are paid to every Non – Executive Directors for attending Board and Committee meetings in which such Director is a member</i></p>
ii.	Percentage increase / (Decrease) in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year;	<p>a) Mr. Basant Kumar Jhavar, Chairman Emeritus, Non – Executive, Promoter – Director – 25.00% *</p> <p>b) Mr. Prashant Jhavar, Chairman, Non – Executive, Promoter – Director – NIL*</p> <p>c) Mr. Brij Kishore Jhavar, Non – Executive, Promoter – Director – 200.00%*</p> <p>d) Mr. Salil Singhal, Non – Executive, Independent Director – 40.00%*</p> <p>e) Mr. Ghyanendra Nath Bajpai, Non – Executive, Independent Director – 71.43%*</p> <p>f) Mr. Jitender Balakrishnan, Non – Executive, Independent Director – 64.29%*</p> <p>g) Mr. Partha Sarathi Bhattacharyya, Non – Executive, Independent Director – 62.50%*</p> <p>h) Mr. Venkatachalam Ramakrishna Iyer, Non – Executive, Nominee Director – 66.67%*</p> <p>i) Mr. Mukesh Rohatgi, Non – Executive, Independent Director - Not Applicable *[appointed as Additional Director with effect from 9th December, 2016]</p> <p>j) Mrs. Aarthi Ramakrishnan, Non – Executive, Independent Director - Not Applicable *[appointed as Additional Director with effect from 9th December, 2016]</p> <p>k) Mr. Rajeev Jhavar, Managing Director – (3.03%)</p> <p>l) Mr. P K Jain, Joint Managing Director [Wire &amp; Wire Rope Business] – (6.31%)</p> <p>m) Mr. A K Somani, Chief Financial Officer &amp; Company Secretary – Not Applicable [He continued in office upto 30th June, 2016 and hence remuneration paid as Chief Financial Officer and Company Secretary for FY 2015-16 and FY 2016-17 are not comparable]</p> <p>n) Mr. Rohit Nanda, Chief Financial Officer – Not Applicable [He was appointed as the Chief Financial Officer of the Company with effect from 1st July, 2016. Hence the remuneration paid to him as Chief Financial Officer during part of FY 2016-17 is not comparable with the remuneration paid to him as an employee of the Company for FY 2015-16]</p> <p>o) Mrs. Shampa Ghosh Ray, Company Secretary – Not Applicable [She was appointed as Company Secretary with effect from 8th August, 2016]</p> <p><i>*constitutes of sitting fees only which are paid to every Non – Executive Directors for attending Board and Committee meetings in which such Director is a member.</i></p>
iii.	Percentage increase in the median remuneration of employees in the Financial Year;	20.00%
iv.	Number of permanent employees on the rolls of the Company;	1737 [only officers of the Company as on 31st March, 2017 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 17.86% compared to 0.79% of increase 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

Place : Kolkata  
Date : 30th May, 2017

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

**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:

a)	Name(s) of the related party and nature of relationship	Bharat Minex Private Limited (BMPL), Wholly owned subsidiary
b)	Nature of contracts/arrangements/transactions	Reimbursement of expenses.
c)	Duration of the contracts/arrangements/transactions	One time
d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Reimbursement of Rs. 39.63 Lakh as expenses incurred by BMPL on behalf of the Company. *
e)	Date(s) of approval by the Board, if any:	9th December, 2016
f)	Amount paid as advances, if any:	NIL

\* However, the above transaction does not fall within the parameter of materiality as defined in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

On behalf of the Board of Directors

Place : Kolkata  
Date : 30th May, 2017

**Rajeev Jhavar**  
Managing Director  
DIN: 00086164

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

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

### REMUNERATION POLICY

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-imbursement 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
- 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 is decided by a Committee consisting of President (HR), Jt. Managing Director and Managing Director.

#### (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 unionized 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/Retiral 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/COO. The yearly increments of DGM and above located at Plants will generally be finalized on recommendation of Plant Head based on performance and subsequently finalized 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 their total Salary Package, which is a fixed salary is to be bifurcated into 80% Fixed and 20% 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.

##### 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, 2017 comprised of the following Directors:

Name of Directors	Promoter/ Executive/ Non Executive/ Independent	No. of Other* Directorships held	Other committee positions held **		No. of Equity Shares held \$	Relationship between directors inter-se
			As Chairman	As Member including Chairman-ship		
Mr. Basant Kumar Jhawar	Non Executive Chairman Emeritus, Promoter	3	None	None	82,310	Father of Mr. Prashant Jhawar
Mr. Ghyanendra Nath Bajpai@	Independent, Non Executive	7	1	7	20,000	None
Mr. Prashant Jhawar@	Non Executive, Chairman, Promoter	8	None	None	20,60,788	Son of Mr. Basant Kumar Jhawar
Mr. Brij Kishore Jhawar	Non Executive, Promoter	1	None	None	9,45,865	Father of Mr. Rajeev Jhawar
Mr. Rajeev Jhawar	Managing Director, Promoter	5	1	3	15,61,741	Son of Mr. Brij Kishore Jhawar
Mr. Salil Singhal	Independent, Non Executive	5	None	1	Nil	None
Mr. Jitender Balakrishnan	Independent, Non Executive	9	1	6	Nil	None
Mr. Partha Sarathi Bhattacharyya	Independent, Non Executive	6	1	1	Nil	None
Mr. Venkatachalam Ramakrishna Iyer	Non – Executive, Nominee of State Bank of India (Lender)	1	None	None	Nil	None
Mr. Mukesh Rohatgi#	Independent, Non Executive	None	None	None	NIL	None
Mrs. Aarthi Ramakrishnan#	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

@ The Board of Directors at its meeting held on 25th April, 2017, had appointed Mr. G N Bajpai as Non-Executive Chairman of the Board and of the Company, in place of Mr. Prashant Jhawar.

\* 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.

# Mr. Mukesh Rohatgi and Mrs. Aarthi Ramakrishnan were appointed as Additional Directors with effect from 9th December, 2016.

Mr. Mukesh Rohatgi (67) has been associated with various organizations such as Bharat Petroleum, Essar Group, Bharat Forge, etc. under various positions. He has rich experience in engineering and management. He does not hold any shares in the Company nor is he related to any other Director of the Company.

Mrs. Aarthi Ramakrishnan (40) has rich experience in legal & regulatory matters, investment banking and capital markets and has held senior positions in investment banking at DSP Merrill Lynch, HSBC Securities, Credit Suisse Securities. Most recently she was the Managing Director and Head – Investment Banking of Mizuho Securities. She is now associated with the affordable housing finance space.

She has rich experience in fields of finance and legal. She does not hold directorship in any other Company, neither does she hold any shares in the Company nor is she related to any other Director 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 ["SEBI (LODR)"].

Declarations have been received from Directors informing their directorship and committee positions occupied in other companies.

Details of familiarization programmes for Independent Directors of the Company are provided under 'Investor' section of the Company's website at [www.ushamartin.com](http://www.ushamartin.com).

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and as per SEBI LODR, separate meetings of the Company's Independent Directors were held on 25th May, 2016, 8th August, 2016, 9th December, 2016, 6th February, 2017 and 17th March, 2017. Mrs. Ramni Nirula ceased to be a Director of the Company effective 4th April, 2016.

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

Five Board Meetings were held during the year on 25th May, 2016, 8th August, 2016, 6th September, 2016, 9th December, 2016 and 6th February, 2017. Annual General Meeting [AGM] was held on 9th August, 2016.

Name of Directors	Board Meetings during the year/ tenure		Attendance at last AGM
	Held	Attended	
Mr. Basant Kumar Jhawar	5	4	Yes
Mr. Ghyanendra Nath Bajpai	5	4	No
Mr. Prashant Jhawar	5	4	Yes
Mr. Brij Kishore Jhawar	5	5	Yes
Mr. Rajeev Jhawar	5	5	Yes
Mr. Salil Singhal	5	5	Yes
Mr. Jitender Balakrishnan	5	5	Yes
Mr. Partha Sarathi Bhattacharyya	5	5	No
Mr. Venkatachalam Ramakrishna Iyer	5	5	Yes
Mr. Mukesh Rohatgi#	1	1	Not Applicable
Mrs. Aarthi Ramakrishnan#	1	1	Not Applicable
Mr. Pravin Kumar Jain	5	5	Yes
Mrs. Ramni Nirula @	-	-	NA

# Mr. Mukesh Rohatgi and Mrs. Aarthi Ramakrishnan were appointed as Additional Directors with effect from 9th December, 2016.

@ Mrs. Ramni Nirula ceased to be a Director of the Company effective 4th April, 2016

### 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](http://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, 2017.

### 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) Regulations, 2015, the Board has approved '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.

Five meetings of the Audit Committee were held during the year on 25th May, 2016, 8th August, 2016, 19th November, 2016, 9th December, 2016 and 6th February, 2017.

### 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	5	5
Mr. Salil Singhal	Member	Independent Non-Executive	5	3
Mr. Ghyanendra Nath Bajpai	Member	Independent Non-Executive	5	5

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, Business Heads, Head of Finance, Head of Internal Audit and Internal Auditors 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 accounts 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 9th August, 2016.

### 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; 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.

Five meetings of the Nomination and Remuneration Committee were held during the year on 25th May, 2016, 8th August, 2016, 7th October, 2016, 19th November, 2016 and 9th December, 2016.

Mr. J Balakrishnan, a member of Nomination & Remuneration Committee was an authorized representative of Mr. G N Bajpai, the Chairman of Nomination & Remuneration Committee at the last Annual General Meeting.

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

Particulars			No. of Meetings	
			Held	Attended
Mr. Ghyanendra Nath Bajpai	Chairman	Independent, Non-Executive	5	5
Mr. Brij K Jhawar	Member	Non-Executive, Promoter	5	5
Mr. Jitender Balakrishnan	Member	Independent, Non-Executive	5	5

Mr. Salil Singhal has been appointed as a member of the Nomination & Remuneration Committee in place of Mr. Brij K Jhawar effective 30th May, 2017.

Effective 30th May, 2017, Mr. J Balakrishnan was appointed as the Chairman of Nomination & Remuneration Committee.

### Performance Evaluation

Every Director of the Company individually evaluates performance of the other Directors and submits their report to the Chairman of Nomination & Remuneration Committee based upon, amongst other 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 Policies

The Company is having Remuneration Policy for Directors, Senior Management Personnel and other employees.

The aforementioned remuneration policy inter-alia covers the 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 2016-17 is given below:**

(Rs. In Lakh)

Names	Mr. Rajeev Jhawar*	Mr. Pravin Kumar Jain**
Position	Managing Director	Jt. Managing Director [Wire & Wire Rope Business]
Period	FY 2016 – 17	FY 2016 – 17
Salary	72.00	69.00
Commission	-	-
Allowances	42.00	97.20
Contribution to Provident Fund, Gratuity and Superannuation Funds	15.63	11.64
Incentive	-	-
Perquisites	26.89	11.88
Total	156.52	189.72
Service Contract	For a period from 19th May, 2013 to 18th May, 2018	For a period from 1st February, 2015 to 15th January, 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 Jhawar was re-appointed as Managing Director of the Company for a period of 5 years with effect from 19th May, 2013. The Central Government, on an application made by the Company had approved his appointment for a period of five years with effect from 19th May, 2013 and also approved payment of Rs.1.88 Cr p.a. as minimum remuneration for a period of three years commencing from 19th May, 2013 till 18th May, 2016. Further the shareholders at the Thirtieth Annual General Meeting of the Company have approved payment of Rs.1.84 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. Rajeev Jhawar for the period commencing from 19th May, 2016 till 18th May, 2018.

\*\*The Nomination & Remuneration Committee and Board of Directors, at their respective Meetings held on 30th January, 2015 have recommended / approved the reappointment of Mr. Pravin Kumar Jain as the Jt. Managing Director [Wire & Wire Rope Business] effective 1st February, 2015 to 15th January, 2019 with revised remuneration 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 limit of minimum remuneration upto Rs.1.93 Cr p.a. for the period commencing from 1st February, 2015 till 31st January, 2018.

Accordingly both Mr. Rajeev Jhawar and Mr. Pravin Kumar Jain were paid minimum remuneration for the Financial Year 2016-17. 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 to each of the Non-Executive Directors for the Financial Year 2016-17 is given below:**

(Rs. In Lakh)

Name of Non – Executive Directors	Sitting Fees	Commission
Mr. Basant Kumar Jhawar	2.50	-
Mr. Ghyanendra Nath Bajpai	12.00	-
Mr. Brij Kishore Jhawar	7.50	-
Mr. Prashant Jhawar	3.00	-
Mr. Salil Singhal	7.00	-
Mr. Jitender Balakrishnan	11.50	-
Mr. Partha Sarathi Bhattacharyya	6.50	-
Mr. Venkatachalam Ramakrishna Iyer	2.50	-
Mr. Mukesh Rohatgi	1.50	-
Mrs. Aarthi Ramakrishnan	1.50	-
Mrs. Ramni Nirula (ceased w.e.f 04.04.2016)	-	-
<b>Total</b>	<b>55.50</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.

The criteria for making payments to Non – Executive Directors is available under the 'investor' section of the Company's website at [www.ushamartin.com](http://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 is having 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 25th May, 2016, 8th August, 2016, 9th December, 2016 and 6th February, 2017.

**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	3
Mr. Brij K Jhawar	Member	Non-Executive, Promoter		4	4
Mr. P K Jain	Member	Jt. Managing Director [Wire & Wire Rope Business], Executive		4	4

\* Mr. G N Bajpai was appointed as Member & Chairman of the Stakeholders' Relationship Committee effective from 25th May, 2016

### Status of complaints of shareholders is as under:

Complaints pending as on 1st April, 2016	NIL
Number of complaints received during year ended 31st March, 2017	28
Number of complaints attended to/resolved during the year	28
Complaints pending as on 31st March, 2017	NIL

Compliance Officer : Mrs. Shampa Ghosh Ray, Company Secretary  
2A, Shakespeare Sarani  
Kolkata 700 071.  
Phone : 033 39800300; Fax : 033 39800415  
Email : investor@ushamartin.co.in

### VI. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of 3 members namely Mr. Basant Kumar Jhawar (Chairman, Non Executive Director), Mr. Brij Kishore Jhawar (Member, Non-Executive Director) and Mr. P S Bhattacharyya, (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 25th May, 2016.

### VII. Risk Management Committee

Risk Management Committee comprises of Mr. Partha Sarthi Bhattacharyya, (Independent Non – Executive Director) as the Chairman, Mr. Rajeev Jhawar (Managing Director) and Mr. Pravin Kumar Jain (Joint Managing Director) as other 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 29th March, 2017. Mr. Mukesh Rohatgi was appointed Member of the Committee effective 30th May 2017.

### VIII. Finance Committee

As on 31st March, 2017, the Finance Committee of the Board of Directors comprised of Mr. Prashant Jhawar (Non-executive Director) as the Chairman, Mr. J Balakrishnan, (Independent Non-Executive Director), Mr. P K Jain (Joint Managing Director) and Mr. Rajeev Jhawar (Managing Director) as Members to inter-alia assist the Board in discharging its' financial decision making responsibilities. During the year, the Committee met twice on 6th June, 2016 and 25th August, 2016 respectively. Mr. G.N. Bajpai was appointed Member and Chairman of the Finance Committee effective 30th May 2017.

### IX. Investment & Strategy Committee

As on 31st March, 2017, the Investment & Strategy Committee comprises of Mr. Prashant Jhawar as the Chairman, Mr. Rajeev Jhawar and Mr. J Balakrishnan 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 was appointed as Chairman and Member of the Committee with effect from 30th May 2017.

### X. Committee of Independent Directors

The Board of Directors at its meeting held on 9th December, 2016 had constituted a Committee of Independent Directors comprising of Independent Directors namely Mr. G.N. Bajpai as Chairman, Mr. Jitender Balakrishnan,

Mr. Salil Singhal and Mr. Partha Sarathi Bhattacharyya being the other 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 twice on 19th January, 2017 and 17th March, 2017. Mr. J Balakrishnan was appointed as the Chairman of the Committee effective 30th May 2017.

### XI. General Meetings

Date	Type	Venue	Time	No. of Special Resolutions
9th August, 2016	AGM	Kala-Mandir, Kolkata	11.00 a.m.	2
30th July, 2015	AGM	Rotary Sadan, Kolkata	2.00 p.m.	NIL
16th March, 2015	EGM	Vidya Mandir, Kolkata	2.30 p.m.	3
31st July, 2014	AGM	Vidya Mandir, Kolkata	2.00 p.m.	1

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.

### 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 34 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 2016 – 17, 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.
- 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 financial or commercial transactions which may have a potential conflict with interests of the Company at large.

### 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.
- 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) Presentations made to media, analysts, institutional investors and fund managers from time to time are posted on the Company's website as aforesaid.
- d) Apart from statutory announcements, the Company shares information relating to financial performance with public and investors through business newspapers and magazines on periodical basis.

### XIV. General Shareholders' Information

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

The Thirty First Annual General Meeting of the Company will be held on 21st September, 2017 at 11.30 a.m. at "Vidya Mandir", 1, Moira Street, Kolkata-700017

#### (b) Financial Calendar

Financial Year ended 31st March, 2017	Meetings held on	Next Financial Year ending 31st March, 2018	Meetings to be held on or before
First Quarter Results – June, 2016	8th August, 2016	First Quarter Results – June, 2017	14th August, 2017
Second Quarter Results – September, 2016	9th December, 2016	Second Quarter Results – September, 2017	14th November, 2017
Third Quarter Results – December, 2016	6th February, 2017	Third Quarter Results – December, 2017	14th February, 2018
Audited Results for the year ended 31st March, 2017	30th May, 2017	Audited Results for the year ended 31st March, 2018	30th May, 2018

#### (c) Book Closure Dates

The Share Transfer Books and Register of Members will be closed from 14th September, 2017 till 21st September, 2017 (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:

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 2016-17.

GDRs are listed at Luxembourg Stock Exchange.

### (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	
2016							
April	15.75	10.76	15.75	10.75	3,396,266	16,799,121	20,195,387
May	14.98	11.79	15.00	11.85	1,922,816	6,690,765	8,613,581
June	15.35	12.01	15.35	12.00	2,174,325	10,012,085	12,186,410
July	17.80	14.25	18.45	14.10	2,754,426	17,636,969	20,391,395
August	17.55	12.80	17.50	12.80	4,040,691	17,494,860	21,535,551
September	13.84	11.50	13.90	11.50	2,178,677	8,607,663	10,786,340
October	17.30	11.81	17.45	11.85	6,947,539	19,070,738	26,018,277
November	20.00	11.96	20.00	11.95	6,082,963	23,352,688	29,435,651
December	16.20	13.91	16.40	13.35	1,969,761	9,495,847	11,465,608
2017							
January	22.40	14.95	22.40	14.65	10,872,264	39,745,542	50,617,806
February	21.90	17.55	21.90	17.50	5,638,241	26,752,488	32,390,729
March	19.80	17.10	19.85	17.00	2,812,151	15,660,902	18,473,053

#### (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>2016</b>				
April	14.54	25,606.62	14.55	7,849.80
May	12.37	26,667.96	12.35	8,160.10
June	15.08	26,999.72	15.00	8,287.75
July	15.70	28,051.86	15.70	8,638.50
August	13.70	28,452.17	13.70	8,786.20
September	11.67	27,865.96	11.65	8,611.15
October	16.94	27,930.21	16.90	8,625.70
November	14.57	26,652.81	14.70	8,224.50
December	15.03	26,626.46	15.00	8,185.80
<b>2017</b>				
January	18.65	27,655.96	18.65	8,561.30
February	18.30	28,743.32	18.25	8,879.60
March	17.45	29,620.50	17.45	9,173.75

#### (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)

12/1/5, Manoharpukur Road, Kolkata 700026

Phone : +91 33 4072 4051/52/53/54

Fax : +91 33 4072 4050

Email : [mcssta@rediffmail.com](mailto: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 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, 2017**

Range (No. of shares)	No. of Shareholders	%	Number of Shares	%
1-100	21,074	40.65	11,90,424	0.39
101-500	19,576	37.76	53,70,809	1.76
501-1000	5,149	9.93	42,78,142	1.40
1001-5000	4,449	8.58	1,08,85,832	3.57
5001-10000	733	1.41	57,19,547	1.88
10001 & above	868	1.67	27,72,97,026	91.00
<b>Total</b>	<b>51,849</b>	<b>100</b>	<b>30,47,41,780</b>	<b>100</b>
Holding in Physical Form (Included in above)	13,110	25.28	23,28,053	0.76

**(k) Pattern of Shareholding as on 31st March, 2017**

	Category	No. of Shares	% of Total Shareholding
<b>A</b>	<b>Promoter Holding</b>	<b>12,82,53,320</b>	<b>42.09</b>
<b>B</b>	<b>Public Holding</b>		
	- Mutual Fund	1,00,270	0.03
	- Financial Institution / Banks	1,08,415	0.03
	- Insurance Companies	84,06,416	2.76
	Foreign Institutional Investors / Foreign Portfolio Investors	1,76,61,843	5.80
	- Bodies Corporate	3,99,77,889	13.12
	- Individual	7,81,50,077	25.64
	<b>Total {B}</b>	<b>14,44,04,910</b>	<b>47.38</b>
<b>C</b>	<b>GDRs (@)</b>	<b>3,20,83,550</b>	<b>10.53</b>
	<b>GRAND TOTAL [A+B+C]</b>	<b>30,47,41,780</b>	<b>100.00</b>

@ Promoters and Promoters Group are holding 47,48,716 GDRs (representing 2,37,43,580 Equity Shares) outstanding as on 31st March, 2017.

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

As at 31st March, 2017, 99.24% 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, 2017, there were 64,16,710 Global Depository Receipts (GDRs) outstanding representing 32,083,550 Equity Shares.

During the year under review 3,35,35,600 convertible equity warrants earlier issued and allotted to persons from Promoter Group on preferential basis had lapsed on 30th September, 2016 due to non - exercising of the option of conversion.

**(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) Furnish Copies of Permanent Account Number (PAN)**

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.

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

**(q) Plants/Mines Locations in India**

**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 39800300, Fax : +91 33 39800415

**(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 39800300, Fax: +91 33 39800415

Email: investor@ushamartin.co.in

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

**Board of Directors**

The Board has decided that the Company would maintain Chairman's office and pay/reimburse all expenses (including rent) incurred by him for performance of his duties from time to time.

**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**

The Board is presently being headed by a Non – Executive Chairman and his position is 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 are being reviewed and will be implemented by the Company as and when required or deemed necessary by the Board.

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**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, 2017.

Place : Kolkata  
Date : 30th May, 2017

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

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**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition 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 (ICC) 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 2016-17 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 ("Listing Regulations") for the year ended 31.03.2017.

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 for 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, as applicable. However, the Company had appointed the requisite number of Independent Directors (including Women Director) on its Board on 09.12.2016.

We further state that 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)

Place : Kolkata  
Date : 30th May, 2017

Practicing Company Secretary  
FCS – 4848 / CP No -3238

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**Annexure to Directors Report**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

**[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 31st March, 2017 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 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India;
- (iii) The Securities Contracts (Regulation) 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 regulation 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) Regulation, 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 Acts:

1. The Mines and Minerals (Development and Regulation) Act, 1957;
2. The Mines Act, 1952;
3. 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 their applicability to the Company during the Financial Year ended 31st March, 2017 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, environments 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, 1998;
- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009;
- (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 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 during the year under review:**

- a) The Company had appointed two Independent Directors (including a Women Director) on the Board of the company.
- b) The Company had sold off its entire stake of 50% held in Dove Airlines Private Limited (DAPL), a Joint Venture Company. Accordingly, DAPL has ceased to be a Joint Venture of the Company with effect from August 04, 2016.
- c) Central Bureau of Investigation (CBI) had carried out investigation at the Company's offices and plants on 24th September, 2016.
- d) The Board of Directors had appointed a consultant to evaluate the possibility of sale of the Wire and Wire Rope' business of the Company .

**We further report that** the Board of Directors of the Company, at its Meeting held on 25th April, 2017 has appointed Mr. G. N. Bajpai, as the Non Executive Chairman of the Company in place of Mr. Prashant Jawar.

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

(CS A.K. LABH)

Practicing Company Secretary

FCS No. 4848

CP. No. 3238

Place : Kolkata

Date : 30th May, 2017

## INDEPENDENT AUDITOR'S REPORT

To the Members of Usha Martin Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Usha Martin Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. 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.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by 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 31st March, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to note 37(a) regarding recoverability of book values of moveable and immovable assets including land and advances for land pertaining to Kathautia and Lohari coal blocks that were deallocated during the earlier year. The recoverability of such book values is dependent on the outcome of the various measures undertaken by the Company as fully explained in the said note. 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 qualified in respect of this matter.

### 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 purpose 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, 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 written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure-2" to this report;
  - (g) 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, 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 14 and 32(c)(i) 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.
    - iv. The Company has provided requisite disclosures in Note 9(ii) to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and

relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

#### Other Matter

The comparative financial information of the Company as at and for the year ended 31st March, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended 31st March, 2016 and March 31, 2015 dated May 25, 2016 and May 25, 2015, respectively expressed unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

#### per Raj Agrawal

Partner

Membership Number: 82028

Place of Signature: Kolkata

Date: May 30, 2017

#### 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 other current assets are held in the name of the Company except for the following, for reasons set out in the respective Notes to the standalone financial statements as mentioned below.

Sl. No.	Class of asset	No. of cases	Gross block (Rs in Lakhs)	Net block (Rs in Lakhs)	Remarks
1	Freehold land	4	2,989	2,989	Refer Note 3(c)(I)
2	Leasehold land	2	16	4	Refer Note 3(c)(II)
3	Buildings	3	113	77	Refer Note 3(c)(III)
4	Freehold land (included in assets held for sale)	122	Net carrying amount	282	Refer Note 37(e)

- (ii) The management has conducted physical verification of inventory at reasonable intervals except for stores and spares of Rs 3,698 lakhs, which

have not been verified during or at the end of the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

- (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, related to the 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 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 income-tax, sales-tax, service tax, duty of excise and value added tax with the appropriate authorities. The Company has been regular in deposit of provident fund, employees' state insurance, duty of custom, cess and other material 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, service tax, sales-tax, duty of custom, duty of excise, value added tax, 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:

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	Interest and penalty	282.54	Jul and Aug 2016	Sep 2016	Not yet paid
Jharkhand Public Demand Recovery Act	Land Revenue	120.77	2012 to 2016	Mar 31st of each year	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 and value added tax 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 Act / Value Added Tax Act	Taxes including interest	686.51	1986-87, 2003-04, 2004-05, 2009-10, 2010-11 and 2011-12	Sales Tax Appellate Tribunal
		7.55	1984-85, 2006-07	Deputy Commissioner of Commercial Taxes
		3,276.24	2009-10, 2011-12, 2012-13 and 2013-14	Joint Commissioner of Commercial Taxes
		240.91	2010-11	Additional Commissioner of Commercial Taxes
		3.29	2005-06	Madhya Pradesh High Court (Gwalior Bench)
		16.02	2003-04	Chennai High Court
Central Excise Act, 1944	Duty of Excise including penalty	7,493.12	2001-02 to 2012-13	Central Excise and Service Tax Appellate Tribunal
		335.90	2007-08 to 2015-16	Commissioner of Central Excise (Appeals)
Finance Act, 1994	Service Tax	17.81	2001-02	Joint Commissioner of Central Excise
		79.17	2010-11	Central Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Duty of Customs	15.85	1995-96, 1996-97, 1998-99, 2000-01 and 2008-09	Deputy Commissioner of Customs
		15.93	1989-90, 1992-93 and 1993-94	Central Excise and Service Tax Appellate Tribunal
		836.66	1989-90, 1996-97, 2002-03, 2012-13, 2014-15 and 2015-16	Assistant Commissioner of Customs
		0.02	2005-06	Commissioner of Customs (Appeals)
Income Tax Act, 1961	Income Tax	551.77	Assessment Year 1998-99	Ranchi High Court
		1388.44	Assessment Year 2007-08	Income Tax Appellate Tribunal, Ranchi

\* Net of amounts paid under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution and 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 to us, monies raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. 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 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 were 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 and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, 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 Raj Agrawal

Partner

Membership Number: 82028

Place of Signature: Kolkata

Date: May 30, 2017



## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE 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 31st March, 2017 in conjunction with our audit of the standalone 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 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 Raj Agrawal**

Partner

Membership Number: 82028

Place of Signature: Kolkata

Date: May 30, 2017

## Balance Sheet as at 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>ASSETS</b>				
<b>Non - current assets</b>				
(a) Property, plant and equipment	3	448,167	473,838	489,843
(b) Capital work-in-progress	3	4,469	4,481	3,919
(c) Intangible assets	4	4,105	1,481	1,543
(d) Intangible assets under development	4	-	2,320	984
(e) Financial assets				
(i) Investments	5 (i)	15,065	15,391	16,731
(ii) Loans and advances	5 (ii)	1,074	1,016	1,010
(iii) Other financial assets	5 (iii)	1,910	1,848	1,838
(f) Advance income tax assets (net)	6	3,412	4,189	4,140
(g) Other non-current assets	7	10,692	7,926	2,926
		<b>488,894</b>	<b>512,490</b>	<b>522,934</b>
<b>Current assets</b>				
(a) Inventories	8	100,862	97,880	131,103
(b) Financial assets				
(i) Trade receivables	9 (i)	54,406	45,342	49,659
(ii) Cash and cash equivalents	9 (ii)	402	335	3,880
(iii) Other bank balances	9 (iii)	62	65	53
(iv) Loans and advances	9 (iv)	111	215	4,671
(v) Other financial assets	9 (v)	547	726	1,793
(c) Other current assets	10	23,487	24,268	26,496
		<b>179,877</b>	<b>168,831</b>	<b>217,655</b>
Assets held for sale	37	6,590	5,545	5,511
		<b>186,467</b>	<b>174,376</b>	<b>223,166</b>
<b>Total assets</b>		<b>675,361</b>	<b>686,866</b>	<b>746,100</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	11	3,054	3,054	3,054
(b) Other equity	12	42,519	78,175	120,230
		<b>45,573</b>	<b>81,229</b>	<b>123,284</b>
<b>Liabilities</b>				
<b>Non - current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	13 (i)	272,801	281,601	259,600
(ii) Trade payables	13 (ii)	13	13	10
(iii) Other financial liabilities	13 (iii)	177	176	10,615
(b) Other non-current liabilities	14	1,888	1,888	1,888
(c) Provisions	15	5,277	4,683	4,145
(d) Government grants	16	3,041	3,151	3,261
(e) Deferred tax liabilities (net)	17	-	-	5,942
		<b>283,197</b>	<b>291,512</b>	<b>285,461</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	18 (i)	81,877	91,761	116,225
(ii) Trade payables	18 (ii)	170,231	140,943	137,834
(iii) Other financial liabilities	18 (iii)	76,242	64,880	68,776
(b) Other current liabilities	19	17,750	15,674	13,624
(c) Provisions	20	381	757	786
(d) Government grants	21	110	110	110
		<b>346,591</b>	<b>314,125</b>	<b>337,355</b>
<b>Total liabilities</b>		<b>629,788</b>	<b>605,637</b>	<b>622,816</b>
<b>Total equity and liabilities</b>		<b>675,361</b>	<b>686,866</b>	<b>746,100</b>

The accompanying notes are an integral part of the 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 Raj Agrawal, Partner

Membership No. 82028

Place : Kolkata

Date : 30th May, 2017

Rajeev Jhawar  
Managing Director  
DIN: 00086164

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

Rohit Nanda  
Chief Financial Officer

Shampa Ghosh Ray  
Company Secretary  
ACS 16737

## Statement of Profit and Loss for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Income</b>			
Revenue from operations	22	360,593	381,480
Other income	23	11,676	3,436
<b>Total income</b>		<b>372,269</b>	<b>384,916</b>
<b>Expenses</b>			
Cost of materials consumed	24	142,777	138,044
Purchase of stock-in-trade		5,333	3,031
(Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/ by-product	25	252	18,781
Excise duty on sale of goods		35,939	38,301
Employee benefits expense	26	23,487	23,011
Finance costs	27	54,901	53,114
Depreciation and amortisation expense	28	26,858	27,311
Other expenses	29	118,700	131,590
Adjustment for items capitalised and departmental orders for own consumption		(483)	(376)
<b>Total expense</b>		<b>407,764</b>	<b>432,807</b>
<b>Profit / (loss) before tax</b>		<b>(35,495)</b>	<b>(47,891)</b>
Income tax expense:			
Current tax		-	-
Deferred tax		-	(5,942)
<b>Total income tax expense</b>		<b>-</b>	<b>(5,942)</b>
<b>Profit / (loss) for the year</b>		<b>(35,495)</b>	<b>(41,949)</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be subsequently reclassified to statement of profit and loss:			
Re-measurement gains / (losses) on defined benefit plans	33	(161)	(106)
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>(161)</b>	<b>(106)</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>(35,656)</b>	<b>(42,055)</b>
<b>Earnings / (loss) per equity share (EPS)</b>	30		
Basic and diluted, computed on the basis of profit/(loss) attributable to equity holders (in Rs. per share) (Nominal value per share Re 1 each (31st March, 2016: Re 1 each))		(11.65)	(13.77)

The accompanying notes are an integral part of the 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 Raj Agrawal, Partner

Membership No. 82028

Place : Kolkata

Date : 30th May, 2017

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

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

**Rohit Nanda**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

## Cash Flow Statement for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A. Cash Flow from operating activities</b>		
<b>Profit / (loss) before tax</b>	(35,495)	(47,891)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	26,858	27,311
(Profit) / Loss on sale of property, plant & equipment (Net)	(3,163)	47
Finance costs	54,901	53,114
Bad Debts / advances written off	333	1
Allowance for doubtful debts and advances	439	337
Tangible assets / capital work-in-process written off	33	20
Finance income	(684)	(551)
Dividend received from subsidiary companies	(251)	(269)
Unrealised foreign currency loss / (gain) (net)	(1,685)	442
Unrealised derivative loss/ (gain) (net)	2,033	1,493
Liabilities no longer required written back	(1,099)	(923)
Allowance for doubtful debts and advances no longer required written back	(327)	(249)
Profit on sale of investments	(519)	-
<b>Operating profit before working capital changes</b>	<b>41,374</b>	<b>32,882</b>
Working capital adjustments:		
Increase in current trade payables	31,859	3,355
Increase in other current liabilities	1,046	2,267
Increase in trade payable - non-current	-	3
Increase in non - current provisions	291	113
Increase / (decrease) in current provisions	114	(29)
Increase in current other financial liabilities	538	1,208
Increase in non-current other financial liabilities	1	2
(Increase) / decrease in trade receivables	(9,609)	4,258
(Increase) / decrease in inventories	(2,982)	33,223
(Increase) / decrease in other non-current assets	5	(2,657)
Decrease in non-current other financial assets	8	3
(Increase) / decrease in other current assets	(2,706)	2,029
(Increase) in non - current loans	(63)	(21)
Decrease / (Increase) in current loans	104	(43)
Decrease in current other financial assets	113	99
	<b>18,719</b>	<b>43,810</b>
<b>Cash generated from operations</b>	<b>60,093</b>	<b>76,692</b>
Direct taxes paid (net of refunds)	287	(49)
<b>Net cash flow from operating activities</b>	<b>60,380</b>	<b>76,643</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of tangible and intangible assets	(11,104)	(36,479)
Proceeds from sale of tangible assets	8,252	206
Proceeds from sale of investment in a joint venture company	845	-
Redemption of investment in preference shares in a subsidiary company and a joint venture company	-	1,340
Loans and advances to subsidiary companies (net)	74	4,300
Interest income received	607	1,503
Realisation of long-term deposits with bank having maturity of more than 3 months but less than 12 months	(9)	(22)
Dividend received from subsidiary companies	251	269
<b>Net cash flows used in investing activities</b>	<b>(1,084)</b>	<b>(28,883)</b>

## Cash Flow Statement for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	46,369	84,525
Repayment of long term borrowings	(41,192)	(58,165)
Short term borrowings (net)	(9,884)	(24,464)
Interest paid	(54,522)	(51,449)
<b>Net cash flows used in financing activities</b>	<b>(59,229)</b>	<b>(49,553)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>67</b>	<b>(3,545)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>335</b>	<b>3,880</b>
<b>Cash and cash equivalents at year end</b>	<b>402</b>	<b>335</b>
<b>Cash and cash equivalents as per Note 9 (ii):</b>		
Balances with banks:		
In current accounts	148	186
Cash in hand	26	13
Remittance in transit	228	136
	<b>402</b>	<b>335</b>

The accompanying notes are an integral part of the 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 Raj Agrawal, Partner

Membership No. 82028

Place : Kolkata

Date : 30th May, 2017

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

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

**Rohit Nanda**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

## Statement of changes in equity for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

### A) Equity share capital

Equity shares of Re 1 each issued, subscribed and fully paid	Number of shares	Rs. in lakhs
<b>As at 1st April 2015</b>	304,741,780	3,054
Changes in equity share capital during the year	-	-
<b>As at 31st March, 2016</b>	304,741,780	3,054
Changes in equity share capital during the year	-	-
<b>As at 31st March, 2017</b>	<b>304,741,780</b>	<b>3,054</b>

### B) Other equity

For the year ended 31st March, 2017

Particulars	Reserves and surplus							Items of Other Comprehensive Income	Total
	Capital reserve	Securities premium account	Capital redemption reserve	General reserve	Retained earnings	Money Received against equity warrant	Other Reserves	Other Comprehensive Income Reserve	
<b>Balance as at 1st April 2016</b>	<b>369</b>	<b>85,584</b>	<b>2,285</b>	<b>54,575</b>	<b>(70,882)</b>	<b>2,934</b>	<b>3,416</b>	<b>(106)</b>	<b>78,175</b>
Loss for the year	-	-	-	-	(35,495)	-	-	-	(35,495)
Amount forfeited out of money received against Equity warrants and taken to other reserves	-	-	-	-	-	(2,934)	2,934	-	-
Other comprehensive income	-	-	-	-	-	-	-	(161)	(161)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(35,495)</b>	<b>(2,934)</b>	<b>2,934</b>	<b>(161)</b>	<b>(35,656)</b>
<b>Balance as at 31st March, 2017</b>	<b>369</b>	<b>85,584</b>	<b>2,285</b>	<b>54,575</b>	<b>(106,377)</b>	<b>-</b>	<b>6,350</b>	<b>(267)</b>	<b>42,519</b>

For the year ended 31st March, 2016

Particulars	Reserves and surplus								Items of Other Comprehensive Income	Total
	Capital reserve	Securities premium account	Capital redemption reserve	General reserve	Retained earnings	Equity Warrant application money pending allotment	Money Received against equity warrant	Other Reserves	Other Comprehensive Income Reserve	
<b>Balance as at 1st April 2015</b>	<b>369</b>	<b>85,584</b>	<b>2,285</b>	<b>54,575</b>	<b>(28,933)</b>	<b>3,000</b>	<b>-</b>	<b>3,350</b>	<b>-</b>	<b>120,230</b>
Loss for the year	-	-	-	-	(41,949)	-	-	-	-	(41,949)
Equity warrant application money pending allotment converted to Equity warrants	-	-	-	-	-	(3,000)	3,000	-	-	-
Amount forfeited out of money received against Equity warrants and taken to other reserves	-	-	-	-	-	-	(66)	66	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	(106)	(106)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41,949)</b>	<b>(3,000)</b>	<b>2,934</b>	<b>66</b>	<b>(106)</b>	<b>(42,055)</b>
<b>Balance as at 31st March, 2016</b>	<b>369</b>	<b>85,584</b>	<b>2,285</b>	<b>54,575</b>	<b>(70,882)</b>	<b>-</b>	<b>2,934</b>	<b>3,416</b>	<b>(106)</b>	<b>78,175</b>

The accompanying notes are an integral part of the 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 Raj Agrawal, Partner

Membership No. 82028

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Pravin Kumar Jain**

Joint Managing Director

[Wire & Wire Rope Business]

DIN: 02583519

**Rohit Nanda**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS 16737

Place : Kolkata

Date : 30th May, 2017



## 1. Company overview

Usha Martin Limited (the 'Company') is a public limited company domiciled in India and has its registered office at 2A, Shakespeare Sarani, Kolkata - 700071. Its equity shares are listed on two recognised stock exchanges in India and its GDRs are listed on stock exchange in Luxembourg. The Company is engaged in the manufacturing of speciality steel and value added steel products. The Company caters to both domestic and international markets.

## 2A. Basis of preparation of financial statements

### a) Basis of preparation and Compliance with Ind AS

- (i) For all periods upto and including the year ended 31st March, 2016, the Company had prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2016 and the Company is required to prepare its financial statements in accordance with Ind AS for the year ended 31st March, 2017. These financial statements for the year ended 31st March, 2017 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

- (ii) The Company has followed the provisions of Ind AS 101—"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2015. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS as at 31st March, 2016, and April 1, 2015 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2016. Refer note 45 for description of the effect of the transition and reconciliations required as per Ind AS 101.
- (iii) The Company had prepared its financial statements for the year ended 31st March, 2016 and March 31, 2015 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on May 25, 2016 and May 25, 2015 respectively. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.
- (iv) These financial statements were approved for issue by the Board of Directors on May 30, 2017.

### b) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

## 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 principal or the most advantageous market must be accessible by the Company.

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 best economic 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.

Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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.

### c) Functional and presentation currency and rounding off

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.

### d) Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to date of issuance of the Company's financial statements are disclosed below.

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from

financing activities, to meet the disclosure requirement.

The Company will adopt this amendment from its applicability date.

## 2B Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the Ind AS financial statements.

### a. 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.

### b. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty.

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

#### Sale of goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Export benefits are accounted on recognition of export sales.

#### Rendering of services

Revenue from the sale of services is recognised upon the rendering of services and are recognised net of service tax.

#### Interest income

Interest income is included in other income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate when there is a reasonable certainty as to realisation.

## Dividends

Dividends are recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of dividend can be measured reliably.

### c. Property, plant and equipment

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

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. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

#### (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).

The estimated useful lives of assets are 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 & supply plant	30 years
Office equipment	3-5 years
Furniture & fixture	8-22 years
Vehicles	8-10 years

Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

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 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 & 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.

#### d. 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.

Intangible assets under development are stated at cost.

Intangible assets (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.

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 profit and loss when the asset is derecognised.

#### Research and development costs

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- 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.

#### e. Site restoration

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 developments 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 the statement of profit and loss.

#### f. Non-current assets held for sale

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. 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 to owners 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 to owners are not depreciated or amortised.

**g. 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 into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in other comprehensive income.

The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 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 upto 31st March, 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.

**h. 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, it is recognised as income in equal amounts over the expected useful life of the related asset.

**i. 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 the statement of profit and loss is recognised 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 the statement of profit and loss is recognised 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.

**Sales/ value added taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales/ value added taxes 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

**j. 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.

**k. 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.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

#### **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 2B(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.

#### **l. Inventories**

Inventories are valued at the lower of cost and net realisable value.

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: These are valued at lower of cost or net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. 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.
- Finished goods and work in progress: These are valued at lower of cost or net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.
- Stock-in-trade: These are valued at lower of cost or net realisable value. 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: These 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.

#### **m. 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 forecasts, 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.

#### **n. 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.

#### **o. 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 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 & 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 makes payment to vested employees who have completed five years or more of service at retirement, disability, death 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.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to the statement of profit and loss. 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.

**Provident fund**

Eligible employees (other than employees of coal mines and straight bar & 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.

**p. 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 time frame 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 sale the asset.

**Subsequent measurement**

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

**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.

**Debt instrument at Fair Value through Other Comprehensive Income**

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 equity to the statement of profit and loss. Interest earned whilst holding fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at Fair Value through Profit and Loss**

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.

#### **Equity instrument**

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 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 (i.e. removed from the Company'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 Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on Trade receivables that result from transactions that are within the scope of Ind AS 18: Revenue.

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 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 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**

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**

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or 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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

##### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (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.

### 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.

### q. 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 or 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.

### r. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and in 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.

### s. 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.

### t. Earnings per share

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

### u. 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". The analysis of geographical segments is based on the areas in which customers of the Company are located.

### v. Use of estimates and critical accounting judgements

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.

## Notes to the financial statements for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

### 3. Property, plant and equipment

	Freehold land (Refer Note (c) (i) below)	Leasehold land under finance lease (Refer Note (c) (ii) below)	Mining lease and development	Buildings (Refer Note (c) (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 (CWIP)	Total property, plant and equipment including CWIP
<b>Deemed Cost</b>														
<b>As at 1st April 2015 [Refer Note (a) below]</b>	<b>13,059</b>	<b>557</b>	<b>2,499</b>	<b>29,123</b>	<b>387,208</b>	<b>2,012</b>	<b>53,907</b>	<b>395</b>	<b>218</b>	<b>227</b>	<b>638</b>	<b>489,843</b>	<b>3,919</b>	<b>493,762</b>
Additions [Refer Note (e) below]	21	-	177	208	9,740	-	910	291	61	40	10	11,458	8,750	20,208
Disposals / adjustments [Refer Note (d) below]	-	-	-	-	69	-	27	-	2	1	41	140	8,188	8,328
<b>As at 31st March, 2016</b>	<b>13,080</b>	<b>557</b>	<b>2,676</b>	<b>29,331</b>	<b>396,879</b>	<b>2,012</b>	<b>54,790</b>	<b>686</b>	<b>277</b>	<b>266</b>	<b>607</b>	<b>501,161</b>	<b>4,481</b>	<b>505,642</b>
Additions [Refer Note (e) below]	-	-	-	1,954	3,371	-	84	57	215	8	85	5,774	3,818	9,592
Disposals / adjustments [Refer Note (d) below]	2,781	349	-	1,367	371	-	268	-	3	23	71	5,233	3,830	9,063
<b>As at 31st March, 2017</b>	<b>10,299</b>	<b>208</b>	<b>2,676</b>	<b>29,918</b>	<b>399,879</b>	<b>2,012</b>	<b>54,606</b>	<b>743</b>	<b>489</b>	<b>251</b>	<b>621</b>	<b>501,702</b>	<b>4,469</b>	<b>506,171</b>
<b>Depreciation (Refer Note (a) below)</b>														
<b>As at 1st April 2015</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	7	209	3,002	21,099	226	2,511	16	77	53	128	27,328	-	27,328
Disposals / adjustments	-	-	-	-	2	-	-	-	-	-	3	5	-	5
<b>As at 31st March, 2016</b>	-	<b>7</b>	<b>209</b>	<b>3,002</b>	<b>21,097</b>	<b>226</b>	<b>2,511</b>	<b>16</b>	<b>77</b>	<b>53</b>	<b>125</b>	<b>27,323</b>	-	<b>27,323</b>
Charge for the year	-	21	438	3,040	20,112	226	2,423	20	89	46	111	26,526	-	26,526
Disposals / adjustments	-	8	-	81	80	-	114	-	3	8	20	314	-	314
<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>	-	<b>53,535</b>
<b>Net block</b>														
<b>As at 31st March, 2017</b>	<b>10,299</b>	<b>188</b>	<b>2,029</b>	<b>23,957</b>	<b>358,750</b>	<b>1,560</b>	<b>49,786</b>	<b>707</b>	<b>326</b>	<b>160</b>	<b>405</b>	<b>448,167</b>	<b>4,469</b>	<b>452,636</b>
As at 31st March, 2016	13,080	550	2,467	26,329	375,782	1,786	52,279	670	200	213	482	473,838	4,481	478,319
As at 1st April, 2015	13,059	557	2,499	29,123	387,208	2,012	53,907	395	218	227	638	489,843	3,919	493,762

a) For property, plant and equipment existing as on April 1, 2015, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First Time Adoption. Accordingly, the net Written down Value (WDV) as per Indian GAAP as on 1st April, 2015 has been considered as Gross Block under Ind-AS. The accumulated depreciation so netted off as on 1st April 2015, is as below -

	Freehold land	Leasehold land under finance lease	Mining lease and development	Buildings	Plant and equipment	Railway siding	Electrical installation	Water treatment and supply plant	Office equipment	Furniture and fixture	Vehicles	Total	Capital work-in-progress (CWIP)	Total property, plant and equipment including CWIP
Gross block	13,059	650	8,799	43,561	555,195	3,540	69,986	1,911	1,164	708	1,299	699,872	3,919	703,791
Accumulated depreciation	-	93	6,300	14,438	167,987	1,528	16,079	1,516	946	481	661	210,029	-	210,029
<b>Net Block</b>	<b>13,059</b>	<b>557</b>	<b>2,499</b>	<b>29,123</b>	<b>387,208</b>	<b>2,012</b>	<b>53,907</b>	<b>395</b>	<b>218</b>	<b>227</b>	<b>638</b>	<b>489,843</b>	<b>3,919</b>	<b>493,762</b>

b) For item/charge against property, plant and equipment refer note 13(i), note 18(i) and Current maturities of long term borrowings note 18 (iii).

c) i. **Freehold land includes :**

- Two plots of land [Gross Block and Net Block of Rs. 2,315 lakhs as at 31st March, 2017 (31st March, 2016 : Gross Block Rs. 4,346 lakhs and Net Block Rs. 4,346 lakhs, 1st April, 2015 : Deemed cost Rs. 4,346 lakhs)] located at Ranchi, acquired pursuant to the scheme of arrangement which are held in the name of the transferor company.
- Two plots of land [Gross Block and Net Block of Rs. 674 lakhs and Rs. 674 lakhs as at 31st March, 2017 (31st March, 2016 : Gross Block Rs. 674 lakhs and Net Block Rs. 674 lakhs, 1st April, 2015 : Deemed cost Rs. 674 lakhs)] located at Jamshedpur, in respect of which conveyance deed is yet to be executed in favour of the Company.

II. **Leasehold land under finance lease includes :**

Two plots of land [Gross block and Net block of Rs. 5 lakhs and Rs. 4 lakhs as at 31st March, 2017 (31st March, 2016 : Gross Block Rs. 5 lakhs and Net Block Rs. 4 lakhs, 1st April, 2015 : Deemed cost Rs. 5 lakhs) located at Ranchi in respect of which lease deeds are yet to be executed in favour of the Company.

III. **Buildings include:**

1. One property [Gross Block and Net Block of Rs. 30 lakhs and Rs. 28 lakhs as at 31st March, 2017 (31st March, 2016 : Gross Block Rs. 30 lakhs and Net Block Rs. 29 lakhs, 1st April, 2015 : Deemed cost Rs. 30 lakhs)] located at Mumbai in respect of which the conveyance deed is yet to be executed in favour of the Company.

2. Two properties [Gross Block and Net Block of Rs. 50 lakhs and Rs. 48 lakhs as at 31st March, 2017 (31st March, 2016 : Gross Block Rs. 50 lakhs and Net Block Rs. 49 lakhs, 1st April, 2015 : Deemed cost Rs. 50 lakhs)] located at Kolkata in respect of which title deeds being not readily traceable. Steps are being taken to obtain certified copies of the title deeds from the appropriate authorities for the said properties.

d) Disposal/Adjustments during the year includes transfer to Assets held for sale - related to Chennai Bright bar [Refer Note 37(b)] Gross Block Rs. 1,597 lakhs and Depreciation Rs. 211 lakhs (31st March, 2016 : Rs Nil and 1st April, 2015 : Rs Nil) and Accumulated Depreciation Rs. 211 lakhs (31st March, 2016 Rs Nil : 1st April, 2015 : Rs Nil) and related to Ranchi [Refer Note 37(d)] Gross block Rs. 750 lakhs (31st March, 2016 Rs Nil, 1st April, 2015 : Rs Nil) respectively.

Particulars	Deemed Cost as at 1st April, 2015	Depreciation for the year ended March 2016	Net Block as at 1st April, 2016
Freehold land	750	-	750
Buildings	1,099	91	1,008
Plant and equipment	100	35	65
Electrical installation	119	43	76
Furniture and Fixture	40	25	15
Leasehold Land under finance lease	239	17	222
	<b>1,597</b>	<b>211</b>	<b>1,386</b>
<b>Total</b>	<b>2,347</b>	<b>211</b>	<b>2,136</b>

e) Additions comprise adjustments on account of Borrowing Costs of Rs. Nil (31st March, 2016 :Rs 45 lakhs) and Exchange Loss of Rs.437 lakhs (31st March, 2016 : Rs. 4,418 lakhs).

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

<b>4. Intangible assets</b>				
	<b>Computer software</b>	<b>Development costs #</b>	<b>Total intangible assets</b>	<b>Intangible assets under development ##</b>
<b>Deemed Cost</b>				
<b>As at 1st April 2015 (Refer note (a) below)</b>	<b>244</b>	<b>1,299</b>	<b>1,543</b>	<b>984</b>
Additions	5	90	95	1,336
Disposals / adjustments	-	-	-	-
<b>As at 31st March, 2016</b>	<b>249</b>	<b>1,389</b>	<b>1,638</b>	<b>2,320</b>
Additions	3,076	-	3,076	-
Disposals / adjustments	-	-	-	(2,320)
<b>As at 31st March, 2017</b>	<b>3,325</b>	<b>1,389</b>	<b>4,714</b>	<b>-</b>
<b>Amortisation</b>				
<b>As at 1st April 2015 (Refer note (a) below)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	93	-	93	-
Disposals / adjustments	23	87	64	-
<b>As at 31st March, 2016</b>	<b>70</b>	<b>87</b>	<b>157</b>	<b>-</b>
Charge for the year	297	145	442	-
Disposals / adjustments	10	-	10	-
<b>As at 31st March, 2017</b>	<b>377</b>	<b>232</b>	<b>609</b>	<b>-</b>
<b>Net book value</b>				
<b>As at 31st March, 2017</b>	<b>2,948</b>	<b>1,157</b>	<b>4,105</b>	<b>-</b>
As at 31st March, 2016	179	1,302	1,481	2,320
As at 1st April 2015	244	1,299	1,543	984

# Development costs represents expenditure incurred on development of mines.

## Represents computer software acquired under development and pending deployment.

- a) For intangible assets existing as on 1st April, 2015, i.e. date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First Time Adoption. Accordingly, the net WDV as per Indian GAAP as on 1st April, 2015 has been considered as Gross block under Ind-AS. The accumulated amortisation so netted off as on 1st April 2015, is as below -

	<b>Computer software</b>	<b>Development costs</b>	<b>Total intangible assets</b>	<b>Intangible assets under development</b>
Gross block	1,207	1,385	2,592	984
Accumulated amortisation	963	86	1,049	-
<b>Net book value</b>	<b>244</b>	<b>1,299</b>	<b>1,543</b>	<b>984</b>

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

### Non - current assets

#### 5. Financial assets

<b>(i) Investments</b>			
	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>Investment in equity instruments (unquoted)</b>			
<b>Investment in subsidiary companies (at cost)</b>			
Usha Martin International Limited			
59,09,388 (31st March, 2016 : 59,09,388 , 1st April, 2015 : 59,09,388) ordinary shares of GBP 1 each fully paid	6,181	6,181	6,181
Usha Siam Steel Industries Public Company Limited			
1,32,00,000 (31st March, 2016 : 1,32,00,000, 1st April, 2015 : 1,32,00,000) ordinary shares of Thai Baht 10 each fully paid	2,620	2,620	2,620
Usha Martin Singapore Pte Limited			
10,00,000 (31st March, 2016 : 10,00,000, 1st April, 2015 : 10,00,000) ordinary shares of SGD 1 each fully paid	268	268	268
Brunton Wolf Wire Rope, FZCo			
114 (31st March, 2016 : 114, 1st April, 2015 : 114) ordinary shares of AED 1,00,000 each fully paid	1,777	1,777	1,777
Usha Martin Americas Inc.			
40,00,000 (31st March, 2016 : 40,00,000, 1st April, 2015 : 40,00,000) shares of USD 1 each fully paid	1,660	1,660	1,660
Gustav Wolf Speciality Cords Limited			
150,000 (31st March, 2016 : 150,000, 1st April, 2015 : 1,50,000) equity shares of Rs.10 each fully paid	168	168	168
UM Cables Limited			
1,11,29,660 (31st March, 2016 : 1,11,29,660, 1st April, 2015 : 1,11,29,660) equity shares of Rs.10 each fully paid	1,271	1,271	1,271
Usha Martin Power and Resources Limited			
50,000 (31st March, 2016 : 50,000, 1st April, 2015 : 50,000) equity shares of Rs. 10 each fully paid	5	5	5
Less: Provision for impairment	(1)	(1)	(1)
Bharat Minex Private Limited			
2,00,000 (31st March, 2016 : 2,00,000, 1st April 2015 : 2,00,000) equity shares of Rs. 10 each fully paid	10	10	10
Less: Provision for impairment	(10)	(10)	(10)
<b>Total</b>	<b>13,949</b>	<b>13,949</b>	<b>13,949</b>
<b>Investment in joint venture companies (at cost)</b>			
Pengg Usha Martin Wires Private Limited			
1,08,00,000 (31st March, 2016 : 1,08,00,000, 1st April 2015 : 1,08,00,000) equity shares of Rs.10 each fully paid	1,080	1,080	1,080
CCL Usha Martin Stressing System Limited			
4,73,195 (31st March, 2016 : 4,73,195, 1st April 2015 : 4,73,195) equity shares of Rs.10 each fully paid	47	47	47
Less: Provision for impairment	(16)	(16)	(16)
Dove Airlines Private Limited #			
Nil (31st March, 2016 : 10,38,000 and 1st April 2015 : 10,38,000 ) equity shares of Rs.10 each fully paid	-	326	326
<b>Total</b>	<b>1,111</b>	<b>1,437</b>	<b>1,437</b>
<b>Investment in other companies (at cost)</b>			
Adityapur Toll Bridge Company Limited			
1,00,000 (31st March, 2016 : 1,00,000, 1st April 2015 : 1,00,000) equity shares of Rs.10 each fully paid	10	10	10
Less: Provision for impairment	(5)	(5)	(5)
Usha Communications Technology Limited BVI			
1,21,10,242 (31st March, 2016 : 1,21,10,242 , 1st April 2015 : 1,21,10,242) ordinary shares of USD 0.50 each fully paid	28	28	28
Less: Provision for impairment	(28)	(28)	(28)
UMI Special Steel Limited (under liquidation)*	*	*	*
1,80,68,472 (31st March, 2016 : 1,80,68,472, 1st April 2015 : 1,80,68,472) equity shares of Rs.10 each fully paid	-	-	-
Adityapur Auto Cluster			
1,000 (31st March, 2016 : 1,000, 1st April 2015 : 1,000) equity shares of Rs.1000 each fully paid	10	10	10
Less: Provision for impairment	(10)	(10)	(10)
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>



**Notes to the financial statements for the year ended 31st March, 2017** (All amounts in Rs. Lakhs, unless otherwise stated)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Investment in preference instruments (at fair value through profit and loss)</b>			
<b>Investment in subsidiary companies</b>			
UM Cables Limited			
Nil (31st March, 2016: Nil, 1st April 2015 : 9,00,000) 8% redeemable cumulative preference shares of Rs.100 each fully paid	-	-	900
<b>Total</b>	-	-	<b>900</b>
<b>Investment in joint venture companies</b>			
<b>Pengg Usha Martin Wires Private Limited</b>			
Nil (31st March, 2016: Nil, 1st April 2015 : 4,40,000) 0.50% redeemable cumulative preference shares of Rs.100 each fully paid	-	-	440
<b>Total</b>	-	-	<b>440</b>
<b>Total investments</b>	<b>15,065</b>	<b>15,391</b>	<b>16,731</b>
Aggregate book value of unquoted investments	15,135	15,461	16,801
Less: Provision for impairment	(70)	(70)	(70)
<b>Net investments</b>	<b>15,065</b>	<b>15,391</b>	<b>16,731</b>

# During the year, the Company has disposed off its investment in its joint venture company "Dove Airlines Private Limited" and recognised an income of Rs 519 lakhs which has been shown under other income.

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

<b>(ii) Loans and advances (At amortised cost)</b>	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(Unsecured, considered good unless otherwise stated)</b>			
Loans and advances to related parties (Refer note 34)	941	946	961
Loans and advances to employees	133	70	49
<b>Total</b>	<b>1,074</b>	<b>1,016</b>	<b>1,010</b>
Loans and advances are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.			

<b>(iii) Other financial assets (At amortised cost)</b>	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(Unsecured, considered good unless otherwise stated)</b>			
Long-term deposits with bank	-	-	21
Security deposits	1,628	1,636	1,617
Interest accrued but not due on deposits	282	212	200
<b>Total</b>	<b>1,910</b>	<b>1,848</b>	<b>1,838</b>

<b>6. Advance income tax assets (net)</b>	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance payment of income tax [net of provision for tax - Rs. 846 lakhs (31st March, 2016 : Rs. 2,565 lakhs, 1st April 2015: Rs. 5,413 lakhs)]	3,412	4,189	4,140
<b>Total</b>	<b>3,412</b>	<b>4,189</b>	<b>4,140</b>

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

<b>7. Other non-current assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(Unsecured, considered good unless otherwise stated)</b>			
Capital advances			
Considered good	2,861	2,941	506
Considered doubtful	240	240	37
Less : Allowance for doubtful capital advances	(240)	(240)	(37)
Leasehold land prepayments*	653	569	592
Prepaid expenses	83	34	8
Balances with government authorities			
Excise / Service Tax	53	20	-
Sales tax / VAT receivable	1,153	1,097	940
Deposit for fuel surcharge	2,660	2,885	500
Claims receivable			
Considered good	378	380	380
Considered doubtful	92	92	92
Less : Allowance for claims receivable	(92)	(92)	(92)
Advance against land - coal mines [refer note 37 (a)]	2,851	-	-
<b>Total</b>	<b>10,692</b>	<b>7,926</b>	<b>2,926</b>
*Represents prepayments in respect of land taken under operating leases, being amortised over the period of lease.			

<b>Current assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>8. Inventories</b>			
Raw materials and packing materials	10,874	11,028	12,404
Goods-in-transit	7,378	5,145	16,852
	<b>18,252</b>	<b>16,173</b>	<b>29,256</b>
Work-in-progress	<b>31,495</b>	<b>30,036</b>	<b>42,857</b>
Finished goods	37,955	42,278	50,186
Goods-in-transit	2,736	3,201	2,063
	<b>40,691</b>	<b>45,479</b>	<b>52,249</b>
Stock-in-trade	22	37	56
Stores and spare parts	3,724	3,375	4,647
Goods-in-transit	1,262	160	121
	<b>4,986</b>	<b>3,535</b>	<b>4,768</b>
Loose tools	1,147	1,443	1,569
Scrap and by-product	4,269	1,177	348
<b>Total</b>	<b>100,862</b>	<b>97,880</b>	<b>131,103</b>

a) During the year ended 31st March, 2017, Rs. 848 lakhs (31st March, 2016: Rs. 838 lakhs) was expensed to the statement of profit and loss for inventory recorded and measured at net realisable value being lower than cost.

b) For method of valuation of inventories, refer note 2B(i)

<b>9. Financial assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(i) Trade receivables (At amortised cost)</b>			
<b>(Unsecured, considered good unless otherwise stated)</b>			
Due from related parties (Refer note 34)	5,422	3,725	6,912
Others, considered good	48,984	41,617	42,747
Others, considered doubtful	453	215	875
Less: Allowance for doubtful debts	(453)	(215)	(875)
<b>Total</b>	<b>54,406</b>	<b>45,342</b>	<b>49,659</b>

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

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

<b>(ii) Cash and cash equivalents</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
Balances with banks:			
On current accounts	148	186	3,031
Cheques / drafts in hand	-	-	500
Cash in hand	26	13	17
Remittance in transit	228	136	332
<b>Total</b>	<b>402</b>	<b>335</b>	<b>3,880</b>

Details of Specified bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December 2016 are provided in the below table:

<b>Particulars</b>	<b>SBNs</b>	<b>Other denomination notes</b>	<b>(Amounts in Rs.) Total</b>
Closing cash in hand as on 08.11.2016	1,147,000	1,223,026	2,370,026
Add : Unpermitted receipts*	133,000	-	133,000
Add : Permitted receipts	-	2,110,892	2,110,892
Less : Permitted payments	-	2,291,673	2,291,673
Less : Amount deposited in banks	1,280,000	-	1,280,000
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>1,042,245</b>	<b>1,042,245</b>

\* Represents refund of advances by employees and internal departments

<b>(iii) Other bank balances</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
Unpaid dividend accounts #	28	40	50
Deposits with original maturity for more than 3 months but upto 12 months	34	25	3
<b>Total</b>	<b>62</b>	<b>65</b>	<b>53</b>
# Earmarked for payment of unclaimed dividend			

Deposits with original maturity for more than 3 months but upto 12 months earns interest at floating rates based on bank deposit rates. These deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

<b>(iv) Loans and advances</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(At amortised cost)</b>			
<b>(Unsecured considered good unless otherwise stated)</b>			
Loans and advances to related parties (Refer note 34)	-	-	4,499
Loans and advances to employees			
Considered good	111	215	172
Considered doubtful	10	8	8
Less: Allowance for doubtful loans and advances to employees	(10)	(8)	(8)
<b>Total</b>	<b>111</b>	<b>215</b>	<b>4,671</b>

<b>(v) Other financial assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(Unsecured considered good unless otherwise stated)</b>			
<b>Derivative not designated as hedges (at fair value through profit or loss)</b>			
Foreign exchange forward contracts	-	-	198
<b>Other financial assets (at amortised cost)</b>			
Accrued interest on loan to subsidiaries (Refer note 34)	12	-	965
Accrued interest on deposits and others	-	5	4
Claims receivables	4	14	14
Security deposits			
Considered good	141	244	343
Considered doubtful	-	18	17
Less: Allowance for doubtful security deposits	-	(18)	(17)
Balances with Related Parties (refer note 34)	390	463	269
<b>Total</b>	<b>547</b>	<b>726</b>	<b>1,793</b>

## Notes to the financial statements for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

<b>10. Other current assets</b> <b>(Unsecured considered good unless otherwise stated)</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
Advance against land - coal mines [refer note 37 (a)]	10,532	13,980	14,179
Advances to suppliers			
Considered good	3,519	3,599	5,576
Considered doubtful	302	529	426
Less: Allowance for doubtful advances	(302)	(529)	(426)
Balance with statutory / government authorities			
Considered good	5,775	3,674	3,346
Considered Doubtful	1,523	1,420	1,542
Less: Allowance for doubtful balance	(1,523)	(1,420)	(1,542)
Export incentive receivables	1,942	1,333	1,779
Prepaid expenses	1,691	1,670	1,597
Leasehold land prepayments*	28	12	19
<b>Total</b>	<b>23,487</b>	<b>24,268</b>	<b>26,496</b>

\*Represents prepayments in respect of land taken under operating leases, being amortised over the period of lease.

Current Assets as disclosed vide note 8 to 10 are pledged against certain long term and short term borrowings taken by the Company as further explained in note 13(i), note 18(i), Acceptances shown under note 18(ii) and Current maturities of long-term borrowings shown under note 18(iii).

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

### EQUITY

11. Equity share capital	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Authorised share capital</b>			
50,00,00,000 (31st March, 2016 : 50,00,00,000, 1st April 2015: 50,00,00,000) equity shares of Re. 1 each	5,000	5,000	5,000
1,00,00,000 (31st March, 2016 : 1,00,00,000, 1st April 2015: 1,00,00,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000	5,000
	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid-up equity capital</b>			
30,47,41,780 (31st March, 2016 : 30,47,41,780, 1st April 2015: 30,47,41,780) equity shares of Re. 1 each	3,047	3,047	3,047
Add: Shares forfeited	7	7	7
As at 31st March, 2017	<b>3,054</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 reporting period :

		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
No. of Equity shares outstanding at the beginning and end of the year	Numbers	304,741,780	304,741,780	304,741,780
Amount of Equity shares outstanding at the beginning and end of the year	Amount in Rs. lakhs	3,047	3,047	3,047

b) 3,20,83,550 (31st March, 2016 : 3,58,33,550, 1st April, 2015 : 3,58,33,550) equity shares are represented by Global Depository Receipts (GDRs) out of above paid up equity shares.

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

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 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Equity shares of Re. 1 each fully paid	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
UMIL Shares & Stock Broking Services Limited	38,888,369	38,888,369	38,888,369
% holding in the class	12.76%	12.76%	12.76%
Usha Martin Ventures Limited	20,627,588	20,627,588	20,627,588
% holding in the class	6.77%	6.77%	6.77%
Peterhouse Investments Limited	18,971,455	18,971,455	18,971,455
% holding in the class	6.23%	6.23%	6.23%
Peterhouse Investments India Limited	20,767,330	20,767,330	20,767,330
% holding in the class	6.81%	6.81%	6.81%
Deutsche Bank Trust Company Americas	32,083,550	35,833,550	35,833,550
% holding in the class	10.53%	11.76%	11.76%

As per records of the Company, including its register of shareholders / members and other declaration received from shareholders, the above shareholding represents legal ownership of 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 for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

12. Other equity	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Securities premium (Premium received on equity shares issued are recognised in the securities premium account)	85,584	85,584	85,584
Capital reserve (Capital reserve represents mainly state capital subsidy received from different state governments)	369	369	369
Capital redemption reserve (Capital redemption reserve represents redemption of preference share capital as per statutory requirement)	2,285	2,285	2,285
General reserve (General reserve mainly represents appropriation from the statement of profit and loss)	54,575	54,575	54,575
Retained earnings (Retained earnings includes surplus / (deficit) in statement of profit and loss and impact of Ind-AS adjustments on date of transition)	(106,377)	(70,882)	(28,933)
Other comprehensive income reserve (OCI reserve includes reserves created out of remeasurement gains/ (losses) on defined benefit plans)	(267)	(106)	-
Equity Warrant application money pending allotment #	-	-	3,000
Money Received against equity warrant ##	-	2,934	-
Other Reserves (represents money received against equity warrants earlier forfeited)	6,350	3,416	3,350*
<b>Total</b>	<b>42,519</b>	<b>78,175</b>	<b>120,230</b>

\* On 21st December, 2007, the Company had allotted on a preferential basis to certain companies in the promoter group, 38,500,000 convertible equity warrants against receipt of 10% of the consideration of Rs. 87 per warrant determined in accordance with the related SEBI guideline. Each warrant was convertible into one equity share of nominal value of Re 1 each at a price of Rs 87 per share in lots at the option of the warrant holders within eighteen months from the date of allotment in accordance with relevant SEBI guidelines and the terms of the issue upon payment of balance consideration by the warrant holders. In case of non-exercise of the conversion option before the expiry of the period allowed for such conversion, 10% of the consideration received as aforesaid would be forfeited to the extent of conversion option not exercised. The holders of the said equity warrants informed the Company in March 2009 that they would not exercise the conversion option, accordingly, all these warrants were cancelled by forfeiting the amount of Rs 3,350 lakhs received in earlier year against issue of those warrants.

# On 1st April 2015, the Company had issued 34,285,600 equity warrants, each convertible into one equity share of Re. 1 each at the option of holders within a period of eighteen months from the date of allotment, at a price ("Consideration") of Rs. 35 (which includes premium of Rs. 34 per share), on preferential allotment basis to promoter/promoters' group and their relatives and associates in accordance with related SEBI Regulations. As per the terms of the issue, 25% of the consideration is payable by the applicants before allotment of equity warrants amounting to Rs 3,000 lakhs.

### The holders of the series J of the said equity warrants did not exercise the option for conversion of entire 7,50,000 equity warrants issued under the aforementioned series within stipulated time (the latest date for conversion for the said series) and accordingly the entire equity warrants issued under series J was cancelled and the amount of Rs.66 lakhs received in the year 2015-16 against issue of those warrants were forfeited.

During the year, balance 33,535,600 equity warrants issued earlier was not converted within the stipulated time and accordingly the same have been cancelled and the amount of Rs 2,934 lakhs have been forfeited, and transferred to other reserves.

### Non - current liabilities

#### 13. Financial liabilities

(i) Borrowings (At amortised cost)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Secured</b>			
Term loan from financial institutions (Rupee loans) #	20,149	30,993	33,989
Term loan from banks (Rupee loans) ##	251,522	216,253	162,221
External commercial borrowings from bank###	-	33,127	62,500
<b>Unsecured</b>			
From body corporate (Rupee loans)	1,130	1,228	890
<b>Total *</b>	<b>272,801</b>	<b>281,601</b>	<b>259,600</b>

\* Net of unamortised borrowing cost of Rs. 1,372 lakhs (31st March, 2016 : 1,319 lakhs, 1st April, 2015 : Rs. 426 lakhs)



## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

	Term Loan	Nature of security	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	<b>Secured</b>				
#	<b>From financial institutions (Rupee loans)</b>				
(i)	Export Import Bank of India [for terms of repayment refer note 18(iii)(i)]	A, D	-	13,750	15,997
(ii)	Export Import Bank of India	A, D	16,247	17,243	17,992
(iii)	Export Import Bank of India	A, B, C, D	3,902	-	-
			<b>20,149</b>	<b>30,993</b>	<b>33,989</b>
##	<b>From banks</b>				
(iv)	ICICI Bank Limited	A, D	18,740	18,737	23,733
(v)	ICICI Bank Limited	A, D	11,992	11,992	14,614
(vi)	State Bank of Hyderabad	A, B, C, D	6,467	6,462	5,497
(vii)	State Bank of India	A, D	20,620	22,495	23,743
(viii)	State Bank of India	A, B, C, D	49,350	52,068	54,783
(ix)	State Bank of India	A	-	-	7,998
(x)	HDFC Bank Limited	A, B, D	1,983	1,599	3,199
(xi)	Ratnakar Bank Limited	A, B, D	11,119	12,499	13,875
(xii)	Bank of Baroda	A, B, D	13,198	14,036	14,779
(xiii)	ICICI Bank Limited	A, B, C, D	9,829	8,604	-
(xiv)	Axis Bank Limited	A, B, C, D	4,870	-	-
(xv)	Axis Bank Limited	A, B, C, D	13,763	13,715	-
(xvi)	State Bank of India	A, B, C, D	89,591	54,046	-
			<b>251,522</b>	<b>216,253</b>	<b>162,221</b>
### Refer note 18(iii)(ix) for nature of security, terms of repayment and rate of interest					
For compliance of loan covenants, refer note 43.					

### Nature of security

- A These are secured by a first pari-passu charge by hypothecation over all the movable fixed assets (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) of the Company excluding the assets exclusively charged to other lenders.
- 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 Jhawar, Managing Director of the Company.
- D Pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively)

### Secured loan - terms of repayment

- (a) Rupee term loan from a financial institution amounting to Rs.16,247 lakhs (31st March, 2016 : Rs. 17,243 lakhs, 1st April, 2015 : Rs. 17,992 lakhs ) is repayable in three quarterly installments from 1st April, 2018 to 1st October, 2018. Interest is payable on monthly basis at long-term minimum lending rate plus 1.85% p.a.
- (b) Rupee term loan from a financial institution amounting to Rs.3,902 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. Nil) is repayable in fourty quarterly installments from 1st January, 2020 to 1st October, 2029. Interest is payable on monthly basis at long-term minimum lending rate plus 2.00% p.a.
- (c) Rupee term loan from a bank amounting to Rs. 18,740 lakhs (31st March, 2016 : Rs. 18,737 lakhs, 1st April, 2015 : Rs. 23,733 lakhs) is repayable in sixteen quarterly installments from 29th June, 2018 to 29th March, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.
- (d) Rupee term loan from a bank amounting to Rs. 11,992 lakhs (31st March, 2016 : Rs. 11,992 lakhs, 1st April, 2015 : Rs. 14,614 lakhs) is repayable in eighteen quarterly installments from 30th June, 2018 to 30th September, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.
- (e) Rupee term loan from a bank amounting to Rs. 6,467 lakhs (31st March, 2016 : Rs. 6,462 lakhs, 1st April, 2015 : Rs. 5,497) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate (MCLR) of the bank plus 2.85% p.a.
- (f) Rupee term loan from a bank amounting to Rs. 20,620 lakhs (31st March, 2016 : Rs. 22,495 lakhs, 1st April, 2015 : Rs. 23,743 lakhs) is repayable in sixteen quarterly installments from 30th June, 2018 to 31st March, 2022. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.40% p.a.
- (g) Rupee term loan from a bank amounting to Rs. 49,350 lakhs (31st March, 2016 : Rs. 52,068 lakhs, 1st April, 2015 : Rs. 54,783 lakhs) is repayable in twenty three quarterly installments from 30th June, 2018 to 31st December, 2023. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a.
- (h) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 7,998 lakhs) was repayable in two quarterly installments from 30th June, 2016 to 30th September, 2016. Interest was payable on monthly basis at base rate of the bank plus 1.55% p.a.
- (i) Rupee term loan from a bank amounting to Rs. 1,983 lakhs (31st March, 2016 : Rs. 1,599 lakhs, 1st April, 2015 : Rs.3,199 lakhs) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis 11.55% p.a.
- (j) Rupee term loan from a bank amounting to Rs. 11,119 lakhs (31st March, 2016 : Rs.12,499 lakhs, 1st April, 2015 : Rs.13,875 lakhs) is repayable in twenty two

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

quarterly installments from 30th April, 2018 to 31st July, 2023. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 1.75% p.a.

- (k) Rupee term loan from a bank amounting to Rs.13,198 lakhs (31st March, 2016 : Rs. 14,036 lakhs, 1st April, 2015 : Rs. 14,779 lakhs) is repayable in nineteen quarterly installments from 30th June, 2018 to 31st December, 2022. Interest is payable on monthly basis at base rate of the bank plus 1.75% p.a.
- (l) Rupee term loan from a bank amounting to Rs. 9,829 lakhs (31st March, 2016 : Rs. 8,604 lakhs, 1st April, 2015 : Rs. Nil) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.
- (m) Rupee term loan from a bank amounting to Rs. 4,870 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. Nil) is repayable in twenty eight equal quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 1.85% p.a.
- (n) Rupee term loan from a bank amounting to Rs. 13,763 lakhs (31st March, 2016 : Rs. 13,715 lakhs, 1st April, 2015 : Rs. Nil) is repayable in twenty four quarterly installments from 30th June, 2018 to 31st March, 2024. Interest is payable on monthly basis at base rate of the bank plus 1.65% p.a.
- (o) Rupee term loan from a bank amounting to Rs. 89,591 lakhs (31st March, 2016 : Rs. 54,046 lakhs, 1st April, 2015 : Rs. Nil) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.50% p.a.
- (p) Outstanding balances of loans and terms of repayment as indicated in (a) to (o) above are exclusive of current maturities of such loans as disclosed in Note 18(iii).

### Unsecured loan - terms of repayment

- (a) Rupee loans from a body corporate amounting to Rs.1,130 lakhs (31st March, 2016 : Rs. 1,228 lakhs, 1st April, 2015 : Rs. 890 lakhs) is repayable in 164 quarterly installments (comprising of various loans with different quarterly payment schedules) between 1st April, 2018 to 1st April, 2021. Interest is payable on quarterly basis at 11.81% p.a. and is exclusive of current maturities of such loan as disclosed in Note 18(iii).

(ii) Trade payables (At amortised cost)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total outstanding dues of creditors other than micro enterprises and small enterprises	13	13	10
<b>Total</b>	<b>13</b>	<b>13</b>	<b>10</b>

(iii) Other financial liabilities (At amortised cost)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital creditors (including acceptances)	-	-	10,441
Security deposits received	177	176	174
<b>Total</b>	<b>177</b>	<b>176</b>	<b>10,615</b>

14. Other non-current liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Accruals for various obligations*	1,888	1,888	1,888
<b>Total</b>	<b>1,888</b>	<b>1,888</b>	<b>1,888</b>

\* Represents provisions for various obligations related to entry tax, sales tax and other legal cases

15. Provisions	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Provision for employee benefits</b>			
Gratuity (refer note 33)	2,285	1,959	1,616
Leave encashment	1,193	1,065	1,192
Long service award	60	62	64
<b>Others</b>			
Provision for site restoration and rehabilitation [refer note 31(iii)]	1,739	1,597	1,273
<b>Total</b>	<b>5,277</b>	<b>4,683</b>	<b>4,145</b>
<b>Site restoration and rehabilitation</b>			
Provision for site restoration and rehabilitation is held for the purpose of meeting site restoration obligation pursuant to Rule 23 under Mineral Conservation and Development (Amendment Rules, 2003) read with Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957.			
<b>Opening balance</b>	<b>1,597</b>	<b>1,273</b>	
Add: Provision created during the year	-	190	
Add: Unwinding of discount	142	134	
<b>Closing balance</b>	<b>1,739</b>	<b>1,597</b>	

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

16. Government Grants	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Grants relating to property, plant and equipment	3,041	3,151	3,261
<b>Total</b>	<b>3,041</b>	<b>3,151</b>	<b>3,261</b>
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 and being amortised over the useful life of such assets.			

17. Deferred tax liabilities (net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Deferred tax assets (DTA)</b>			
On expenses allowable against taxable income in future years	4,966	4,836	4,369
On carry-forward unabsorbed depreciation *	58,756	53,818	43,647
On carry-forward business losses	9,495	6,002	-
Others	367	624	480
<b>Total DTA</b>	<b>73,584</b>	<b>65,280</b>	<b>48,496</b>
<b>Deferred tax liabilities (DTL)</b>			
Arising out of temporary difference in depreciable assets	73,003	64,590	54,172
Others	581	690	266
<b>Total DTL</b>	<b>73,584</b>	<b>65,280</b>	<b>54,438</b>
<b>Deferred tax liabilities (net)</b>	<b>-</b>	<b>-</b>	<b>5,942</b>
DTA not recognised on unabsorbed depreciation which can be carried forward for an indefinite period	16,002	5,657	-
* Deferred tax assets on carry-forward unabsorbed depreciation have been limited to the extent of deferred tax liabilities, in view of the uncertainty of recovery of such assets against future taxable income.			

(a) Tax charge/(credit) recognised in profit or loss	Year ended 31st March, 2017	Year ended 31st March, 2016
Current tax	-	-
Deferred tax	-	(5,942)
<b>Total</b>	<b>-</b>	<b>(5,942)</b>
<b>Effective income tax rate (%)</b>	<b>0%</b>	<b>12.41%</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 are as follows:</b>		
<b>Particulars</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Accounting profit / (loss) before tax	(35,495)	(47,891)
Statutory income tax rate	34.61%	34.61%
<b>Tax at statutory income tax rate</b>	<b>(12,285)</b>	<b>(16,575)</b>
<b>Adjustments:</b>		
Disallowable expenses	406	3,166
Dividend Income - exempt for tax purposes	-	10
Unrecognised tax assets	10,345	5,657
Other non-deductible differences	1,534	1,800
<b>Total</b>	<b>-</b>	<b>(5,942)</b>

### Current liabilities

18. Financial liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(i) Borrowings (At amortised cost)</b>			
<b>Secured *</b>			
Loans repayable on demand	31,851	45,324	63,484
Working capital loans from banks	12,995	4,000	11,000
Buyer's credit from banks	16,292	28,118	24,576
<b>Unsecured</b>			
From a related party # (refer note 34)	150	150	-
Indian rupee bill discounting ##	20,589	14,169	17,165
<b>Total</b>	<b>81,877</b>	<b>91,761</b>	<b>116,225</b>

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

\* 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 (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively). The loans are repayable on demand and carry interest @ 11.10% to 14.75% p.a. payable at monthly rests. Import buyer's credit carries interest @ 1/2/3/6 months LIBOR plus 20 bps p.a. to 100 bps p.a and local buyer's credit carries interest @ 8% to 9% p.a. Such buyer's credit from banks are repayable within 180 days.

# The loan carries interest @ 8.75% p.a 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% to 9% p.a. and are repayable within 180 days.

<b>(ii) Trade payables (At amortised cost)</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
Total outstanding dues of micro and small enterprises (refer note 39)	920	580	356
Total outstanding dues of creditors other than micro and small enterprises	53,366	42,709	37,255
Dues to related parties (refer note 34)	259	929	1,471
Acceptances	115,686	96,725	98,752
<b>Total</b>	<b>170,231</b>	<b>140,943</b>	<b>137,834</b>

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

Import acceptances carries interest @ 1/2/3/6 months LIBOR plus 20 bps p.a. to 100 bps p.a and inland acceptances carries interest @ 8% to 9% p.a. Such acceptances are repayable upto 180 days. These 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 (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively).

Refer Note 36B for explanations on the Company's liquidity risk management processes.

<b>(iii) Other financial liabilities</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>Financial liabilities at fair value through profit or loss ##</b>			
<b>Derivatives not designated as hedges</b>			
Foreign exchange forward contracts	3,329	1,295	-
<b>Other financial liabilities at amorised cost</b>			
Liability towards project vendors (including acceptances)	7,712	12,415	26,695
Current maturities of long-term borrowings ###	54,460	41,192	33,970
Interest accrued but not due on borrowings	2,780	2,727	2,197
Interest accrued on trade payables and others	975	649	508
Unclaimed dividends (to be credited to Investor Education and Protection Fund as and when due) #	28	40	50
Equity warrant application money received in excess	10	10	10
Payable relating to coal mines	1,384	1,384	1,384
Claims payable	-	20	10
Security deposits received	860	1,356	60
Other payables	741	564	548
Employee benefits payable	3,963	3,228	3,344
<b>Total</b>	<b>76,242</b>	<b>64,880</b>	<b>68,776</b>

# 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.

## Financial liabilities at fair value through profit and loss

Derivative instruments at fair value through profit or loss reflect the negative change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships. Refer note 36B 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.

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

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

	Term Loan	Nature of security	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	<b>Secured</b>				
	<b>From financial institutions (Rupee loans)</b>				
(i)	Export Import Bank of India	A, D	13,750	3,000	3,750
(ii)	Export Import Bank of India	A, D	1,000	1,000	1,200
			<b>14,750</b>	<b>4,000</b>	<b>4,950</b>
	<b>From banks</b>				
(iii)	ICICI Bank Limited	A, D	-	-	375
(iv)	ICICI Bank Limited	A, D	-	-	1,250
(v)	State Bank of Hyderabad	A	-	-	2,500
(vi)	State Bank of India	A, D	1,875	-	1,250
(vii)	State Bank of India	A, B, C, D	2,750	-	-
(viii)	State Bank of India	A	-	-	6,000
(ix)	State Bank of India - External Commercial Borrowing	A, B, D	32,425	33,127	15,625
(x)	HDFC Bank Limited	A	-	1,600	1,600
(xi)	Ratnakar Bank Limited	A, B, D	1,400	1,400	-
(xii)	Bank of Baroda	A, B, D	846	750	188
			<b>39,296</b>	<b>36,877</b>	<b>28,788</b>
	<b>Unsecured</b>				
(xiii)	From body corporate (Rupee loans)		414	315	232
			<b>414</b>	<b>315</b>	<b>232</b>
	<b>Total</b>		<b>54,460</b>	<b>41,192</b>	<b>33,970</b>

### Nature of security

- A These are secured by a first pari-passu charge by hypothecation over all the movable fixed assets (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) excluding the assets exclusively charged to other lenders.
- B These are secured by a second charge on entire current assets of the Company (present and future), parri 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 (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively)

### Secured loan - terms of repayment

- (a) Rupee term loan from a financial institution amounting to Rs.13,750 lakhs (31st March, 2016 : Rs. 3,000 lakhs, 1st April, 2015 : Rs. 3,750 lakhs ) is repayable in three quarterly installments from 1st April, 2017 to 1st October, 2017. Interest is payable on monthly basis at long-term minimum lending rate plus 1.85% p.a.
- (b) Rupee term loan from a financial institution amounting to Rs. 1,000 lakhs (31st March, 2016 : Rs. 1,000 lakhs, 1st April, 2015 : Rs. 1,200 lakhs) is repayable in four quarterly installments from 1st April, 2017 to 1st January, 2018. Interest is payable on monthly basis at long-term minimum lending rate plus 1.85% p.a.
- (c) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 375 lakhs) was repayable in one installment on 31st March, 2016. Interest was payable on monthly basis at base rate of the bank plus 2.50% p.a.
- (d) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 1,250 lakhs) was repayable in four quarterly installments from 29th June, 2015 to 29th March, 2016. Interest was payable on monthly basis at base rate of the bank plus 2.50% p.a.
- (e) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 2,500 lakhs) was repayable in four quarterly installments from 31st May, 2015 to 31st January, 2016. Interest was payable on monthly basis at base rate of the bank plus 1.55% p.a.
- (f) Rupee term loan from a bank amounting to Rs. 1,875 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 1,250 lakhs) is repayable in four quarterly installments from 30th June, 2017 to 31st March, 2018. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.40% p.a.
- (g) Rupee term loan from a bank amounting to Rs. 2,750 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. Nil) is repayable in four quarterly installments from 30th June, 2017 to 31st March, 2018. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a.
- (h) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 6,000 lakhs) was repayable in four quarterly installments from 30th June, 2015 to 31st March, 2016. Interest was payable on monthly basis at base rate of the bank plus 1.55% p.a.
- (i) External commercial borrowing from a bank amounting to Rs. 32,425 lakhs (31st March, 2016 : Rs. 33,127, 1st April, 2015 : Rs. 15,625 lakhs) is repayable in four quarterly installments from 28th April, 2017 to 31st January, 2018. Interest is payable on quarterly basis at three month LIBOR plus 2.85% p.a.
- (j) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. 1,600 lakhs, 1st April, 2015 : Rs. 1,600 lakhs) was repayable in four quarterly installments from 29th April, 2016 to 29th Jan, 2017. Interest was payable on monthly basis at base rate of the bank plus 1.75% p.a.
- (k) Rupee term loan from a bank amounting to Rs. 1,400 lakhs (31st March, 2016 : Rs. 1,400 lakhs, 1st April, 2015 : Rs. Nil) is repayable in four quarterly installments from 30th April, 2017 to 31st January, 2018. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 1.75% p.a.
- (l) Rupee term loan from a bank amounting to Rs. 846 lakhs (31st March, 2016 : Rs. 750 lakhs, 1st April, 2015 : Rs. 188 lakhs) is repayable in four quarterly installments from 30th June, 2017 to 31st March, 2018. Interest is payable on monthly basis at base rate of the bank plus 1.75% p.a.

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

### Unsecured loan - terms of repayment

- (a) Rupee loans from a body corporate amounting to Rs. 414 lakhs (31st March, 2016 : Rs. 315 lakhs , 1st April, 2015 : Rs. 232 lakhs) is repayable in 60 quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2017 to 31st March, 2018. Interest is payable on quarterly basis at 11.81% p.a.

19. Other current liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance from customers *	5,783	4,329	4,678
Statutory dues payable #	10,728	11,345	8,946
Advance received against sale of land [ refer note 37(d) ]	1,239	-	-
<b>Total</b>	<b>17,750</b>	<b>15,674</b>	<b>13,624</b>

\* Advance from customers includes the amount received towards sale of goods and are non-interest bearing

# Statutory dues primarily includes payable in respect of excise duty, VAT, service tax, tax deducted at source etc.

20. Provisions	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Provision for employee benefits</b>			
Gratuity (refer note 33)	254	159	155
Leave encashment	88	70	79
Long service award (refer note 33)	17	16	20
<b>Others</b>			
Provision for income tax (net of taxes paid)	22	512	512
Provision for wealth tax	-	-	20
<b>Total</b>	<b>381</b>	<b>757</b>	<b>786</b>

21. Government Grants	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Grants relating to property, plant and equipment (refer note 16)	110	110	110
<b>Total</b>	<b>110</b>	<b>110</b>	<b>110</b>



## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

<b>22. Revenue from operations</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Sale of goods (including excise duty)	349,812	372,274
Sale / rendering of services	785	640
Other operating revenue:		
Product scrap sales	8,429	7,059
Sale of captive power	395	276
Export incentives	1,172	1,231
<b>Total</b>	<b>360,593</b>	<b>381,480</b>

(i) Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, VAT, Sales Tax etc.

(ii) Sale of goods includes excise duty collected from customers of Rs. 35,939 Lakhs (31st March, 2016: Rs. 38,301 lakhs).

<b>23. Other income</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Dividend income from investment in subsidiary companies	251	269
Miscellaneous scrap sales	411	506
Foreign exchange differences (net)	1,291	-
Liabilities no longer required written back	1,099	923
Allowance for doubtful debts and advances no longer required written back	327	249
Claims received	135	94
Net gain on sale of property, plant and equipment #	3,163	-
Gain on sale of non-current investments carried at cost ##	519	-
Other non operating income ###	3,796	844
Interest income from financial assets at amortised cost :		
On bank deposits	4	2
On other deposits	83	87
On loans to subsidiaries	60	380
On tax refunds	256	82
On advances	281	-
<b>Total</b>	<b>11,676</b>	<b>3,436</b>

Year ended 31st March, 2017 includes:

# Rs. 3,310 lakhs on account of profit on sale of land

## Rs. 519 lakhs towards sale of its entire stake in Dove Airlines Private Limited, a Joint Venture Company

### Rs. 3,221 lakhs towards recognition of accumulated Cenvat Credit against Service Tax paid on various input services at the Iron Ore Mines, pertaining to Steel segment.

<b>24. Cost of materials consumed</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Opening Stock	16,173	29,256
Add: Purchases	144,856	124,961
	161,029	154,217
Less: Closing stock	18,252	16,173
<b>Cost of materials consumed *</b>	<b>142,777</b>	<b>138,044</b>

\* Cost of materials consumed includes packing materials amounting to Rs 3,202 lakhs (31st March, 2016 Rs. 3,705 lakhs)

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

<b>25. (Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
<b>(A) Finished goods</b>		
Opening stock	45,479	52,249
Less : Closing stock	40,691	45,479
	4,788	6,770
<b>(B) Work-in-progress</b>		
Opening stock	30,036	42,857
Less : Closing stock	31,495	30,036
	(1,459)	12,821
<b>(C) Stock-in-trade</b>		
Opening stock	37	56
Less : Closing stock	22	37
	15	19
<b>(D) Scrap/by-product</b>		
Opening stock	1,177	348
Less : Closing stock	4,269	1,177
	(3,092)	(829)
<b>Net (Increase) / decrease in inventories [(A) + (B) + (C) + (D)]</b>	<b>252</b>	<b>18,781</b>
<b>26. Employee benefits expense</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Salaries, wages and bonus	19,505	19,172
Contribution to provident and other funds	1,471	1,439
Gratuity expense (refer note 33)	284	242
Staff welfare expenses	2,227	2,158
<b>Total</b>	<b>23,487</b>	<b>23,011</b>
<b>27. Finance costs</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Interest expense on financial liabilities	52,280	49,854
Unwinding of discount and effect of changes in discount rate on provisions (refer note 15)	142	134
Other borrowing costs	2,479	3,126
<b>Total finance costs @</b>	<b>54,901</b>	<b>53,114</b>
@ Net of Capitalisation	Nil	45
<b>28. Depreciation and amortisation expense</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Depreciation of property, plant and equipment (refer note 3)	26,526	27,328
Amortization of intangible assets (refer note 4)	442	93
	<b>26,968</b>	<b>27,421</b>
Less : recoupment from Government grants (refer note 16)	(110)	(110)
	<b>26,858</b>	<b>27,311</b>

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

<b>29. Other expenses</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Consumption of stores and spares	19,693	21,699
Material handling charges	13,481	19,281
Royalty	3,424	7,040
Processing charges	5,854	5,901
Excise Duty on increase/(decrease) in inventories	213	(1,246)
Power and fuel	32,898	31,951
Freight and forwarding charges	14,169	15,623
Rent and hire charges	633	367
Leasehold prepayments amortisation	28	28
Rates and taxes	336	395
Insurance	860	972
Operations and maintenance		
Plant and machinery	13,363	15,732
Buildings	1,423	1,568
Corporate social responsibility (CSR) expenditure [refer note (ii) below]	186	531
Travelling and conveyance	792	747
Consultants and professional fees	1,972	1,869
Directors' sitting fees	56	36
Payment to auditor [refer note (i) below]	121	120
Bad Debts / advances written off	333	1
Allowance for doubtful debts and advances	439	337
Foreign exchange differences (net)	-	4,097
Fair value loss on derivative contracts (net)	3,762	698
Tangible assets / capital work-in-process written off	33	20
Loss on sale of property, plant and equipment (net)	-	47
Miscellaneous expenses [refer note (iii) below]	4,631	3,776
	<b>118,700</b>	<b>131,590</b>
<b>(i) Remuneration to auditors comprises of :</b>		
As auditor - for statutory audit and limited reviews	73	60
Tax audit fee	13	8
For other services	31	48
Reimbursement of expenses	4	4
<b>Total*</b>	<b>121</b>	<b>120</b>
* Remuneration to auditors for the year ended 31st March, 2017 includes Rs. 38 lakhs paid to predecessor statutory auditors.		
<b>(ii) 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	186	531
<b>Total</b>	<b>186</b>	<b>531</b>
(iii) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 347 lakhs (31st March, 2016: Rs 331 lakhs), and are recognised in miscellaneous expenses.		

<b>30. Earnings / (loss) per equity share (EPS)</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
The following reflects the income and share data used in the basic and diluted EPS computations :		
<b>Net loss before OCI attributable to equity holders for basic and diluted EPS</b>	(35,495)	(41,949)
Weighted average number of equity share for basic and diluted EPS (numbers)	304,741,780	304,741,780
Basic and diluted earnings / (loss) per share (Rs.)	(11.65)	(13.77)
Nominal value per share (Re.)	1	1

**31. Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, 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 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) Useful economic lives of property, plant and equipment and impairment of non-financial assets**

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.

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.

**(ii) 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 significant 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.

**(iii) Provisions for site restoration**

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 Company estimates that the costs would be incurred in 20 years' time upon the expiration of the lease and calculates the provision using the DCF method based on discount rate of 10.95%.

**(iv) Defined benefit plan**

The cost of the defined benefit gratuity plan and long term service award and the present value of the gratuity obligation 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 operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the postemployment 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.

**(v) 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. Deferred tax assets on unabsorbed depreciation/business loss have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

**32. Commitments and contingencies**
**(a) Leases**
**Operating lease commitments — Company as lessee**

The Company has two non-cancellable operating lease agreements both having a tenure of fifteen years, 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 2007-08 (Lease B). Both these lease agreements had been extended till 2026-27. The Company pays minimum lease rent and fixed, as well as, variable operating and maintenance charges for both the leases.

In respect of lease A, 30% of lease rent, fixed and variable operation and maintenance charges are escalated every year in the same proportion as increase in Wholesale Price Index published by the Reserve Bank of India in its bulletin (base period 1st August, 1999).

In respect of lease B, 70% of lease rents and operation and maintenance charges are escalated every year in the same proportion as increase in Wholesale Price Index published by the Reserve Bank of India in its bulletin (base period 20th April, 2007)

Future minimum rentals payable under all non-cancellable operating leases are, as follows:

Lease Rent	31st March, 2017	31st March, 2016	As at 1st April, 2015
Within one year	1,490	894	894
After one year but not more than five years	4,417	3,272	3,383
More than five years	4,917	4,699	5,483

Operation and Maintenance Charges	31st March, 2017	31st March, 2016	As at 1st April, 2015
Within one year	391	296	296
After one year but not more than five years	1,223	1,069	1,111
More than five years	1,587	2,001	2,255

The above amounts are exclusive of taxes and duties and escalation charges. The Company has charged the following amount in the Statement of Profit and Loss on account of the aforesaid leases.

	31st March, 2017	31st March, 2016
Lease Rent	1,581	1,010
Operation and Maintenance Charges	399	341
Escalation Charges and Taxes	392	161
<b>Total</b>	<b>2,372</b>	<b>1,512</b>

The Company 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. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs. 486 lakhs (31st March, 2016 : Rs. 640 lakhs) have been debited to the statement of profit and loss.

**(b) Commitments**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(i) Capital commitments</b>	2,010	4,281	4,824
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			
<b>(ii) Other commitments</b>	235,102	334,950	180,076
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the next eight /six years. If the Company is unable to meet these obligations, its liability would be Rs. 3,482 lakhs (31st March, 2016 : Rs. 3,482 lakhs and 1st April, 2015 : Rs. 3,482 lakhs), excluding interest thereon, which will reduce in proportion to actual exports. The Company is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any provision in its financial statements.			
Outstanding letter of credit for materials yet to be received	8	2,107	792
<b>(iii) Guarantees</b>	6,087	7,973	9,435
Corporate guarantee given by the Company to secure the financial assistance / accommodation extended to other body corporates			
<b>(iv) Financial Guarantees</b>			
The Company has given financial guarantees aggregating Rs. 13,935 lakhs (31st March, 2016 : Rs. 17,802 lakhs, April 1, 2015 : Rs. 4,831 lakhs) details of which are as below:			
(a) in favour of the nominated authority, New Delhi against the allocation of Brinda & Sasai coal block	13,371	13,371	-
(b) in favour of various parties against various contracts.	564	4,431	4,831

(c) Contingent liabilities

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
(i) <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	1,940	1,940	1,940
Demand for sales tax and entry tax	8,409	7,144	6,063
Demand for excise duty and service tax	7,926	6,715	6,583
Demand for customs duty	868	847	83
Outstanding labour disputes	77	67	59
Electricity duty rebate matters which is subjudice	552	552	552
Demand for fuel surcharge matter is pending with appropriate authority	6,579	6,579	1,637
Electricity demand on account of low power factor pending with appropriate authority	4,904	4,904	-
Demand for mining matter is pending with appropriate authority	7,534	7,460	7,033
Demand for differential royalty on different grades of coal extracted	5,734	-	-
Demand for compensation on account of mining and dump /infrastructure / colony established outside approved mining lease area	27,146	-	-
Demand for financial assurance amount in Escrow account	226	-	-
Disputed claim by a party not acknowledged by the Company	1,286	-	-
* 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.			
(ii) Custom duty against fulfillment of export obligation, excluding interest thereon [Also refer note 32(b)(ii)]	3,482	3,482	3,482

33. Post employment defined contribution plans and post employment defined benefit plans

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>(a) Post employment defined contribution plans</b>		
Amount recognised in the statement of profit and loss		
(i) Provident fund paid to the authorities *	17	17
(ii) Pension fund paid to the authorities	577	580
(iii) Superannuation fund - Contribution payable / paid to a Trust	364	358
	<b>958</b>	<b>955</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 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, as indicated above.		

**(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.



## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

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 :

		Year ended 31st March, 2017		Year ended 31st March, 2016	
		Gratuity	Long term service award	Gratuity	Long term service award
<b>A</b>	<b>Expenses recognised in the statement of profit and loss</b>				
1	Current / past service cost	146	9	130	9
2	Interest cost	348	1	374	1
3	Expected return on plan assets	(210)	-	(262)	-
<b>4</b>	<b>Total</b>	<b>284</b>	<b>10</b>	<b>242</b>	<b>10</b>
	Expenses recognised in Other Comprehensive Income				
5	Actuarial ( gains ) / losses	161	-	106	-
<b>6</b>	<b>Total expense</b>	<b>445</b>	<b>10</b>	<b>348</b>	<b>10</b>

<b>B Net asset / ( liability ) recognised in the balance sheet</b>		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
		Gratuity		
1	Present value of defined benefit obligation	5,022	4,911	5,048
2	Fair value of plan assets	2,483	2,793	3,277
3	Net asset / ( liability )	(2,539)	(2,118)	(1,771)

<b>C Change in the present value of the defined benefit obligation during the year</b>		Year ended 31st March, 2017		Year ended 31st March, 2016	
		Gratuity	Long term service award	Gratuity	Long term service award
<b>1</b>	<b>Present value of defined benefit obligation at the beginning of the year</b>	<b>4,911</b>	<b>78</b>	<b>5,048</b>	<b>84</b>
2	Current service cost / plan amendments	146	9	130	9
3	Interest cost	348	1	374	1
4	Benefits paid	(544)	(11)	(747)	(16)
5	Actuarial ( gains ) / losses				
	Arising from changes in experience	618	-	106	-
	Arising from changes in financial assumptions	(457)	-	-	-
	<b>Total</b>	<b>161</b>	<b>-</b>	<b>106</b>	<b>-</b>
<b>6</b>	<b>Present value of defined benefit obligation at the end of the year</b>	<b>5,022</b>	<b>77</b>	<b>4,911</b>	<b>78</b>

<b>D Change in the fair value of plan assets during the year</b>		Year ended 31st March, 2017	Year ended 31st March, 2016
		Gratuity	
<b>1</b>	<b>Plan assets at the beginning of the year</b>	<b>2,793</b>	<b>3,277</b>
2	Expected return on plan assets	210	262
3	Contribution by employer	24	1
4	Actual benefits paid	(544)	(747)
<b>5</b>	<b>Plan assets at the end of the year</b>	<b>2,483</b>	<b>2,793</b>

**E** In 2017-18, the Company expects to contribute Rs 75 lakhs (2016-17: Rs 23 lakhs) to gratuity fund.

<b>F The major categories of plan assets as a percentage of the fair value of total plan assets</b>		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	Investments with insurer	99%	99%	99%
	Cash and Cash Equivalent	1%	1%	1%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

G	Actuarial assumptions	As at 31st March, 2017		As at 31st March, 2016	
		Gratuity	Long term service	Gratuity	Long term service
1	Discount rate	7.50%	7.50%	8%	8%
2	Expected rate of return on plan assets	7.50%	NA	8%	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%

**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)	As at 31st March, 2017	As at 31st March, 2016
	<b>Expected benefit payments for the year ending</b>		
	Not later than 1 year	512	383
	Later than 1 year and not later than 5 years	1,658	1,735
	Later than 5 year and not later than 10 years	2,068	1,946
	More than 10 years	6,689	7,320
	<b>Total expected payments</b>	<b>10,927</b>	<b>11,384</b>
	The weighted average duration of the defined benefit obligation as at 31st March, 2017 is 17 years (31st March, 2016 : 18 years)		

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	Year ended 31st March, 2017		Year ended 31st March, 2016	
		Gratuity	Long term service	Gratuity	Long term service
	Discount rate				
	Increase by 0.5%	(238)	(74)	(246)	(75)
	Decrease by 0.5%	237	79	246	80
	Expected rate of increase in compensation level of covered employees				
	Increase by 0.5%	211	79	186	80
	Decrease by 0.5%	(215)	(75)	(186)	(76)
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.

**II 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 issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, 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 PUCM 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 513 lakhs (31st March, 2016 : Rs 484 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.

**Principal Actuarial Assumptions**

Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:

	As at 31st March, 2017	As at 31st March, 2016
Discount Rate	7.50%	8.00%
Expected rate of increase in compensation level of covered employees	5.00%	6.00%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate
EPFO Return	8.65%	8.80%

<b>34. Related party disclosures</b>	
<b>( i ) Related Parties</b>	
(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 (UMAUS) @
	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. (BWWWR)
	UM Cables Limited (UMCL)
	Usha Martin Power and Resources Limited (UMPRL)
	Bharat Minex Private Limited (BMPL)
	Gustav Wolf Speciality Cords Limited (GWSC)
(b) Joint Venture Companies	Pengg Usha Martin Wires Private Limited (PUMWPL)
	CCL Usha Martin Stressing Systems Limited (CCLUMSSL)
	Dove Airlines Private Limited (DAPL) (Ceases to JV from 4th August, 2016)
	Tesac Usha Wire Rope Company Limited (TUWCL)
(c) Key Management Personnel	Mr. Basant Kumar Jhavar, Chairman Emeritus
	Mr. Prashant Jhavar, Chairman (ceased to be Chairman w.e.f. 25th April, 2017)
	Mr. Rajeev Jhavar, Managing Director
	Mr. P.K.Jain, Joint Managing Director (Wire & Wire Rope Business)
	Mr. A. K. Somani, Chief Financial Officer and Company Secretary (up to 30th June 2016)
	Mr. Rohit Nanda, Chief Financial Officer (From 1st July, 2016)
	Ms. Shampa Ghosh Ray, Company Secretary (From 8th August 2016)
	Mr. Brij K Jhavar, Director
	Mr. Jitendra Balakrishnan, Director
	Mr. G.N.Bajpai, Director (Chairman w.e.f. 25th April, 2017)
	Mr. Salil Singhal, Director
	Mr. P.S.Bhattacharyya, Director
	Mr. V. Ramakrishna Iyer, Director
	Mr. M. Rohatgi, Director (From 9th December,2016)
	Ms. A. Ramakrishnan, Director (From 9th December,2016)
	Ms. Ramni Nirula, Director (upto 4th April, 2016)
(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 stepdown subsidiaries

## Notes to the financial statements for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

34. Related party disclosures													
(ii) Particulars of Transactions during year ended 31st March, 2017													
Name and Relationship		Transactions during the period											
		Sale of Products and Services	Purchase of Goods	Dividend Received	Interest Expenses/(Income) (Net)	Directors' / Key Management Personnels' Remuneration	Brokerage and Discount on Sale of Products	Reimbursement/ (Recoveries) of Expenses (Net)	Receiving/ (Recoveries) of Management and other Services	Directors' Sitting fees	Redemption of Preference Shares	Loans/ Advances (taken)/ given (net)	Contribution to Employees Provident fund Trust
Subsidiary Companies													
UMIL	31st March, 2017	-	-	-	-	-	-	(1)	170	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	5	178	-	-	-	-
UMAI	31st March, 2017	1,718	-	-	-	-	1	(2)	(49)	-	-	-	-
	31st March, 2016	2,729	-	-	-	-	12	(1)	(53)	-	-	-	-
UMUK	31st March, 2017	3,526	46	-	(1)	-	4	(4)	-	-	-	-	-
	31st March, 2016	4,526	28	-	-	-	24	(2)	-	-	-	-	-
UMVCL	31st March, 2017	463	-	-	-	-	-	*	-	-	-	-	-
	31st March, 2016	527	-	-	-	-	-	*	-	-	-	-	-
UMAUS	31st March, 2017	827	-	-	-	-	2	41	-	-	-	-	-
	31st March, 2016	2,651	-	-	(1)	-	3	(1)	-	-	-	-	-
BMPL	31st March, 2017	-	-	-	-	-	-	-	(40)	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	-	4	-	-
PTUMI	31st March, 2017	-	-	-	-	-	-	*	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	*	-	-	-	-	-
USSIL	31st March, 2017	3,583	-	-	(60)	-	53	(4)	(113)	-	-	-	-
	31st March, 2016	2,937	-	-	(66)	-	26	(7)	(104)	-	-	-	-
UMSPL	31st March, 2017	2,212	-	-	(2)	-	8	(2)	(29)	-	-	-	-
	31st March, 2016	3,199	-	-	(1)	-	25	68	(31)	-	-	-	-
BWWR	31st March, 2017	6,541	5	172	-	-	17	22	31	-	-	-	-
	31st March, 2016	7,388	-	240	-	-	21	15	4	-	-	-	-
UMEBV	31st March, 2017	-	-	-	-	-	-	-	-	-	-	-	-
	31st March, 2016	12	-	-	(1)	-	-	-	-	-	-	-	-
UMCL	31st March, 2017	22	-	-	-	-	-	(212)	(110)	-	-	-	-
	31st March, 2016	28	-	12	(311)	-	-	(56)	(114)	-	(900)	(4,500)	-
UMISRL	31st March, 2017	-	-	-	-	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	5	-	-	-	-	-
UMCCL	31st March, 2017	-	-	-	-	-	-	(1)	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	(1)	-	-	-	-	-
GWSCL	31st March, 2017	-	-	-	13	-	-	89	2	-	-	-	-
	31st March, 2016	-	-	-	13	-	-	120	4	-	-	(150)	-
Total	31st March, 2017	18,892	51	172	(50)	-	85	(74)	(138)	-	-	-	-
	31st March, 2016	23,997	28	252	(367)	-	111	145	(116)	-	(900)	(4,646)	-

34. Related party disclosures													
(ii) Particulars of Transactions during year ended 31st March, 2017													
Name and Relationship		Transactions during the period											
		Sale of Products and Services	Purchase of Goods	Dividend Received	Interest Expenses/ (Income) (Net)	Directors' / Key Management Personnels' Remuneration	Brokerage and Discount on Sale of Products	Reimbursement/ (Recoveries) of Expenses (Net)	Receiving/ (Recoveries) of Management and other Services	Directors' Sitting fees	Redemption of Preference Shares	Loans/ Advances (taken)/ given (net)	Contribution to Employees Provident fund Trust
Joint Venture Companies													
PUMWPL	31st March, 2017	3,584	1	80	-	-	-	(60)	-	-	-	-	-
	31st March, 2016	3,331	1	17	-	-	-	(63)	-	-	(440)	-	-
DAPL	31st March, 2017	-	-	-	-	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	54	-	-	-	6	-
Total	31st March, 2017	3,584	1	80	-	-	-	(60)	-	-	-	-	-
	31st March, 2016	3,331	1	17	17	-	-	(9)	-	-	(440)	6	-
Key Management Personnel and Relatives													
Mr. Rajeev Jhawar	31st March, 2017	-	-	-	-	178	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	161	-	-	-	-	-	-	-
Mr. Brij K Jhawar	31st March, 2017	-	-	-	-	-	-	-	-	7	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	3	-	-	-
Mr. P. K. Jain	31st March, 2017	-	-	-	-	189	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	202	-	-	-	-	-	-	-
Mr. A. K. Somani	31st March, 2017	-	-	-	-	54	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	159	-	-	-	-	-	-	-
Mr. Rohit Nanda	31st March, 2017	-	-	-	-	83	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Shampa Ghosh Ray	31st March, 2017	-	-	-	-	14	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Basant Kumar Jhawar	31st March, 2017	-	-	-	-	-	-	-	-	3	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	2	-	-	-
Mr. Prasant Jhawar	31st March, 2017	-	-	-	-	-	-	-	-	3	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	3	-	-	-
Mr. Jitendra Balakrishnan	31st March, 2017	-	-	-	-	-	-	-	-	12	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	7	-	-	-
Mr. G.N.Bajpai	31st March, 2017	-	-	-	-	-	-	-	-	12	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	7	-	-	-
Mr. Salil Singhal	31st March, 2017	-	-	-	-	-	-	-	-	7	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	5	-	-	-
Mr.P.S.Bhattacharya	31st March, 2017	-	-	-	-	-	-	-	-	7	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	4	-	-	-
Mr. V. Ramakrishna Iyer	31st March, 2017	-	-	-	-	-	-	-	-	3	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	1	-	-	-
Mr. M. Rohatgi	31st March, 2017	-	-	-	-	-	-	-	-	1	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	-	-	-	-



## Notes to the financial statements for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

34. Related party disclosures													
(ii) Particulars of Transactions during year ended 31st March, 2017													
Name and Relationship		Transactions during the period											
		Sale of Products and Services	Purchase of Goods	Dividend Received	Interest Expenses/ (Income) (Net)	Directors' / Key Management Personnels' Remuneration	Brokerage and Discount on Sale of Products	Reimbursement/ (Recoveries) of Expenses (Net)	Receiving/ (Recoveries) of Management and other Services	Directors' Sitting fees	Redemption of Preference Shares	Loans/ Advances (taken)/ given (net)	Contribution to Employees Provident fund Trust
Ms. A.	31st March, 2017	-	-	-	-	-	-	-	-	1	-	-	-
Ramakrishnan	31st March, 2016	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Ramni Nirula	31st March, 2017	-	-	-	-	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-	4	-	-	-
Total	31st March, 2017	-	-	-	-	518	-	-	-	56	-	-	-
	31st March, 2016	-	-	-	-	522	-	-	-	36	-	-	-
Others													
Usha Martin Employees provident Fund Trust	31st March, 2017	-	-	-	-	-	-	-	-	-	-	-	513
	31st March, 2016	-	-	-	-	-	-	-	-	-	-	-	484
Grand Total	31st March, 2017	22,476	52	252	(50)	518	85	(134)	(138)	56	-	-	513
	31st March, 2016	27,328	29	269	(351)	522	111	136	(116)	36	(1,340)	(4,640)	484
* Amount is below the rounding off norm adopted by the Company.													

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

34. Related party disclosures									
(iii) Balance outstanding at the year end 31st March, 2017									
Name and Relationship		Balance outstanding at the year end							
		Corporate / Other Guarantees Given	Trade Receivables	Trade Payables/ Other Current Liabilities	Loans taken (Short-term)	Loans and Advances given (Long-term / Short-term)	Other Financial Assets	Investments in Equity and Preference Shares	Company's contribution to Related Party Trust
Substantial interest in voting power of the Company									
UMISSL	31st March, 2017	-	-	-	-	-	-	*	-
	31st March, 2016	-	-	-	-	-	-	*	-
	1st April, 2015	-	-	-	-	-	-	*	-
Total	31st March, 2017	-	-	-	-	-	-	*	-
	31st March, 2016	-	-	-	-	-	-	*	-
	1st April, 2015	-	-	-	-	-	-	*	-
Subsidiary Companies									
UMIL	31st March, 2017	-	-	60	-	5	-	6,181	-
	31st March, 2016	-	-	66	-	41	-	6,181	-
	1st April, 2015	-	-	-	-	10	-	6,181	-
UMAI	31st March, 2017	2,270	389	7	-	12	-	1,660	-
	31st March, 2016	2,650	7	752	-	126	-	1,660	-
	1st April, 2015	3,125	7	937	-	68	-	1,660	-
UMUK	31st March, 2017	-	1,202	23	-	-	-	-	-
	31st March, 2016	-	375	-	-	-	-	-	-
	1st April, 2015	-	673	29	-	-	-	-	-
UMVCL	31st March, 2017	-	144	-	-	-	-	-	-
	31st March, 2016	-	66	-	-	-	-	-	-
	1st April, 2015	-	299	-	-	-	-	-	-
UMAUS	31st March, 2017	-	107	-	-	-	-	-	-
	31st March, 2016	-	468	-	-	-	-	-	-
	1st April, 2015	-	920	-	-	-	-	-	-
UMPRL	31st March, 2017	-	-	-	-	-	-	4	-
	31st March, 2016	-	-	-	-	-	-	4	-
	1st April, 2015	-	-	-	-	-	-	4	-
BMPL	31st March, 2017	-	-	-	-	4	-	-	-
	31st March, 2016	-	-	-	-	4	-	-	-
	1st April, 2015	-	-	18	-	-	-	-	-
USSIL	31st March, 2017	2,888	635	-	-	1,124	12	2,620	-
	31st March, 2016	3,290	310	-	-	1,047	-	2,620	-
	1st April, 2015	3,099	2,613	-	-	1,052	-	2,620	-
UMSPL	31st March, 2017	-	1,197	-	-	2	-	268	-
	31st March, 2016	-	1,113	-	-	10	-	268	-
	1st April, 2015	-	691	279	-	6	-	268	-
BWWR	31st March, 2017	529	837	53	-	1	-	1,777	-
	31st March, 2016	1,377	722	10	-	3	-	1,777	-
	1st April, 2015	2,348	981	19	-	6	-	1,777	-
UMEBV	31st March, 2017	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	249	-	-	-	-	-	-
UMCL	31st March, 2017	-	12	-	-	183	-	1,271	-
	31st March, 2016	-	10	-	-	167	-	1,271	-
	1st April, 2015	-	-	-	-	4,582	965	2,171	-
UMCCL	31st March, 2017	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	3	-	-	-	-	-	-

34. Related party disclosures									
(iii) Balance outstanding at the year end 31st March, 2017									
Name and Relationship		Balance outstanding at the year end							
		Corporate / Other Guarantees Given	Trade Receivables	Trade Payables/ Other Current Liabilities	Loans taken (Short-term)	Loans and Advances given (Long-term / Short-term)	Other Financial Assets	Investments in Equity and Preference Shares	Company's contribution to Related Party Trust
GWSCL	31st March, 2017	-	-	116	150	-	-	168	-
	31st March, 2016	-	-	101	150	-	-	168	-
	1st April, 2015	-	-	75	-	-	-	168	-
<b>Total</b>	31st March, 2017	<b>5,687</b>	<b>4,523</b>	<b>259</b>	<b>150</b>	<b>1,331</b>	<b>12</b>	<b>13,949</b>	<b>-</b>
	31st March, 2016	7,317	3,071	929	150	1,398	-	13,949	-
	1st April, 2015	8,572	6,436	1,357	-	5,724	965	14,849	-
Joint Venture Companies									
PUMWPL	31st March, 2017	400	899	-	-	-	-	1,080	-
	31st March, 2016	656	654	-	-	-	-	1,080	-
	1st April, 2015	863	476	89	-	-	-	1,520	-
CCLUMSSL	31st March, 2017	-	-	-	-	-	-	31	-
	31st March, 2016	-	-	-	-	-	-	31	-
	1st April, 2015	-	-	-	-	-	-	31	-
DAPL	31st March, 2017	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	11	-	326	-
	1st April, 2015	-	-	25	-	5	-	326	-
<b>Total</b>	31st March, 2017	<b>400</b>	<b>899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,111</b>	<b>-</b>
	31st March, 2016	656	654	-	-	11	-	1,437	-
	1st April, 2015	863	476	114	-	5	-	1,877	-
Key and Relatives Management Personnel									
Mr. Rajeev Jhawar	31st March, 2017	181,750	-	2	-	-	-	-	-
	31st March, 2016	136,050	-	*	-	-	-	-	-
	1st April, 2015	55,000	-	*	-	-	-	-	-
Mr. Brij. K Jhawar	31st March, 2017	-	-	*	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	-	-	-	-	-	-
Mr. Prashant Jhawar	31st March, 2017	-	-	*	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	-	-	-	-	-	-
Mr. G.N.Bajpai	31st March, 2017	-	-	*	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	-	-	-	-	-	-
Mr. Jitender Balakrishnan	31st March, 2017	-	-	*	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	-	-	-	-	-	-
Mr. P. K. Jain	31st March, 2017	-	-	8	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	15	-	-	-	-	-
Mr. A. K. Somani	31st March, 2017	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	18	-	-	-	-	-
Mr. Rohit Nanda	31st March, 2017	-	-	11	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	-	-	-	-	-	-

34. Related party disclosures									
(iii) Balance outstanding at the year end 31st March, 2017									
Name and Relationship		Balance outstanding at the year end							
		Corporate / Other Guarantees Given	Trade Receivables	Trade Payables/ Other Current Liabilities	Loans taken (Short-term)	Loans and Advances given (Long-term / Short-term)	Other Financial Assets	Investments in Equity and Preference Shares	Company's contribution to Related Party Trust
Ms. Shampa Ghosh Ray	31st March, 2017	-	-	1	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
	1st April, 2015	-	-	-	-	-	-	-	-
	31st March, 2017	181,750	-	22	-	-	-	-	-
Total	31st March, 2016	136,050	-	-	-	-	-	-	-
	1st April, 2015	55,000	-	33	-	-	-	-	-
Others									
Usha Martin Employees provident Fund Trust	31st March, 2017	-	-	-	-	-	-	-	53
	31st March, 2016	-	-	-	-	-	-	-	41
	1st April, 2015	-	-	-	-	-	-	-	103
	31st March, 2017	187,837	5,422	281	150	1,331	12	15,060	53
Grand Total	31st March, 2016	144,023	3,725	929	150	1,409	-	15,386	41
	1st April, 2015	64,435	6,912	1,504	-	5,729	965	16,726	103
* 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. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. For the year ended 31st March, 2017, 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.									
Remuneration paid to directors does not include provision made for leave encashment and gratuity as the same are determined for the Company as a whole.									

### 35. Segment information

The Company is engaged in the business of manufacturing steel products, wire and wire ropes and is primarily operated from India. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

### 36 A. Fair value hierarchy

a) Financial instruments by category	As at 31st March, 2017				As at 31st March, 2016				As at 1st April, 2015			
	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	Fair value through profit or loss	Amortised cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>												
Trade receivables	-	54,406	54,406	54,406	-	45,342	45,342	45,342	-	49,659	49,659	49,659
Cash and cash equivalents	-	402	402	402	-	335	335	335	-	3,880	3,880	3,880
Other bank balances	-	62	62	62	-	65	65	65	-	53	53	53
Loans and Advances	-	1,185	1,185	1,185	-	1,231	1,231	1,231	-	5,681	5,681	5,681
Derivatives	-	-	-	-	-	-	-	-	198	-	198	198
Other financial assets	-	2,457	2,457	2,457	-	2,574	2,574	2,574	-	3,433	3,433	3,433
<b>Total financial assets</b>	-	<b>58,512</b>	<b>58,512</b>	<b>58,512</b>	-	<b>49,547</b>	<b>49,547</b>	<b>49,547</b>	<b>198</b>	<b>62,706</b>	<b>62,904</b>	<b>62,904</b>
<b>Financial liabilities</b>												
Borrowings (including current maturities)	-	409,138	409,138	409,138	-	414,555	414,555	414,555	-	409,795	409,795	409,795
Trade payables	-	170,244	170,244	170,244	-	140,956	140,956	140,956	-	137,844	137,844	137,844
Derivatives	3,329	-	3,329	3,329	1,295	-	1,295	1,295	-	-	-	-
Other financial liabilities	-	18,630	18,630	18,630	-	22,569	22,569	22,569	-	45,421	45,421	45,421
<b>Total financial liabilities</b>	<b>3,329</b>	<b>598,012</b>	<b>601,341</b>	<b>601,341</b>	<b>1,295</b>	<b>578,080</b>	<b>579,375</b>	<b>579,375</b>	-	<b>593,060</b>	<b>593,060</b>	<b>593,060</b>

In addition to the above, the Company had investments in its subsidiaries, jointly controlled entities and other companies amounting to Rs. 13,949 lakhs, Rs. 1,111 lakhs and Rs. 5 lakhs respectively as at 31st March, 2017 (31st March, 2016: Rs.13,949 lakhs, Rs. 1,437 lakhs and Rs. 5 lakhs, 1 April 2015: Rs.13,949 lakhs, Rs. 1,437 lakhs and Rs. 5 lakhs) which are being carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

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 or 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) Fair value measurement hierarchy for assets and liabilities**
**Financial assets and liabilities measured at fair value at 31st March, 2017**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives/ financial assets	-	-	-	-
<b>Financial liabilities</b>				
Derivatives / financial liabilities	-	3,329	-	<b>3,329</b>

**Financial assets and liabilities measured at fair value at 31st March, 2016**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives/ financial assets	-	-	-	-
<b>Financial liabilities</b>				
Derivatives / financial liabilities	-	1,295	-	<b>1,295</b>

**Financial assets and liabilities measured at fair value at 1 April 2015**

	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivatives/ financial assets	-	198	-	<b>198</b>
<b>Financial liabilities</b>				
Derivatives / financial liabilities	-	-	-	-

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.

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 maximize 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. Currently, the Company does not have any such financial instruments.

There are no transfer between level 1 and 2 during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**36 B. Financial risk management**
**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 encompass 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 March 31, 2017, March 31, 2016 and April 1, 2015.

The maximum exposure to the credit risk at the reporting date is the carrying value of each class of financial assets disclosed in notes 36A.

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

Of the year end trade receivables, the following were past due but not impaired as at 31st March, 2017, 31st March, 2016 and 1st April, 2015:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Neither impaired nor past due	48,011	36,297	42,376
<b>Past due but not impaired</b>			
Due less than one month	1,807	4,849	5,027
Due between one - three months	2,107	2,757	1,597
Due between three - twelve months	2,113	1,388	578
Due greater than twelve months	368	51	81
<b>TOTAL</b>	<b>54,406</b>	<b>45,342</b>	<b>49,659</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 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 Company's financial liabilities are presented below :

31st March, 2017	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)	136,337	63,974	178,393	30,434	409,138
Trade payable	170,231	13	-	-	170,244
Other financial liabilities	18,453	177	-	-	18,630
Derivative financial liabilities	3,329	-	-	-	3,329
<b>Total</b>	<b>328,350</b>	<b>64,164</b>	<b>178,393</b>	<b>30,434</b>	<b>601,341</b>
31st March, 2016	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)	132,953	88,670	156,809	36,122	414,554
Trade payable	140,943	13	-	-	140,956
Other financial liabilities	22,393	176	-	-	22,569
Derivative financial liabilities	1,296	-	-	-	1,296
<b>Total</b>	<b>297,585</b>	<b>88,859</b>	<b>156,809</b>	<b>36,122</b>	<b>579,375</b>
1st April, 2015	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)	150,195	117,958	126,092	15,550	409,795
Trade payable	137,834	10	-	-	137,844
Other financial liabilities	34,806	10,615	-	-	45,421
<b>Total</b>	<b>322,835</b>	<b>128,583</b>	<b>126,092</b>	<b>15,550</b>	<b>593,060</b>

### (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 reposting 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.

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

A reasonably possible strengthening / weakening of the Indian Rupee against such foreign currency as at 31st March, 2017 and 31st March, 2016 would have affected profit or 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 Payables (Net)	Effect on Profit / (Loss) before Tax
	%	(Rs. In Lakhs)	(Rs. In Lakhs)
31st March, 2017	10%	5,645	565
	-10%		(565)
31st March, 2016	10%	48,203	4,820
	-10%		(4,820)

### (c.2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Long term borrowings raised at floating interest rates expose the Company to interest rate risk arising from the possible movement of variable elements of the overall interest rate. If the interest rates applicable to floating rate instruments is increased/decreased by 1%, the profit before tax for the year ended 31st March, 2017 would decrease/increase by INR 2,558 lakhs (31st March, 2016 : INR 3,209 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 steel products. Market forces generally determine prices for the steel 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 its steel products.

The Company primarily purchases its raw materials (except iron ore extracted from captive mine) in the open market from third parties. The Company is therefore subject to fluctuations in prices of coking coal, thermal coal, iron ore, ferro alloys, zinc, scrap and other raw material inputs. The Company purchased substantially all of coal requirements from third parties in the open market during the year ended 31 March 2017.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

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 iron ore and coal. 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 would be negative.

Impact on Profit / (Loss) for a 5% change		
Particulars	Increase	Decrease
Coal	4,814	4,814
Iron Ore	427	427

### 36 C. 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.

### 36 D. Capital management

The Company's 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. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2017.



## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

The following table summarises the Capital of the Company -

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents [refer note 9 (iii)]	402	335	3,880
Other Bank Balances [refer note 9 (iii)]	62	65	53
<b>Total Cash (a)</b>	<b>464</b>	<b>400</b>	<b>3,933</b>
Non - Current Borrowings [refer note 13 (i)]	272,801	281,601	259,600
Current Borrowings [refer note 18 (i)]	81,877	91,761	116,225
Current maturities of non-current borrowings [refer note 18 (iii)]	54,460	41,192	33,970
<b>Total Borrowings (b)</b>	<b>409,138</b>	<b>414,554</b>	<b>409,795</b>
<b>Net Debt (c = b-a)</b>	<b>408,674</b>	<b>414,554</b>	<b>405,862</b>
Total Equity	45,573	81,229	123,284
<b>Total Capital (equity + Net debt) (d)</b>	<b>454,247</b>	<b>495,383</b>	<b>529,146</b>
<b>Gearing Ratio (c/d)</b>	<b>0.90</b>	<b>0.84</b>	<b>0.77</b>

- 37 (a)** The Company had been 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 stands cancelled with effect from 24th September, 2014 in case of Lohari Coal Block, which was yet to commence mining operations and with effect from 1st April, 2015 in the case of Kathautia Coal Block, which had been carrying out mining operations.

Therefore, 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 transferring and vesting all the rights, title and interest of the Company 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 non-current 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, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets held for Sale	3,419	4,505	4,471
Advances against Land-Coal Mines under Short-term Loans and Advances (refer note 10)	10,532	13,980	14,179
Advances against Land-Coal Mines under Long-term Loans and Advances (refer note 7)	2,851	-	-
<b>Total</b>	<b>16,802</b>	<b>18,485</b>	<b>18,650</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 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 the year, the Company has received a favourable order from the Hon'ble Jharkhand High Court in case of the advance payment made for land acquisition for the aforementioned mines. Further, the Company has filed a writ petition with the Hon'ble Delhi High Court for recovery of residual amount.

Further, the Company is also in negotiations with the party to whom the aforesaid Coal Blocks were subsequently allotted for realization of compensation/ investments in the mines, which is ongoing.

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.

- 37 (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.1,386 lakhs (31st March, 2016: Rs Nil, 1st April, 2015: Rs Nil) has been disclosed as "Assets held for sale."
- 37 (c)** The Company had closed down the construction steel division at Agra for subsequent sale of its land, building and plant and equipment. The written down value of such assets amounting to Rs.1,035 lakhs (31st March, 2016: Rs 1,040 lakhs, 1st April, 2015: Rs 1,040 lakhs) has been disclosed as "Assets held for sale"
- 37 (d)** During the year, the Company has received advance amounting to Rs 1,239 lakhs against sale of land and building at Ranchi and Jamshedpur. Consequently, the written down value of such assets amounting to Rs 750 lakhs has been disclosed as "Assets held for sale."
- 37 (e)** Assets held for sale includes 122 plots (31st March, 2016 : 147 plots) of Freehold Land amounting to Rs. 282 lakhs (31st March, 2016 : Rs. 412 lakhs) located at Coal Mine sites in respect of which conveyance deeds are yet to be executed in favour of the Company.

## Notes to the financial statements for the year ended 31st March, 2017 (All amounts in Rs. Lakhs, unless otherwise stated)

### 38. 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

	31st March, 2017	31st March, 2016	1st April, 2015
<b>Loans to subsidiary :</b>			
<b>(a) Bharat Minex Private Limited</b>			
Balance as at the year end	-	-	-
Maximum amount outstanding at any time during the year	-	-	595
<b>(b) Usha Siam Steel Industries Public Company Limited</b>			
Balance as at the year end	941 *	940	1,057
Maximum amount outstanding at any time during the year	960	965	1,057
<b>(c) UM Cables Limited</b>			
Balance as at the year end	-	-	4,500
Maximum amount outstanding at any time during the year	-	4,500	4,500
The aforesaid loanes 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.

### 39. Details of dues to micro and small enterprises as defined under Micro, Small and Medium Enterprise Development Act 2006 (MSMED)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
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	920	580	356
ii) Interest due on above	274	124	-
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	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	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	150	124	Nil
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	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.			

**40. List of subsidiaries of the Company**

The Company has following subsidiaries for which the Company prepares Consolidated Financial Statements as per Ind AS 110 "Consolidated Financial Statements". These subsidiaries have been accounted at cost in these separate financial statements of the Company:

	Principal place of business	% of ownership interest as on 31st March, 2017	% of ownership interest as on 31st March, 2016	% of ownership interest as on 1st April, 2015
<b>Domestic:</b>				
UM Cables Limited	India	100%	100%	100%
Usha Martin Power and Resources Limited [Refer (b) below]	India	100%	100%	100%
Bharat Minex Private Limited	India	100%	100%	100%
Gustav Wolf Speciality Cords Limited (GWSCL)	India	100%	100%	100%
<b>Overseas:</b>				
Usha Martin International Limited	United Kingdom	92%	92%	92%
Usha Martin UK Limited @	United Kingdom	100%	100%	100%
European Management and Marine Corporation Limited @	United Kingdom	100%	100%	100%
Brunton Shaw UK Limited @	United Kingdom	100%	100%	100%
De Ruiter Staalkabel B.V. @	Netherlands	100%	100%	100%
Usha Martin Europe B.V. @	Netherlands	100%	100%	100%
Usha Martin Italia S.R.L. @	Italy	100%	100%	100%
Brunton Wolf Wire Ropes FZCo.	United Arab Emirates, Dubai	60%	60%	60%
Usha Martin Americas Inc.	United States of America	100%	100%	100%
Usha Siam Steel Industries Public Company Limited	Thailand	98%	98%	98%
Usha Martin Singapore Pte. Limited	Singapore	100%	100%	100%
Usha Martin Australia Pty Limited @	Australia	100%	100%	100%
Usha Martin Vietnam Company Limited @	Vietnam	100%	100%	100%
PT Usha Martin Indonesia @	Indonesia	100%	100%	100%
Usha Martin China Company Limited @	China	100%	100%	100%

@ Represents step-down subsidiary.

41. During the year ended 31st March, 2017, realisation of the Company's products were impacted due to sluggish market conditions. At the same time, the raw material prices were volatile. It adversely effected the cash flows and profitability and the Company incurred cash losses during the current year and its current liabilities exceeded its current assets by Rs. 1,60,124 Lakhs (31st March, 2016 : Rs. 1,39,749; 1st April, 2015 : Rs. 1,14,189 lakhs) as at the balance sheet date. Management is confident of improvement in the industry scenario and believes that the Company's financial performance will improve with increase in demand and selling prices of its finished goods. Further, the disbursements against unutilised funding limits from the banks together with the sale of non-core assets, the compensation towards coal block deallocated in earlier year and the savings in costs expected from the business transformation exercise to be undertaken by the Company, would enable the Company to service its obligation for next twelve months towards the banks.
42. The Hon'ble Supreme Court of India has, vide order dated November 11, 2016 upheld the rights of the state governments to impose entry tax. However on the question regarding the validity of each State Legislation imposing entry tax, the Bench decided to let the issue be determined by the smaller benches. The Hon'ble Supreme Court has pronounced remanding of the matter to the Hon'ble High Courts, in open Court, on March 23, 2017, the written copy of which is yet to be made public. Management will evaluate the impact of the said order on the Company, once the same is made public.

**43. Loan covenants**

Bank loans contain certain debt covenants relating to Net Debt to EBITDA, Interest Cover ratio, debt service coverage ratio, fixed assets coverage ratio etc. The Company's applications to lenders in respect of certain covenants not being met are being considered by lenders. The management believes that the Company's borrowings will continue to be on the same repayment terms and conditions as was agreed at the time of disbursement. Accordingly, year-end borrowings have been classified as current and non-current in accordance with the terms agreed at the time of disbursement.

44. The Board of Directors of the Company has appointed a consultant to evaluate the possibility of sale of its Wire and Wire Ropes business. The consultant's report is awaited.

**45. First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2A and note 2B have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of the opening Ind AS balance sheet at 1st April, 2015 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**a) Ind AS optional exemptions**

**a.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**a.2 Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

**a.3 Long Term Foreign Currency Monetary Items**

Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. The Company has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognized in the previous GAAP financial statements for the year ended 31st March, 2016. Accordingly, foreign currency differences on such items attributable to the acquisition of property, plant and equipment are adjusted against their cost and depreciated prospectively over the remaining useful lives.

**a.4 Investments in subsidiaries**

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary as the deemed cost. Accordingly, the Company has opted to measure its investment in subsidiary at deemed cost i.e., previous GAAP carrying amount.

**b) Ind AS mandatory exceptions**

**b.1 Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

**b.2 De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109 retrospectively from a date the entity chooses, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**b.3 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

**c) Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of total equity as reported previously (referred to as 'Previous GAAP') and as per Ind AS**

Particulars	Notes	As at 31st March, 2016	As at 1st April, 2015
<b>Total equity (shareholder's funds) as per Previous GAAP</b>		<b>82,201</b>	<b>122,644</b>
<b>Ind AS adjustments :</b>			
Fair value / amortised cost of financial asseets and liabilities in accordance with Ind AS 109	d.1 & d.2	1,206	575
Accrual for constructive obligations in accordance with Ind AS 37	d.6	(2,470)	(1,232)
Unwinding of interest on recomputation of provision for site restoration at present value in accordance with Ind AS 37	d.8	(889)	(755)
Capitalisation of spares in accordance with Ind AS-16	d.7	374	(243)
Others	d.9	754	675
Deferred tax adjustments in accordance with Ind AS -12	d.4	53	1,620
<b>Total adjustments</b>		<b>(972)</b>	<b>640</b>
<b>Total equity as per Ind AS</b>		<b>81,229</b>	<b>123,284</b>

**Reconciliation of net profit as reported previously (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS**

Particulars	Notes	For the year ended 31st March, 2016
<b>Net Profit/(Loss) under Previous GAAP</b>		<b>(40,443)</b>
<b>Ind AS adjustments :</b>		
Reclassification of actuarial gains/(losses), arising in respect of employees benefit schemes, to Other Comprehensive Income (OCI) as per Ind AS 19	d.3	106
Fair value/Amortised cost of Financial Assets/Liabilities in accordance with Ind AS - 109	d.1 & d.2	631
Accrual for constructive obligations in accordance with Ind AS 37	d.6	(1,239)
Unwinding of interest due to recomputation of provision for site restoration at present value	d.8	(134)
Capitalisation of spares in accordance with Ind AS - 16	d.7	617
Others	d.9	186
Deferred tax adjustments in accordance with Ind AS -12	d.4	(1,673)
<b>Net Profit/(Loss) as per Ind AS</b>		<b>(41,949)</b>
Other comprehensive income (net of tax)	d.5	(106)
<b>Total Comprehensive income/(loss) for the period</b>		<b>(42,055)</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2016.**

The adjustments as explained below, are of non-cash nature and accordingly, there are no material differences in cash flows from operating, investing and financing activities as per the Previous GAAP and as per Ind AS.

**d) Notes to reconciliation of total equity and total comprehensive income :**

**d.1 Amortisation of borrowing costs**

In accordance with Ind AS 109 "Financial Instruments", transaction cost on borrowings are required to be considered as effective finance costs and recognised in the statement of profit and loss using effective interest rate.

**d.2 Derivative Instruments - Foreign exchange forward contracts**

In accordance with Ind AS 109, foreign exchange forward contracts are marked-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in the statement of profit and loss.

**d.3 Employee benefits**

In accordance with In AS 19 "Employee Benefits" re-measurment gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under previous GAAP.

**d.4 Deferred tax**

In accordance with Ind AS 12, "Income Taxes" the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred tax on timing differences, i.e. profit and loss approach. The tax impacts as above primarily represents deferred tax consequences arising out of Ind AS re-measurement changes.

**d.5 Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

**d.6 Constructive obligation**

In accordance with Ind AS 37, the Company has created provision for constructive obligations where :

- a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the Company has indicated to other parties that it will accept certain responsibilities, and
- b) as a result, the Company has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**d.7 Capitalisation of spare parts**

In accordance with Ind AS 16, the Company has capitalised some spare parts which have fulfilled the following conditions :

- a) are held for use in production or supply of goods and services, and
- b) are expected to be used during more than one period.

**d.8 Provision for restoration cost :**

According to Ind AS 37, the Company recognises provisions for the restoration and rehabilitation for each of its mine site. The provision recognised represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration and rehabilitation provisions. Future restoration costs, discounted to net present value, are capitalised and are depreciated over the life of the related asset. The corresponding restoration liability is recognised as soon as the obligation to incur such costs arises. The effect of the time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time.

**d.9 Other adjustments :**

Others comprises mainly impact of depreciation on segregation of land and buildings, reversal of MTM losses, accruals of MTM gains, etc., and tax impact thereon.

**46.** The figures of previous years were audited by a firm of Chartered Accountants other than M/s. S.R. Batliboi & Co. LLP.

The accompanying notes are an integral part of the 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 Raj Agrawal**, Partner

Membership No. 82028

Place : Kolkata

Date : 30th May, 2017

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Pravin Kumar Jain**

Joint Managing Director

[Wire & Wire Rope Business]

DIN: 02583519

**Rohit Nanda**

Chief Financial Officer

**Shampa Ghosh Ray**

Company Secretary

ACS 16737

## NOTES

[illegible]



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Usha Martin Limited

#### Report on the Consolidated Ind AS Financial Statements

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 jointly controlled entities, comprising of the consolidated Balance Sheet as at 31st March, 2017, 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 a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("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 jointly controlled entities in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities 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 jointly controlled entities and for preventing and detecting frauds and other irregularities; the 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 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies

used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

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 jointly controlled entities, the aforesaid consolidated Ind AS financial statements give the information required by 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 jointly controlled entities as at 31st March, 2017, their consolidated loss including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to note 39(a) to the consolidated Ind AS financial statements regarding recoverability of book values of moveable and immoveable assets including land and advances for land pertaining to Kathautia and Lohari coal blocks of the Holding Company that were deallocated during the earlier year. The recoverability of such book values is dependent on the outcome of the various measures undertaken by the Holding Company as fully explained in the said note. Pending outcome of such measures, no adjustments to the consolidated Ind AS financial statements in this regard have been considered necessary by the management. Our opinion is not qualified in respect of this matter.

#### 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 jointly controlled entities, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:

- (a) We /the other auditors whose reports 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 purpose 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, 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;
- (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 the Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 and 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 jointly controlled companies incorporated in India, none of the directors of the Group's companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2017 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 of the Holding Company and its subsidiary companies and jointly controlled companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) 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, 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 jointly controlled entities, 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 jointly controlled entities— Refer Note 16 and 34(c)(i) to the consolidated Ind AS financial statements;
  - ii. The Group and jointly controlled entities did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses during the year ended 31st March, 2017;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled companies incorporated in India during the year ended 31st March, 2017;
  - iv. The Holding Company, its subsidiaries and jointly controlled entities incorporated in India, have provided requisite disclosures in Note 11(ii) to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and on consideration of reports of the other auditors and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group including its jointly controlled entities and as produced to us by the Management of the Holding Company.

#### Other Matter

- (a) 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 98,169 Lakhs and net assets of Rs 52,313 Lakhs as at 31st March, 2017, and total revenues of Rs 64,918 Lakhs and net cash outflows of Rs 466 Lakhs for the year ended on that date. These financial statements 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. 196 Lakhs for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of three joint ventures, whose financial statements and 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries

and jointly controlled entities, 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 jointly controlled entities, is based solely on the reports of such other auditors.

- (b) The comparative financial information of the Group including its Jointly controlled entities as at and for the year ended 31st March, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose reports for the year ended 31st March, 2016 and March 31, 2015 dated May 25, 2016 and May 25, 2015 respectively expressed unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us and other auditors. Our above opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

#### per Raj Agrawal

Partner

Membership Number: 82028

Place of Signature: Kolkata

Date: May 30, 2017

## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED 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 financial statements of Usha Martin Limited as of and for the year ended 31st March, 2017, 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 jointly controlled companies, 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 jointly controlled companies, 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 internal financial controls over financial reporting based on our audit of the Holding Company, its subsidiary companies and its jointly controlled companies, which are companies incorporated in India. 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 jointly controlled companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 of the Holding Company, its subsidiary companies and its jointly controlled companies, which are companies incorporated in India, insofar as it relates to four subsidiary companies and two jointly controlled companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and jointly controlled companies incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

#### **per Raj Agrawal**

Partner

Membership Number: 82028

Place of Signature: Kolkata

Date: May 30, 2017

## Consolidated Balance Sheet as at 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
<b>ASSETS</b>				
<b>Non - current assets</b>				
(a) Property, plant and equipment	3	4,92,488	5,23,109	5,38,667
(b) Capital work-in-progress	3	12,091	12,360	12,104
(c) Investment property	4	766	890	876
(d) Goodwill on Consolidation		5,522	5,522	5,531
(e) Other intangible assets	5	4,359	1,605	1,671
(f) Intangible assets under development	5	-	2,319	1,037
(g) Equity accounted investments	6(i)	3,669	3,721	4,013
(h) Financial assets				
(i) Investments	6(ii)	5	5	5
(ii) Loans and advances	6(iii)	133	70	489
(iii) Other financial assets	6(iv)	1,913	1,848	1,839
(i) Deferred tax assets	7	704	1,425	1,412
(j) Advance income tax assets (net)	8	3,457	4,385	4,375
(k) Other non-current assets	9	10,693	7,983	3,010
		<b>5,35,800</b>	<b>5,65,242</b>	<b>5,75,029</b>
<b>Current assets</b>				
(a) Inventories	10	1,30,908	1,29,370	1,66,597
(b) Financial assets				
(i) Trade receivables	11(i)	68,264	61,540	65,136
(ii) Cash and cash equivalents	11(ii)	4,289	4,822	6,808
(iii) Other bank balances	11(iii)	806	726	494
(iv) Loans and advances	11(iv)	909	243	199
(v) Other financial assets	11(v)	416	633	918
(c) Other current assets	12	25,549	26,903	30,650
		<b>2,31,141</b>	<b>2,24,237</b>	<b>2,70,802</b>
Assets held for sale	39	6,590	5,545	5,511
		<b>2,37,731</b>	<b>2,29,782</b>	<b>2,76,313</b>
<b>Total Assets</b>		<b>7,73,531</b>	<b>7,95,024</b>	<b>8,51,342</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	13	3,054	3,054	3,054
(b) Other equity	14	91,438	1,32,288	1,73,255
<b>Equity attributable to equity shareholders of the Company</b>		<b>94,492</b>	<b>1,35,342</b>	<b>1,76,309</b>
Non-Controlling Interest		3,394	3,431	3,149
<b>Total Equity</b>		<b>97,886</b>	<b>1,38,773</b>	<b>1,79,458</b>
<b>Non - current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15(i)	2,85,077	2,99,748	2,70,504
(ii) Trade payables	15(ii)	13	13	10
(iii) Other financial liabilities	15(iii)	205	176	10,510
(b) Other non-current liabilities	16	1,888	1,888	1,888
(c) Provisions	17	6,449	5,551	5,018
(d) Government grants	18	3,041	3,151	3,261
(e) Deferred tax liabilities	19	1,379	2,465	8,450
		<b>2,98,052</b>	<b>3,12,992</b>	<b>2,99,641</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	20(i)	95,285	1,03,765	1,34,436
(ii) Trade payables	20(ii)	1,83,885	1,54,791	1,53,034
(iii) Other financial liabilities	20(iii)	79,149	68,278	70,652
(b) Other current liabilities	21	18,385	15,245	12,947
(c) Provisions	22	779	1,070	1,064
(d) Government grants	23	110	110	110
		<b>3,77,593</b>	<b>3,43,259</b>	<b>3,72,243</b>
<b>Total equity and liabilities</b>		<b>7,73,531</b>	<b>7,95,024</b>	<b>8,51,342</b>

The accompanying notes are an integral part of the 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 **Raj Agrawal**, Partner  
Membership No. 82028  
Place : Kolkata  
Date : 30th May, 2017

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

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

**Rohit Nanda**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
ACS 16737

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Income</b>			
Revenue from operations	24	4,25,510	4,50,520
Other income	25	11,991	3,251
<b>Total income</b>		<b>4,37,501</b>	<b>4,53,771</b>
<b>Expenses</b>			
Cost of materials consumed	26	1,66,725	1,72,515
Purchase of stock-in-trade		12,495	3,435
(Increase) / decrease in inventories of finished goods, work-in-progress, stock-in-trade and scrap/by-product	27	2,735	20,068
Excise duty on sale of goods		37,316	39,296
Employee benefits expense	28	37,397	37,331
Finance costs	29	56,424	54,663
Depreciation and amortization expense	30	29,998	30,798
Other expenses	31	1,30,449	1,44,174
Adjustment for items capitalised and departmental orders for own consumption		(549)	(396)
<b>Total expenses</b>		<b>4,72,990</b>	<b>5,01,884</b>
<b>Profit/(loss) before tax</b>		<b>(35,489)</b>	<b>(48,113)</b>
Tax expenses :			
(1) Current tax		781	750
(2) Excess provision of earlier years written back		(67)	-
(3) Deferred tax		(251)	(6,222)
<b>Total Tax expense</b>		<b>463</b>	<b>(5,472)</b>
<b>Profit/(loss) before share of profit/(loss) of joint ventures</b>		<b>(35,952)</b>	<b>(42,641)</b>
Share of profit /(loss) of joint ventures		196	(194)
<b>Profit/(loss) after share of profit/(loss) of joint ventures</b>		<b>(35,756)</b>	<b>(42,835)</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be subsequently reclassified to consolidated statement of profit or loss:			
Re-measurements gain/(loss) on defined benefit plans		(110)	(134)
Items that will be subsequently reclassified to consolidated statement of profit or loss			
Exchange differences on translation		(4,848)	2,132
<b>Total Other comprehensive income for the year, net of tax</b>		<b>(4,958)</b>	<b>1,998</b>
<b>Total comprehensive income for the year</b>		<b>(40,714)</b>	<b>(40,837)</b>
<b>Profit /(loss) for the year attributable to :</b>			
Equity shareholders of the Company		(35,891)	(42,972)
Non-controlling Interest		135	137
<b>Other comprehensive income attributable to :</b>			
Equity shareholders of the Company		(4,958)	1,998
Non-controlling Interest		-	-
<b>Total Comprehensive Income/(Loss) for the year attributable to :</b>			
Equity shareholders of the Company		(40,849)	(40,974)
Non controlling Interest		135	137
<b>Earnings / (loss) per equity share (EPS)</b>	<b>32</b>		
Basic and diluted, computed on the basis of profit/(loss) attributable to equity share holders of the parent (in Rs per share) (Nominal value per share Re. 1 each (31st March, 2016: Re. 1 each)		(11.78)	(14.10)

The accompanying notes are an integral part of the 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 Raj Agrawal, Partner  
Membership No. 82028

Place : Kolkata  
Date : 30th May, 2017

Rajeev Jhawar  
Managing Director  
DIN: 00086164

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

Rohit Nanda  
Chief Financial Officer

Shampa Ghosh Ray  
Company Secretary  
ACS 16737

## Consolidated Cash Flow Statement for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit/(Loss) before tax</b>	(35,489)	(48,113)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	29,998	30,798
Profit on sale of investments	(519)	-
(Profit) / Loss on sale of property, plant and equipment (Net)	(3,188)	50
Interest income	(773)	(222)
Income from current investments	-	(16)
Finance costs	56,424	54,663
Unrealised foreign currency loss / (gain) (Net)	(1,720)	1,197
Unrealised derivative gain (Net)	2,490	1,472
Effect of change in foreign exchange translation	(1,498)	1,018
Allowance for doubtful debts and advances	557	338
Allowance for slow moving items and diminution in realisable value	559	227
Allowance for doubtful debts and advances no longer required written back	(355)	(350)
Liabilities no longer required written back	(1,328)	(1,015)
Bad Debts / advances written off	497	80
Tangible assets/capital work-in-progress written off	33	20
<b>Operating profit before working capital changes</b>	<b>45,688</b>	<b>40,147</b>
Working capital adjustments:		
Increase in current trade payables	31,687	1,368
Increase in trade payables - non-current	-	3
Increase in non-current provisions	631	265
Increase in current provisions	80	11
Increase in current other financial liabilities	596	1,205
Increase in other current liabilities	2,338	546
Increase in non-current other financial liabilities	29	108
(Increase) / decrease in trade receivables	(7,515)	3,685
(Increase) / decrease in inventories	(2,097)	37,030
(Increase) / decrease in non-current loans and advances	(63)	1,319
Decrease in non-current other financial assets	5	4
Decrease / (increase) in other non-current assets	5	(2,565)
(Increase) in current loans and advances	(666)	(230)
Decrease in current other financial assets	155	(101)
(Increase) / decrease in other current assets	(2,135)	3,548
	<b>23,050</b>	<b>46,196</b>
<b>Cash generated from operations</b>	<b>68,738</b>	<b>86,335</b>
Direct taxes paid (net of refunds)	(157)	(760)
<b>Net cash flow from operating activities</b>	<b>68,581</b>	<b>85,575</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of tangible and intangible assets	(13,015)	(38,739)
Proceeds from sale of tangible assets	8,425	240
Proceeds from sale of investment in a joint venture company	845	-
Interest income received	592	207
Realisation of long-term deposits with bank having maturity of more than 3 months but less than 12 months	35	(66)
Dividend received from current investments	-	16
<b>Net cash flows used in investing activities</b>	<b>(3,118)</b>	<b>(38,332)</b>

## Consolidated Cash Flow Statement for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	42,022	94,193
Repayment of long term borrowings	(43,645)	(59,579)
Short term borrowings (net)	(8,480)	(30,672)
Interest paid	(56,042)	(53,038)
Dividend paid by a subsidiary company to minority shareholders	(110)	-
<b>Net cash flows used in financing activities</b>	<b>(66,255)</b>	<b>(49,096)</b>
<b>D. Effect of foreign exchange differences on cash and cash equivalents</b>	259	(131)
<b>Net decrease in cash and cash equivalents</b>	<b>(533)</b>	<b>(1,986)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	4,822	6,808
<b>Cash and cash equivalents at the year end</b>	<b>4,289</b>	<b>4,822</b>
<b>Cash and cash equivalents as per Note 11 (ii):</b>		
Balances with banks:		
On current accounts	4,224	4,767
Cash in hand	58	38
Cheques/drafts in hand	7	17
	<b>4,289</b>	<b>4,822</b>

The accompanying notes are an integral part of the 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 **Raj Agrawal**, Partner  
Membership No. 82028

Place : Kolkata

Date : 30th May, 2017

**Rajeev Jhawar**  
Managing Director  
DIN: 00086164

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

**Rohit Nanda**  
Chief Financial Officer

**Shampa Ghosh Ray**  
Company Secretary  
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## Statement of changes in equity for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

<b>A) Equity share capital</b>		No. of shares	Amount Rs in lakhs
Equity shares of INR 1 each issued, subscribed and fully paid			
<b>As at 1st April, 2015</b>		<b>30,47,41,780</b>	<b>3,054</b>
Changes in equity share capital during the year		-	-
<b>As at 31st March, 2016</b>		<b>30,47,41,780</b>	<b>3,054</b>
Changes in equity share capital during the year		-	-
<b>As at 31st March, 2017</b>		<b>30,47,41,780</b>	<b>3,054</b>

<b>B) Other equity</b>		Attributable to the equity holders of the parent										Total other equity	Non-controlling interest	Total
Particulars		Reserves and Surplus						Items of Other Comprehensive Income						
		Capital Reserve	Securities Premium Account	Capital Redemption Reserve	General Reserve	Legal Reserve	Retained earnings	Money Received against equity warrant	Other Reserves	Foreign Currency Translation Reserve	Other Comprehensive Income Reserve			
<b>As at 1 April 2016</b>		<b>379</b>	<b>85,584</b>	<b>6,631</b>	<b>54,439</b>	<b>265</b>	<b>(23,359)</b>	<b>2,934</b>	<b>3,416</b>	<b>2,132</b>	<b>(134)</b>	<b>132,288</b>	<b>3,431</b>	<b>135,719</b>
Loss for the year		-	-	-	-	-	(35,892)	-	-	-	-	(35,892)	135	(35,757)
Changes in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	(62)	(62)
Amount forfeited out of money received against Equity warrants and taken to other reserves		-	-	-	-	-	-	(2,934)	2,934	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-	(4,848)	(110)	(4,958)	-	(4,958)
Dividends		-	-	-	-	-	-	-	-	-	-	-	(110)	(110)
<b>As at 31st March, 2017</b>		<b>379</b>	<b>85,584</b>	<b>6,631</b>	<b>54,439</b>	<b>265</b>	<b>(59,251)</b>	<b>-</b>	<b>6,350</b>	<b>(2,716)</b>	<b>(244)</b>	<b>91,437</b>	<b>3,394</b>	<b>94,831</b>

(All amounts in Rs. Lakhs, unless otherwise stated)

\* Balance as at 1st April, 2015 includes Fixed asset revaluation reserve amounting to Rs. 4,022 lakhs transferred to retained earnings on transition to Ind AS

The notes are an integral part of the financial statements.

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**1. Group Overview**

Usha Martin Limited (the 'Company') is a public limited company domiciled in India and has its registered office at 2A, Shakespeare Sarani, Kolkata - 700071. Its equity shares are listed on two recognised stock exchanges in India and its GDRs are listed on stock exchange in Luxembourg.

The Company and its subsidiaries (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.

**2A. Basis of preparation of consolidated financial statements****a) Basis of preparation and Compliance with Ind AS**

- (i) For all periods upto and including the year ended 31st March, 2016, the Group had prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind AS") with effect from April 1, 2016 and the Group is required to prepare its financial statements in accordance with Ind AS for the year ended 31st March, 2017. These financial statements for the year ended 31st March, 2017 (the "Ind AS Financial Statements") are the first financial statements, the Group has prepared in accordance with Ind AS.

- (ii) The Group has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2015. In accordance with Ind AS 101, the Group has presented reconciliations of Shareholders' equity under Previous GAAP and Ind AS as at 31st March, 2016, and April 1, 2015 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended 31st March, 2016. Refer note 47 for description of the effect of the transition and reconciliations required as per Ind AS 101.
- (iii) The Group had prepared its financial statements for the year ended 31st March, 2016 and March 31, 2015 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on May 25, 2016 and May 25, 2015 respectively. The management of the Group has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.
- (iv) These financial statements were approved for issue by the Board of Directors on May 30, 2017.

**b) Basis of consolidation****(i) Subsidiary**

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 Intra-Group 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 Venture**

The Group accounts for its interest in joint venture using the equity method (see (iii) below), after initially being recognised at cost in the consolidated balance sheet. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture.

**(iii) 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 or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from joint ventures are 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 described in note 2B (r) below.

#### c) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

##### 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 principal or the most advantageous market must be accessible by the Group.

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.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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.

#### d) Functional and presentation currency and rounding off

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.

#### e) Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to date of issuance of the Group's financial statements are disclosed below.

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group will adopt this amendment from its applicability date.

### 2B. Significant accounting policies

The Group has applied the following accounting policies to all periods presented in the Ind AS financial statements.

#### a. 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.

#### b. 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 or loss on disposal.

#### c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

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

##### Sale of goods

Revenue from the sale of goods is recognised when all significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with delivery. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Export benefits are accounted on recognition of export sales.

##### Rendering of services

Revenue from the sale of services is recognised upon the rendering of services and are recognised net of service tax.

##### Interest income

Interest income is included in other income in the statement of profit and loss. Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate when there is a reasonable certainty as to realisation

##### Dividends

Dividends are recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of dividend can be measured reliably.

#### d. Property, plant and equipment

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

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. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

##### (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:

The estimated useful lives of assets are 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 & supply plant	30 years
Office equipment	3-10 years
Furniture & fixture	4-22 years
Vehicles	4-10 years

Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

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 & 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.

**e. 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 or 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 or 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 Company 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.

**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 Group has intangible assets with finite useful lives.

Intangible assets under development are stated at cost.

Intangible assets (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.

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 or loss when the asset is derecognised.

**Research and development costs**

Research costs are expensed as incurred. Development expenditures 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.

**g. Site restoration**

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 or 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 or loss.

**h. Non-current assets held for sale**

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. 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 is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales 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 to owners 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 to owners are not depreciated or amortised.

**i. 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 denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

For the purposes of the consolidated financial statements, items in the consolidated statements of profit or 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 are 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 or loss.

The Group had applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 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 31st March, 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.

#### 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, it is recognised as income in equal amounts over the expected useful life of the related asset.

#### 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 or loss is recognised outside profit or 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 or loss is recognised outside profit or 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.

##### Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes 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.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

#### 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.

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

##### 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 2B(l)].

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.

#### n. Inventories

Inventories are valued at the lower of cost and net realisable value.

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: These are valued at lower of cost or net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. 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.
- Finished goods and work in progress: These are valued at lower of cost or net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.
- Stock-in-trade: These are valued at lower of cost or net realisable value. 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: These 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 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.

#### p. 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 or 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.

#### 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 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 & 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 makes payment to vested employees who have completed five years or more of service at retirement, disability, death 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.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and are never reclassified to profit or loss. 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.

### Provident fund

Eligible employees (other than employees of coal mines, straight bar & 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 of India. 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.

## 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 time frame 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 sale the asset.

#### Subsequent measurement

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

#### Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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.

#### 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:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- 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 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 fair value through other comprehensive income debt instrument is reported as interest income using the EIR method.

#### Debt instrument at Fair Value through Profit or 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.

#### Equity instrument

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 or 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 that result from transactions that are within the scope of Ind AS 18: Revenue.

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 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 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

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or 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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 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 or 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 or loss.

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (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.

#### 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 or 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.

#### s. 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 or 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 in 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.

**u. 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.

**v. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period 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". The Group has identified three operating segments viz, steel, wire and wire ropes and others. The analysis of geographical segments is based on the areas in which customers of the Group are located.

**x. Use of estimates and critical accounting judgements**

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.

(All amounts in Rs. Lakhs, unless otherwise stated)

(All amounts in Rs. Lakhs, unless otherwise stated)

**Notes to the consolidated financial statements for the year ended 31st March, 2017**

(All amounts in Rs. Lakhs, unless otherwise stated)

**b)** For lien/charge against property, plant and equipment refer note 15(i), note 20(i) and Current maturities of long term borrowings note 20(iii).**c) Finance leases**

The Group has acquired certain fixed assets under finance lease arrangements. Minimum Lease Payments outstanding as at 31st March, 2017 and other particulars in respect of leased assets are as under:

Particulars	31st March, 2017			31st March, 2016			1st April, 2015		
	Total minimum lease payments outstanding	Interest	Present value of minimum lease payments	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	71	9	62	131	11	120	77	8	69
Later than one year and not later than five years	151	15	136	128	13	115	206	18	188
<b>Total</b>	<b>222</b>	<b>24</b>	<b>198</b>	<b>259</b>	<b>24</b>	<b>235</b>	<b>283</b>	<b>26</b>	<b>257</b>

**d)** Disposal/Adjustments during the year includes transfer to Assets held for sale related to Chennai Bright bar [Refer Note 39 (b)] Gross Block Rs. 1,597 lakhs and Depreciation Rs 211 lakhs (31st March, 2016 : Rs Nil and 1st April, 2015 : Rs Nil) and Accumulated Depreciation Rs. 211 lakhs (31st March, 2016 Rs Nil : 1st April, 2015 : Rs Nil) and related to Ranchi [Refer Note 39 (d)] Gross block Rs. 750 lakhs (31st March, 2016 Rs Nil : 1st April, 2015 : Rs Nil) respectively.

Particulars	Deemed Cost as at 1st April, 2015	Depreciation for the year ended March 2016	Net Block as at 1st April, 2016
Freehold land	750	-	750
Buildings	1,099	91	1,008
Plant and equipment	100	35	65
Electrical installation	119	43	76
Furniture and Fixture	40	25	15
Leasehold Land under finance lease	239	17	222
	<b>1,597</b>	<b>211</b>	<b>1,386</b>
<b>Total</b>	<b>2,347</b>	<b>211</b>	<b>2,136</b>

**e)** Additions comprise adjustments on account of Borrowing Costs of Rs. Nil (31st March, 2016 : Rs. 45 lakhs ) and Exchange Loss of Rs. 437 lakhs (31st March, 2016 : Rs. 4,418 lakhs )

<b>4. Investment Property</b>	
<b>Particulars</b>	<b>Building</b>
<b>Deemed cost</b>	
<b>As at 1st April 2015 [refer note (a)]</b>	<b>876</b>
Additions	-
Adjustment /disposal	-
Foreign exchange difference	53
<b>As at 31st March, 2016</b>	<b>929</b>
Additions	-
Adjustment /disposal	91
Foreign exchange difference	(16)
<b>As at 31st March, 2017</b>	<b>822</b>
<b>Accumulated Depreciation</b>	
<b>As at 1st April 2015 [refer note (a)]</b>	<b>-</b>
Depreciation expense for the year	39
Adjustment / disposal	-
Foreign exchange difference	-
<b>As at 31st March, 2016</b>	<b>39</b>
Depreciation expense for the year	36
Adjustment / disposal	18
Foreign exchange difference	(1)
<b>As at 31st March, 2017</b>	<b>56</b>
<b>Net block</b>	
<b>As at 31st March, 2017</b>	<b>766</b>
As at 31st March, 2016	890
As at 1st April 2015	876

- a) For investment property existing as on 1st April, 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost.

<b>Particulars</b>	<b>Building</b>
Gross block	1,061
Accumulated amortization	185
<b>Net Block</b>	<b>876</b>

- b) Information regarding income and expenditure of Investment property

<b>Particulars</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Rental income derived from investment property	349	455
Direct operating expenses (including repairs and maintenance) generating rental income	19	24
Profit arising from investment property before depreciation and indirect expenses	330	431
Less : Depreciation	36	39
Profit arising from investment property before indirect expenses	294	392

- c) 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.

- d) 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. 1,996 lakhs (31st March, 2016 : Rs. 1,869 lakhs; 1st April, 2015 : Rs. 2,013 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.

Fair value hierarchy disclosures for investment property has been provided in note 38A(b).



<b>5. Other Intangible Assets</b>						
<b>Particulars</b>	<b>Computer Software</b>	<b>Trade Marks</b>	<b>Development Cost #</b>	<b>Total Other Intangible Assets</b>	<b>Intangible Assets under development ##</b>	<b>Total including Intangible Assets under development</b>
<b>Deemed Cost</b>						
<b>As at 1st April 2015 [Refer Note (a) below]</b>	<b>265</b>	<b>107</b>	<b>1,299</b>	<b>1,671</b>	<b>1,037</b>	<b>2,708</b>
Additions	12	-	90	102	1,282	<b>1,384</b>
Disposals/ Adjustments	4	-	-	4	-	<b>4</b>
Foreign exchange difference	1	7	-	8	-	<b>8</b>
<b>As at 31st March, 2016</b>	<b>274</b>	<b>114</b>	<b>1,389</b>	<b>1,777</b>	<b>2,319</b>	<b>4,095</b>
Additions	3,211	-	-	3,211	-	<b>3,211</b>
Disposals/ Adjustments	1	-	-	1	(2,319)	<b>(2,318)</b>
Foreign exchange difference	-	(2)	-	(2)	-	<b>(2)</b>
<b>As at 31st March, 2017</b>	<b>3,484</b>	<b>112</b>	<b>1,389</b>	<b>4,987</b>	<b>-</b>	<b>4,986</b>
<b>Accumulated Amortisation</b>						
<b>As at 1st April 2015 [Refer Note (a) below]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	97	10	-	107	-	<b>107</b>
Disposals/ Adjustments	22	-	87	65	-	<b>65</b>
Foreign exchange difference	-	-	-	-	-	<b>-</b>
<b>As at 31st March, 2016</b>	<b>75</b>	<b>10</b>	<b>87</b>	<b>172</b>	<b>-</b>	<b>172</b>
Charge for the year	306	10	146	462	-	<b>462</b>
Disposals/ Adjustments	9	-	-	7	-	<b>9</b>
Foreign exchange difference	-	1	-	1	-	<b>1</b>
<b>As at 31st March, 2017</b>	<b>373</b>	<b>21</b>	<b>232</b>	<b>625</b>	<b>-</b>	<b>625</b>
<b>Net block</b>						
<b>As at 31st March, 2017</b>	<b>3,111</b>	<b>91</b>	<b>1,157</b>	<b>4,359</b>	<b>-</b>	<b>4,359</b>
As at 31st March, 2016	199	104	1,302	1,605	2,319	<b>3,924</b>
As at 1st April 2015	265	107	1,299	1,671	1,037	<b>2,708</b>
# Development costs represents expenditure incurred on development of mines.						
## Represents computer software acquired under development and pending deployment.						
a) For intangible assets existing as on April 1, 2015, i.e. date of transition to Ind AS, the group has used Indian GAAP carrying value as deemed cost as permitted by Ind-AS 101 - First Time Adoption. Accordingly, the net WDV as per Indian GAAP as on 1st April, 2015 has been considered as Gross block under Ind-AS. The accumulated depreciation so netted off as on 1st April 2015, is as below -						
<b>Particulars</b>	<b>Computer Software</b>	<b>Trade Marks</b>	<b>Development Cost</b>	<b>Total Other Intangible Assets</b>	<b>Intangible Assets under development</b>	<b>Total including Intangible Assets under development</b>
Gross block	1,274	137	1,299	2,710	1,037	<b>3,747</b>
Accumulated amortization	1,009	29	-	1,039	-	<b>1,039</b>
<b>Net Block</b>	<b>265</b>	<b>107</b>	<b>1,299</b>	<b>1,671</b>	<b>1,037</b>	<b>2,708</b>

6. Non - current assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>6 (i) Equity Accounted Investments</b>			
<b>Investment in equity instruments (unquoted)</b>			
<b>Investment accounted for using equity method</b>			
<b>Investments in joint venture companies (at cost)</b>			
Pengg Usha Martin Wires Private Limited			
1,08,00,000 (31st March, 2016 : 1,08,00,000, 1st April 2015: 1,08,00,000) equity shares of Rs.10/- each fully paid	1,955	1,526	1,493
CCL Usha Martin Stressing System Limited			
4,73,195 (31st March, 2016 : 4,73,195, 1st April 2015: 4,73,195) equity shares of Rs.10/- each fully paid	55	53	51
Less : Provision for impairment	(16)	(16)	(16)
<b>Total</b>	<b>39</b>	<b>37</b>	<b>35</b>
Dove Airlines Private Limited #			
Nil (31st March, 2016 : 10,38,000, 1st April 2015 :10,38,000 ) equity shares of Rs.10/- each fully paid	-	325	393
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, 2016 : 12,50,000, 1st April 2015 :12,50,000 ) equity shares of THB.100/- each fully paid	1,675	1,833	2,092
<b>Total</b>	<b>3,669</b>	<b>3,721</b>	<b>4,013</b>
# During the year, the Group has disposed off its investment in its joint venture company "Dove Airlines Private Limited" and recognised an income of Rs 519 lakhs which has been shown under other income.			
<b>Financial Assets</b>			
<b>6 (ii) Investments</b>			
<b>Investment in equity instruments (unquoted)</b>			
<b>Investment in Other Companies (at cost)</b>			
Adityapur Toll Bridge Company Limited			
1,00,000 (31st March, 2016 : 1,00,000, 1st April 2015 : 1,00,000) equity shares of Rs.10 each fully paid	10	10	10
Less: provision for impairment	(5)	(5)	(5)
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>
Usha Communications Technology Limited BVI			
1,21,10,242 (31st March, 2016 : 1,21,10,242 , 1st April 2015 : 1,21,10,242) ordinary shares of USD 0.50 each fully paid	28	28	28
Less: provision for impairment	(28)	(28)	(28)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
UMI Special Steel Limited (under liquidation)*			
1,80,68,472 (31st March, 2016 : 1,80,68,472, 1st April 2015 : 1,80,68,472) equity shares of Rs.10/- each fully paid	*	*	*
Adityapur Auto Cluster			
1,000 (31st March, 2016 : 1,000, 1st April, 2015 : 1,000) equity shares of Rs.1000/- each fully paid	10	10	10
Less: provision for impairment	(10)	(10)	(10)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>
Aggregate amount of unquoted investments	3,733	3,785	4,077
Less: Provision for impairment	(59)	(59)	(59)
<b>Net investments</b>	<b>3,674</b>	<b>3,726</b>	<b>4,018</b>
* Amount is below the rounding off norm adopted by the Group			
<b>6 (iii) Loans and advances</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(At amortised cost)</b>			
<b>(Unsecured, considered good unless otherwise stated)</b>			
Loans to others	-	-	440
Loans to employees	133	70	49
<b>Total</b>	<b>133</b>	<b>70</b>	<b>489</b>
Loans and advances are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.			
<b>6 (iv) Other financial assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(At amortised cost)</b>			
<b>(Unsecured, considered good unless otherwise stated)</b>			
Long-term deposits with bank	-	-	22
Security deposits	1,631	1,636	1,617
Interest accrued but not due on deposits	282	212	200
<b>Total</b>	<b>1,913</b>	<b>1,848</b>	<b>1,839</b>

## Notes to the consolidated financial statements for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

7. Deferred tax assets (net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Deferred tax assets (DTA)</b>			
On expenses allowable against taxable income in future years	370	1,256	1,286
On carry-forward unabsorbed depreciation *	737	93	-
On carry-forward business losses	145	177	159
<b>Total DTA</b>	<b>1,252</b>	<b>1,526</b>	<b>1,445</b>
<b>Deferred tax liabilities (DTL)</b>			
Arising out of temporary difference in depreciable assets	46	101	33
Others	502	-	-
<b>Total DTL</b>	<b>548</b>	<b>101</b>	<b>33</b>
<b>Deferred tax assets (net)</b>	<b>704</b>	<b>1,425</b>	<b>1,412</b>
* Deferred tax assets on carry-forward unabsorbed depreciation have been limited to the extent of deferred tax liabilities, in view of the uncertainty of recovery of such assets against future taxable income.			
Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise.			

8. Advance income tax assets (net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance payment of income tax [net of provision for tax - Rs. 851 lakhs (31st March, 2016 : Rs.2,585 lakhs, 1st April 2015: Rs 5,551 lakhs)]	3,457	4,385	4,375
<b>Total</b>	<b>3,457</b>	<b>4,385</b>	<b>4,375</b>

9. Other non current assets	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(Unsecured, considered good unless otherwise stated)</b>			
Capital advances			
Considered good	2,862	2,998	590
Considered doubtful	240	240	37
Less : Allowance for doubtful capital advances	(240)	(240)	(37)
Leasehold land prepayments *	653	569	592
Prepaid expenses	83	34	8
Balances with government authorities			
Excise / Service Tax	53	20	-
Sales tax / VAT receivable	1,153	1,097	940
Deposit for fuel surcharge	2,660	2,885	500
Claims receivable			
Considered good	378	380	380
Considered doubtful	92	92	92
Less : Allowance for doubtful claims receivable	(92)	(92)	(92)
Advance against land - Coal Mines [refer note 39(a)]	2,851	-	-
<b>Total</b>	<b>10,693</b>	<b>7,983</b>	<b>3,010</b>
*Represents prepayments in respect of land taken under operating leases, being amortised over the period of lease.			

<b>Current assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>10. Inventories</b>			
Raw materials and packing materials	16,215	16,729	20,524
Goods-in-transit	10,440	6,268	18,222
	<b>26,655</b>	<b>22,997</b>	<b>38,746</b>
Work-in-progress	<b>35,729</b>	<b>33,238</b>	<b>46,186</b>
Finished goods	54,346	63,154	70,148
Goods-in-transit	3,478	3,531	4,418
	<b>57,824</b>	<b>66,685</b>	<b>74,566</b>
Stock-in-trade	<b>22</b>	<b>37</b>	<b>56</b>
Stores and spare parts	3,995	3,623	4,944
Goods-in-transit	1,262	160	121
	<b>5,257</b>	<b>3,783</b>	<b>5,065</b>
Loose tools	1,147	1,447	1,572
Scrap and by-product	4,274	1,183	406
<b>Total</b>	<b>1,30,908</b>	<b>1,29,370</b>	<b>1,66,597</b>

a) During the year ended 31st March, 2017, Rs. 1,407 lakhs (31st March, 2016: Rs. 1,065 lakhs ) was expensed to the statement of profit and loss for inventory recorded and measured at net realisable value being lower than cost.

b) For method of valuation of inventories, refer note 2B(n)

<b>11. Financial assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(i) Trade receivables</b>			
<b>(At amortised cost)</b>			
<b>(Unsecured, considered good unless otherwise stated)</b>			
Considered good	68,212	61,540	65,136
Considered Doubtful	918	476	1,180
Less: Allowance for doubtful debts	(866)	(476)	(1,180)
<b>Total</b>	<b>68,264</b>	<b>61,540</b>	<b>65,136</b>

No trade or other receivable 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 any firms or private companies respectively in which any director is a partner, director or a member

<b>(ii) Cash and cash equivalent</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
Balances with banks:			
On current accounts	4,224	4,767	6,208
Cheques/drafts in hand	7	17	554
Cash in hand	58	38	46
<b>Total</b>	<b>4,289</b>	<b>4,822</b>	<b>6,808</b>

Details of Specified bank notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December 2016 are provided in the below table :

	<b>SBNs</b>	<b>Other denomination notes</b>	<b>(Amount in Rs) Total</b>
Closing cash in hand as on 08.11.2016	1,390,000	1,254,246	2,644,246
Add : Unpermitted receipts*	133,000	-	133,000
Add : Permitted receipts	-	2,110,892	2,110,892
Less : Permitted payments	-	2,291,673	2,291,673
Less : Amount deposited into banks	1,523,000	-	1,523,000
<b>Closing cash in hand as on 30.12.2016</b>	<b>-</b>	<b>1,073,465</b>	<b>1,073,465</b>

\* Represents refund of advances by employees and internal departments

<b>(iii) Other bank balances</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
Unpaid dividend accounts #	28	40	50
Deposits with original maturity for more than 3 months but upto 12 months	34	69	3
Margin Money	744	617	441
<b>Total</b>	<b>806</b>	<b>726</b>	<b>494</b>
# Earmarked for payment of unclaimed dividend			
Deposits with original maturity for more than 3 months but upto 12 months earns interest at floating rates based on bank deposit rates. These deposits are made for varying periods of between three months and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.			

<b>(iv) Loans and advances (At amortised cost)</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(Unsecured, considered good unless otherwise stated)</b>			
Loans and advances to employees			
Considered good	137	243	199
Considered doubtful	10	8	8
Less: Allowance for doubtful loans and advances to employees	(10)	(8)	(8)
Loans and advances to body corporate	772	-	-
<b>Total</b>	<b>909</b>	<b>243</b>	<b>199</b>

<b>(v) Other financial assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(Unsecured considered good unless otherwise stated)</b>			
<b>Derivative not designated as hedges (at fair value through profit or loss)</b>			
Foreign exchange forward contracts	-	45	259
<b>Other financial assets (at amortised cost)</b>			
Accrued interest on deposits and others	118	6	4
Claims receivables	1	14	31
Security deposits			
Considered good	297	568	624
Considered doubtful	-	18	17
Less: Allowance for doubtful security deposits	-	(18)	(17)
<b>Total</b>	<b>416</b>	<b>633</b>	<b>918</b>

<b>12. Other current assets</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(Unsecured, considered good unless otherwise stated)</b>			
Advance against land - coal mines [refer note 39(a)]	10,532	13,980	14,179
Advances to suppliers			
Considered good	4,251	4,607	7,912
Considered doubtful	302	529	426
Less: Allowance for doubtful advances	(302)	(529)	(426)
Balance with statutory /government authorities			
Considered Good	6,282	3,889	3,680
Considered Doubtful	1,523	1,422	1,544
Less: Allowance for Doubtful Balance	(1,523)	(1,422)	(1,544)
Custom Duty Recoverable	503	503	503
Export incentive receivables	1,991	1,346	1,839
Prepaid expenses	1,962	2,566	2,518
Leasehold land Prepayments *	28	12	19
<b>Total</b>	<b>25,549</b>	<b>26,903</b>	<b>30,650</b>

\*Represents prepayments in respect of land taken under operating leases, being amortised over the period of lease.

Current Assets of the Company as disclosed vide note 10 to 12 are pledged against certain long term and short term borrowings taken by the Company as further explained in note 15(i), note 20(i), Acceptances shown under note 20(ii) and Current maturities of long-term borrowings shown under note 20(iii).

**EQUITY**

<b>13. Equity share capital</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>Authorised share capital</b>			
50,00,00,000 (31st March, 2016 : 50,00,00,000, 1st April 2015: 50,00,00,000) equity shares of Re. 1 each	5,000	5,000	5,000
1,00,00,000 (31st March, 2016 : 1,00,00,000, 1st April 2015: 1,00,00,000) cumulative redeemable preference shares of Rs. 50 each	5,000	5,000	5,000
	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid-up equity capital</b>			
30,47,41,780 (31st March, 2016 : 30,47,41,780, 1st April 2015: 30,47,41,780) equity shares of Re. 1 each	3,047	3,047	3,047
Add: Shares forfeited	7	7	7
<b>As at 31st March, 2017</b>	<b>3,054</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 reporting period :

		<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
No. of Equity shares outstanding at the beginning and end of the year	Numbers	30,47,41,780	30,47,41,780	30,47,41,780
Amount of Equity shares outstanding at the beginning and end of the year	Rs in lakhs	3,047	3,047	3,047

(b) 3,20,83,550 (31st March, 2016 : 3,58,33,550, 1st April, 2015 : 3,58,33,550) equity shares are represented by Global Depository Receipts (GDRs) out of above paid up equity shares.

**(c) Rights, preference and restrictions attached to shares issued**

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 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 remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

<b>Equity shares of Re. 1 each fully paid</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
UMIL Shares & Stock Broking Services Limited	3,88,88,369	3,88,88,369	3,88,88,369
% holding in the class	12.76%	12.76%	12.76%
Usha Martin Ventures Limited	2,06,27,588	2,06,27,588	2,06,27,588
% holding in the class	6.77%	6.77%	6.77%
Peterhouse Investments Limited	1,89,71,455	1,89,71,455	1,89,71,455
% holding in the class	6.23%	6.23%	6.23%
Peterhouse Investments India Limited	2,07,67,330	2,07,67,330	2,07,67,330
% holding in the class	6.81%	6.81%	6.81%
Deutsche Bank Trust group Americas	3,20,83,550	3,58,33,550	3,58,33,550
% holding in the class	10.53%	11.76%	11.76%
As per records of the group, including its register of shareholders / members and other declaration received from shareholders, the above shareholding represents legal ownership of 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.

14. Other equity	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Securities premium (Premium received on equity shares issued are recognised in the securities premium account)	85,584	85,584	85,584
Capital reserve (Capital reserve represents mainly state capital subsidy received from different state governments)	379	379	379
Capital redemption reserve (Reserve is created on redemption of preference shares as per statutory requirement)	6,631	6,631	5,731
General reserve (General reserve mainly represents appropriation from the statement of profit and loss)	54,439	54,439	54,183
Legal Reserve (Represents statutory amount set aside as per Limited Public Company Act, Thailand)	265	265	265
Retained earnings (Retained earnings includes surplus / (deficit) in statement of profit and loss and impact of Ind-AS adjustments on date of transition)	(59,250)	(23,359)	20,763
Other comprehensive income reserve (OCI reserve includes reserves created out of remeasurement gains/ losses on defined benefit plans and exchange differences in translating the financial statements of foreign operations)	(2,960)	1,999	-
Equity Warrant application money pending allotment #	-	-	3,000
Money Received against Share Warrant ##	-	2,934	-
Other Reserves (Represents money received against equity warrants earlier forfeited)	6,350	3,416	3,350 *
	<b>91,438</b>	<b>132,288</b>	<b>173,255</b>

\* On 21st December, 2007, the Company had allotted on a preferential basis to certain companies in the promoter group, 38,500,000 convertible equity warrants against receipt of 10% of the consideration of Rs. 87 per warrant determined in accordance with the related SEBI guideline. Each warrant was convertible into one equity share of nominal value of Re 1 each at a price of Rs 87 per share in lots at the option of the warrant holders within eighteen months from the date of allotment in accordance with relevant SEBI guidelines and the terms of the issue upon payment of balance consideration by the warrant holders. In case of non-exercise of the conversion option before the expiry of the period allowed for such conversion, 10% of the consideration received as aforesaid would be forfeited to the extent of conversion option not exercised. The holders of the said equity warrants informed the Company in March 2009 that they would not exercise the conversion option and accordingly, all these warrants were cancelled by forfeiting the amount of Rs 3,350 lakhs received in earlier year against issue of those warrants.

# On 1st April 2015, the Company had issued 34,285,600 equity warrants, each convertible into one equity share of Re. 1 each at the option of holders within a period of eighteen months from the date of allotment, at a price ("Consideration") of Rs. 35 (which includes premium of Rs. 34 per share), on preferential allotment basis to promoter/promoters' group and their relatives and associates in accordance with related SEBI Regulations. As per the terms of the issue, 25% of the consideration is payable by the applicants before allotment of equity warrants amounting to Rs 3,000 lakhs.

### The holders of the series J of the said equity warrants did not exercise the option for conversion of entire 7,50,000 equity warrants issued under the aforementioned series within stipulated time (the latest date for conversion for the said series) and accordingly the entire equity warrants issued under series J was cancelled and the amount of Rs.66 lakhs received in the year 2015-16 against issue of those warrants were forfeited.

During the year, balance 33,535,600 equity warrants issued earlier was not converted within the stipulated time and accordingly the same have been cancelled and the amount of Rs 2,934 lakhs have been forfeited, and transferred to other reserves.

Non - current liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
15. Financial liabilities			
(i) Borrowings			
(At amortised cost)			
Secured			
Term Loan from financial institutions (Rupee loans) #	20,149	30,993	33,989
Term Loan from banks ##	2,63,637	2,34,251	1,72,908
External commercial borrowings from bank###	-	33,127	62,500
Unsecured			
From body corporate (Rupee loans)	1,130	1,228	890
Finance lease obligation	122	140	140
Hire purchase	39	9	77
<b>Total *</b>	<b>2,85,077</b>	<b>2,99,748</b>	<b>2,70,504</b>

\* Net of unamortised ancillary borrowing cost of Rs. 1,372 lakhs (31st March, 2016 : 1,319 lakhs, 1st April, 2015 : Rs. 426 lakhs)



		Nature of security	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	<b>Term Loan</b>				
	<b>Secured</b>				
<b>#</b>	<b>From financial institution (Rupee loans)</b>				
(i)	Export Import Bank of India [refer note 20(iii)(i)]	A, D	-	13,750	15,997
(ii)	Export Import Bank of India	A, D	16,247	17,243	17,992
(iii)	Export Import Bank of India	A, B, C, D	3,902	-	-
			<b>20,149</b>	<b>30,993</b>	<b>33,989</b>
<b>##</b>	<b>From Banks</b>				
(iv)	ICICI Bank Limited	A, D	18,740	18,737	23,733
(v)	ICICI Bank Limited	A, D	11,992	11,992	14,614
(vi)	State Bank of Hyderabad	A, B, C, D	6,467	6,462	5,497
(vii)	State Bank of India	A, D	20,620	22,495	23,743
(viii)	State Bank of India	A, B, C, D	49,350	52,068	54,783
(ix)	State Bank of India	A	-	-	7,998
(x)	HDFC Bank Limited	A, B, D	1,983	1,599	3,199
(xi)	Ratnakar Bank Limited	A, B, D	11,119	12,499	13,875
(xii)	Bank of Baroda	A, B, D	13,198	14,036	14,779
(xiii)	ICICI Bank Limited	A, B, C, D	9,829	8,604	-
(xiv)	Axis Bank Limited	A, B, C, D	4,870	-	-
(xv)	Axis Bank Limited	A, B, C, D	13,763	13,715	-
(xvi)	State Bank of India	A, B, C, D	89,591	54,047	-
(xvii)	IndusInd Bank - Foreign currency term loan	E, F	3,643	-	-
(xviii)	IndusInd Bank	E, F	-	4,494	-
(xix)	Rabo Bank	G	2,595	3,026	2,825
(xx)	Barclays Bank	H	1,517	2,267	2,659
(xxi)	Barclays Bank	H	-	2,863	3,302
(xxii)	CIMB Bank	I	4,272	4,803	-
(xxiii)	Iberia Bank [refer note 20(iii)(xvi)]	J	-	-	883
(xxiv)	TMB Bank Limited	K	88	544	1,018
			<b>263,637</b>	<b>234,251</b>	<b>172,908</b>
### Refer note 20(iii)(ix) for nature of security, terms of payment and rate of interest.					
For compliance of loan covenants, refer note 44.					

#### Nature of security

- A These are secured by a first pari-passu charge by hypothecation over all the movable fixed assets (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) of the Company excluding the assets exclusively charged to other lenders.
- 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 Jhawar, Managing Director of the Company.
- D Pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively)
- E These are secured by a first pari-passu charge by hypothecation over all the movable fixed assets (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 first pari-passu charge by mortgage of a building (present and future) of Usha Martin America Incorporation.
- K These are secured against the corporate guarantee given by the Company.

#### Secured loan - terms of repayment

- (a) Rupee term loan from a financial institution amounting to Rs. 16,247 lakhs (31st March, 2016 : Rs. 17,243 lakhs, 1st April, 2015 : Rs. 17,992 lakhs) is repayable in three quarterly installments from 1st April, 2018 to 1st October, 2018. Interest is payable on monthly basis at long-term minimum lending rate plus 1.85% p.a.
- (b) Rupee term loan from a financial institution amounting to Rs. 3,902 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. Nil) is repayable in

forty quarterly installments from 1st January, 2020 to 1st October, 2029. Interest is payable on monthly basis at long-term minimum lending rate plus 2.00% p.a.

- (c) Rupee term loan from a bank amounting to Rs. 18,740 lakhs (31st March, 2016 : Rs. 18,737 lakhs, 1st April, 2015 : Rs. 23,733 lakhs) is repayable in sixteen quarterly installments from 29th June, 2018 to 29th March, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.
- (d) Rupee term loan from a bank amounting to Rs. 11,992 lakhs (31st March, 2016 : Rs. 11,992 lakhs, 1st April, 2015 : Rs. 14,614 lakhs) is repayable in eighteen quarterly installments from 30th June, 2018 to 30th September, 2022. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.
- (e) Rupee term loan from a bank amounting to Rs. 6,467 lakhs (31st March, 2016 : Rs. 6,462 lakhs, 1st April, 2015 : Rs. 5,497 lakhs) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate (MCLR) of the bank plus 2.85% p.a.
- (f) Rupee term loan from a bank amounting to Rs. 20,620 lakhs (31st March, 2016 : Rs. 22,495 lakhs, 1st April, 2015 : Rs. 23,743 lakhs) is repayable in sixteen quarterly installments from 30th June, 2018 to 31st March, 2022. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.40% p.a.
- (g) Rupee term loan from a bank amounting to Rs. 49,350 lakhs (31st March, 2016 : Rs. 52,068 lakhs, 1st April, 2015 : Rs. 54,783 lakhs) is repayable in twenty three quarterly installments from 30th June, 2018 to 31st December, 2023. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a.
- (h) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 7,998 lakhs) was repayable in two quarterly installments from 30th June, 2016 to 30th September, 2016. Interest was payable on monthly basis at base rate of the bank plus 1.55% p.a.
- (i) Rupee term loan from a bank amounting to Rs. 1,983 lakhs (31st March, 2016 : Rs. 1,599 lakhs, 1st April, 2015 : Rs. 3,199 lakhs) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis 11.55% p.a.
- (j) Rupee term loan from a bank amounting to Rs. 11,119 lakhs (31st March, 2016 : Rs. 12,499 lakhs, 1st April, 2015 : Rs. 13,875 lakhs) is repayable in twenty two quarterly installments from 30th April, 2018 to 31st July, 2023. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 1.75% p.a.
- (k) Rupee term loan from a bank amounting to Rs. 13,198 lakhs (31st March, 2016 : Rs. 14,036 lakhs, 1st April, 2015 : Rs. 14,779 lakhs) is repayable in nineteen quarterly installments from 30th June, 2018 to 31st December, 2022. Interest is payable on monthly basis at base rate of the bank plus 1.75% p.a.
- (l) Rupee term loan from a bank amounting to Rs. 9,829 lakhs (31st March, 2016 : Rs. 8,604 lakhs, 1st April, 2015 : Rs. Nil) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at base rate of the bank plus 2.00% p.a.
- (m) Rupee term loan from a bank amounting to Rs. 4,870 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. Nil) is repayable in twenty eight equal quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 1.85% p.a.
- (n) Rupee term loan from a bank amounting to Rs. 13,763 lakhs (31st March, 2016 : Rs. 13,715 lakhs, 1st April, 2015 : Rs. Nil) is repayable in twenty four quarterly installments from 30th June, 2018 to 31st March, 2024. Interest is payable on monthly basis at base rate of the bank plus 1.65% p.a.
- (o) Rupee term loan from a bank amounting to Rs. 89,591 lakhs (31st March, 2016 : Rs. 54,047 lakhs, 1st April, 2015 : Rs. Nil) is repayable in twenty eight quarterly installments from 31st March, 2019 to 31st December, 2025. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.50% p.a.
- (p) Foreign currency term loan from a bank amounting to Rs. 3,643 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. Nil) is repayable in twenty three quarterly installments from 28th April, 2018 to 28th January, 2024. Interest is payable on monthly basis at three month LIBOR plus 3% p.a.
- (q) Term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. 4,494 lakhs, 1st April, 2015 : Rs. Nil) was repayable in thirty one equal installments from 1st April, 2017 to 31st December, 2024. Interest was payable on monthly basis at floating rate linked to base rate plus 1.15% p.a. The loan is converted to foreign currency loan in March 2017, refer note (p) above.
- (r) Foreign currency term loan from a bank amounting to Rs. 2,595 lakhs (31st March, 2016 : Rs. 3,026 lakhs, 1st April, 2015 : Rs. 2,825 lakhs) is repayable in one hundred and eighty nine monthly installments from 1st April, 2018 to 31st December, 2033. Interest is payable on monthly basis at three month EURIBOR plus 2.1% p.a.
- (s) Foreign currency term loan from a bank amounting to Rs. 1,517 lakhs (31st March, 2016 : Rs. 2,267 lakhs, 1st April, 2015 : Rs. 2,659 lakhs) is repayable in eleven quarterly installments from 30th June, 2018 to 31st December, 2020. Interest is payable on monthly basis at three month LIBOR plus 2.1% p.a.
- (t) Foreign currency term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. 2,863 lakhs, 1st April, 2015 : Rs. 3,302 lakhs) was repayable in four quarterly installments from 30th June, 2017 to 31st March, 2018. Interest was payable on monthly basis at three month LIBOR plus 2.1% p.a. The foreign currency term loan is prepaid in the year 2016-17.
- (u) Foreign currency term loan from a bank amounting to Rs. 4,272 lakhs (31st March, 2016 : Rs. 4,803 lakhs, 1st April, 2015 : Rs. Nil) is repayable in ninety three monthly installments from 1st April, 2018 to 31st December, 2025. Interest is payable on monthly basis at one month LIBOR plus 2.59% p.a.
- (v) Foreign currency term loan from a bank amounting to Rs. 88 lakhs (31st March, 2016 : Rs. 544 lakhs, 1st April, 2015 : Rs. 1,018 lakhs) is repayable in three monthly installments from 1st April, 2018 to 30th June, 2018. Interest is payable on monthly basis at Minimum Lending Rate minus 2.5% p.a.
- (w) Outstanding balances of loans and terms of repayment as indicated in (a) to (v) above are exclusive of current maturities of such loans as disclosed in Note 20(iii).

#### Unsecured loan - terms of repayment

- (a) Rupee loans from a body corporate amounting to Rs. 1,130 lakhs (31st March, 2016 : Rs. 1,228 lakhs, 1st April, 2015 : Rs. 890 lakhs) is repayable in 164 quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2018 to 1st April, 2021. Interest is payable on quarterly basis at 11.81% p.a. and is exclusive of current maturities of such loan as disclosed in Note 20(iii).
- (b) Finance lease obligation amounting to Rs. 41 lakhs (31st March, 2016 : Rs. 18 lakhs, 1st April, 2015 : Rs. 4 lakhs) towards movable fixed assets is repayable in five yearly instalments from April 1, 2018 to March 31, 2023. Interest is payable on monthly basis at a range of 6.8% to 7% p.a.
- (c) Finance lease obligation amounting to Rs. 81 lakhs (31st March, 2016 : Rs. 122 lakhs, 1st April, 2015 : Rs. 136 lakhs) towards immovable fixed assets is repayable in ten quarterly instalments from April 30, 2018 to July 31, 2020. Interest is payable on monthly basis at a base rate of the bank plus 2.35% p.a.

(ii) Trade payables (At amortised cost)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Total outstanding dues of creditors other than micro and small enterprises	13	13	10
<b>Total</b>	<b>13</b>	<b>13</b>	<b>10</b>

(iii) Other financial liabilities (At amortised cost)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Capital creditors (including acceptances)	-	-	10,441
Security deposits received	205	176	69
<b>Total</b>	<b>205</b>	<b>176</b>	<b>10,510</b>

16. Other non-current liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Accruals for various obligations *	1,888	1,888	1,888
<b>Total</b>	<b>1,888</b>	<b>1,888</b>	<b>1,888</b>

\* Represents provisions for various obligations related to entry tax, sales tax and other legal cases

17. Provisions	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Provision for employee benefits</b>			
Gratuity (refer note 35)	2,747	2,182	1,759
Leave encashment	1,257	1,119	1,250
Long service award (refer note 35)	76	62	64
<b>Total</b>	<b>4,080</b>	<b>3,363</b>	<b>3,073</b>
<b>Others</b>			
Provision for site restoration and rehabilitation [refer note 33(iii)]	1,739	1,597	1,273
Provision for retirement compensation	630	591	672
<b>Total</b>	<b>6,449</b>	<b>5,551</b>	<b>5,018</b>

#### Site restoration and rehabilitation

Provision for site restoration and rehabilitation is held for the purpose of meeting site restoration obligation pursuant to Rule 23 under Mineral Conservation and Development (Amendment Rules, 2003) read with Section 18 of the Mines and Minerals (Development and Regulation) Act, 1957.

	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Opening balance</b>	1,597	1,273
Add: Provision created during the year	-	190
Add: Unwinding of discount	142	134
<b>Closing balance</b>	<b>1,739</b>	<b>1,597</b>

18. Government Grants	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Grants relating to property, plant and equipment	3,041	3,151	3,261
<b>Total</b>	<b>3,041</b>	<b>3,151</b>	<b>3,261</b>

Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets.

19. Deferred tax liabilities (net)	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Deferred tax assets (DTA)</b>			
On expenses allowable against taxable income in future years	5,774	4,847	4,379
On carry-forward unabsorbed depreciation *	58,841	54,941	43,758
On carry-forward business losses	9,495	6,002	-
Others	367	624	480
<b>Total DTA</b>	<b>74,477</b>	<b>66,414</b>	<b>48,617</b>
<b>Deferred tax liabilities (DTL)</b>			
Arising out of temporary difference in depreciable assets	75,275	68,189	56,800
Others	580	690	267
<b>Total DTL</b>	<b>75,855</b>	<b>68,879</b>	<b>57,067</b>
<b>Deferred tax liabilities (net)</b>	<b>1,379</b>	<b>2,465</b>	<b>8,450</b>
<b>DTA not recognised on unabsorbed depreciation which can be carried forward for an indefinite period</b>	<b>16,105</b>	<b>5,668</b>	<b>-</b>
* Deferred tax assets on carry-forward unabsorbed depreciation have been limited to the extent of deferred tax liabilities, in view of the uncertainty of recovery of such assets against future taxable income.			
Deferred tax assets and liabilities have been offset where they arise in the same legal entity and taxing jurisdiction but not otherwise.			
At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries and joint ventures for which deferred tax liabilities have not been recognised is Rs. 37,853 lakhs (31st March, 2016: Rs.44,190 lakhs and April 1, 2015: 45,196 lakhs). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.			

(a) Tax charge/(credit) recognised in the statement of profit and loss	Year ended 31st March, 2017	Year ended 31st March, 2016
<b>Current tax :</b>		
Current tax	781	750
Excess provision of earlier years written back	(67)	-
<b>Total current tax</b>	<b>714</b>	<b>750</b>
Deferred tax	(251)	(6,222)
<b>Total</b>	<b>463</b>	<b>(5,472)</b>
<b>Effective income tax rate (%)</b>	<b>1.30%</b>	<b>11.37%</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 are as follows:</b>		
Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
Accounting profit / (loss) before tax	(35,490)	(48,113)
Statutory income tax rate	34.61%	34.61%
<b>Tax at statutory income tax rate</b>	<b>(12,283)</b>	<b>(16,652)</b>
<b>Adjustments:</b>		
Disallowable expenses	479	3,412
Income exempt from tax	(245)	(73)
Unrecognised tax assets	10,436	5,668
Effect of tax rate differences of subsidiaries operating in other jurisdictions	518	390
Other non-deductible differences	1,558	1,783
<b>Total</b>	<b>463</b>	<b>(5,472)</b>

<b>Current liabilities</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>20. Financial liabilities</b>			
<b>(i) Borrowings</b>			
<b>(At amortised cost)</b>			
<b>Secured *</b>			
Loans repayable on demand	31,851	45,324	63,484
Working capital loans from banks	26,533	16,215	29,173
Buyer's credit from banks	16,312	28,057	24,614
<b>Unsecured loans</b>			
Indian rupee bill discounting #	20,589	14,169	17,165
<b>Total current borrowing</b>	<b>95,285</b>	<b>1,03,765</b>	<b>1,34,436</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 (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively). The loans are repayable on demand and carry interest @ 11.10% to 14.75% p.a. payable at monthly rests. Import buyer's credit carries interest @ 1/2/3/6 months LIBOR plus 20 bps p.a. to 100 bps p.a and local buyer's credit carries interest @ 8% to 9% p.a. Such buyer's credit from banks are repayable within 180 days.

# 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% to 9% p.a. and are repayable within 180 days.

<b>(ii) Trade payables</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(At amortised cost)</b>			
Total outstanding dues of micro and small enterprises (refer note 41)	1,168	684	394
Total outstanding dues of creditors other than micro and small enterprises	60,586	41,182	37,480
Acceptances	1,22,131	1,12,925	1,15,160
<b>Total</b>	<b>1,83,885</b>	<b>1,54,791</b>	<b>1,53,034</b>

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

Import acceptances carries interest @ 1/2/3/6 months LIBOR plus 20 bps p.a. to 100 bps p.a and inland acceptances carries interest @ 8% to 9% p.a. Such acceptances are repayable upto 180 days. These 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 (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively).

Refer Note 38B for explanations on the Group's liquidity risk management processes.

<b>(iii) Other financial liabilities</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
<b>(At amortised cost)</b>			
<b>Financial liabilities at fair value through profit or loss ##</b>			
<b>Derivatives not designated as hedges</b>			
Foreign exchange forward contracts	3,812	1,367	109
<b>Other financial liabilities at amorised cost</b>			
Liability towards project vendors (including acceptances)	7,723	12,460	26,736
Current maturities of long-term borrowings ###	55,978	43,645	34,517
Current maturities of finance lease obligation	16	10	5
Interest accrued but not due on borrowings	2,875	2,821	2,331
Interest accrued on trade payables and others	983	654	513
Unclaimed dividends (to be credited to Investor Education and Protection Fund as and when due) #	28	40	50
Equity warrant application money received in excess	10	10	10
Payable relating to coal mines	1,384	1,384	1,384
Claims payable	-	20	10
Security deposits received	839	1,393	215
Other payables	1,025	485	382
Employees benefits payable	4,476	3,989	4,390
<b>Total</b>	<b>79,149</b>	<b>68,278</b>	<b>70,652</b>

# 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.

## Financial liabilities at fair value through profit and loss

Derivative instruments at fair value through profit or 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.

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

	Term Loan	Nature of security	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	<b>Secured</b>				
	<b>From financial institutions (Rupee loans)</b>				
(i)	Export Import Bank of India	A, D	13,750	3,000	3,750
(ii)	Export Import Bank of India	A, D	1,000	1,000	1,200
			<b>14,750</b>	<b>4,000</b>	<b>4,950</b>
	<b>From banks</b>				
(iii)	ICICI Bank Limited	A, D	-	-	375
(iv)	ICICI Bank Limited	A, D	-	-	1,250
(v)	State Bank of Hyderabad	A	-	-	2,500
(vi)	State Bank of India	A, D	1,875	-	1,250
(vii)	State Bank of India	A, B, C, D	2,750	-	-
(viii)	State Bank of India	A	-	-	6,000
(ix)	State Bank of India - External Commercial Borrowing	A, B, D	32,425	33,127	15,625
	<b>Term Loan</b>	<b>Nature of security</b>	<b>As at 31st March, 2017</b>	<b>As at 31st March, 2016</b>	<b>As at 1st April, 2015</b>
(x)	HDFC Bank Limited	A	-	1,600	1,600
(xi)	Ratnakar Bank Limited	A, B, D	1,400	1,400	-
(xii)	Bank of Baroda	A, B, D	846	750	188
(xiii)	IndusInd Bank - Foreign currency term loan	E, F	634	666	-
(xiv)	CIMB Bank	G	430	398	-
(xv)	TMB Bank Limited	H	454	454	464
(xvi)	Iberia Bank	I	-	935	83
			<b>40,814</b>	<b>39,330</b>	<b>29,335</b>
	<b>Unsecured</b>				
(xvii)	From body corporate (Rupee loans)		414	315	232
			<b>414</b>	<b>315</b>	<b>232</b>
	<b>Total</b>		<b>55,978</b>	<b>43,645</b>	<b>34,517</b>

**Nature of security**

- A These are secured by a first pari-passu charge by hypothecation over all the movable fixed assets (present and future) and also a first pari-passu charge by mortgage over land and other immovable properties (present and future) excluding the assets exclusively charged to other lenders.
- B These are secured by a second charge on entire current assets of the Company (present and future), parri passu with other term lenders.
- C Personal guarantee of Mr. Rajeev Jhawar, Managing Director of the Company.
- D Pledge of promoter's holding to the extent of 26% equity in the Company on pari-passu basis (13% equity each pledged on October 19, 2016 and May 2, 2017 respectively)
- E These are secured by a first pari-passu charge by hypothecation over all the movable fixed assets (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), parri 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 Usha Martin Singapore Pte. Limited.
- H These are secured against the corporate guarantee given by the Company.
- I These are secured by a first pari-passu charge by mortgage of a building (present and future) of Usha Martin America Incorporation.

**Secured loan - terms of repayment**

- (a) Rupee term loan from a financial institution amounting to Rs.13,750 lakhs (31st March, 2016 : Rs. 3,000 lakhs, 1st April, 2015 : Rs. 3,750 lakhs ) is repayable in three quarterly installments from 1st April, 2017 to 1st October, 2017. Interest is payable on monthly basis at long-term minimum lending rate plus 1.85% p.a.
- (b) Rupee term loan from a financial institution amounting to Rs. 1,000 lakhs (31st March, 2016 : Rs. 1,000 lakhs, 1st April, 2015 : Rs. 1,200 lakhs) is repayable in four quarterly installments from 1st April, 2017 to 1st January, 2018. Interest is payable on monthly basis at long-term minimum lending rate plus 1.85% p.a.
- (c) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 375 lakhs) was repayable in one installment on 31st March, 2016. Interest was payable on monthly basis at base rate of the bank plus 2.50% p.a.
- (d) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 1,250 lakhs) was repayable in four quarterly installments from 29th June, 2015 to 29th March, 2016. Interest was payable on monthly basis at base rate of the bank plus 2.50% p.a.
- (e) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 2,500 lakhs) was repayable in four quarterly installments from 31st May, 2015 to 31st January, 2016. Interest was payable on monthly basis at base rate of the bank plus 1.55% p.a.
- (f) Rupee term loan from a bank amounting to Rs. 1,875 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 1,250 lakhs) is repayable in four quarterly installments from 30th June, 2017 to 31st March, 2018. Interest

is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.40% p.a.

- (g) Rupee term loan from a bank amounting to Rs. 2,750 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. Nil lakhs) is repayable in four quarterly installments from 30th June, 2017 to 31st March, 2018. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 2.90% p.a.
- (h) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. Nil, 1st April, 2015 : Rs. 6,000 lakhs) was repayable in four quarterly installments from 30th June, 2015 to 31st March, 2016. Interest was payable on monthly basis at base rate of the bank plus 1.55% p.a.
- (i) External commercial borrowing from a bank amounting to Rs. 32,425 lakhs (31st March, 2016 : Rs. 33,127, 1st April, 2015 : Rs. 15,625 lakhs) is repayable in four quarterly installments from 28th April, 2017 to 31st January, 2018. Interest is payable on quarterly basis at three month LIBOR plus 2.85% p.a.
- (j) Rupee term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. 1,600 lakhs, 1st April, 2015 : Rs. 1,600 lakhs) was repayable in four quarterly installments from 29th April, 2016 to 29th Jan, 2017. Interest was payable on monthly basis at base rate of the bank plus 1.75% p.a.
- (k) Rupee term loan from a bank amounting to Rs. 1,400 lakhs (31st March, 2016 : Rs. 1,400 lakhs, 1st April, 2015 : Rs. Nil) is repayable in four quarterly installments from 30th April, 2017 to 31st January, 2018. Interest is payable on monthly basis at one year marginal cost of fund lending rate of the bank plus 1.75% p.a.
- (l) Rupee term loan from a bank amounting to Rs. 846 lakhs (31st March, 2016 : Rs. 750 lakhs, 1st April, 2015 : Rs. 188 lakhs) is repayable in four

quarterly installments from 30th June, 2017 to 31st March, 2018. Interest is payable on monthly basis at base rate of the bank plus 1.75% p.a.

- (m) Foreign currency term loan from a bank amounting to Rs. 634 lakhs (31st March, 2016 : Rs. 666 lakhs, 1st April, 2015 : Rs. Nil) is repayable in four quarterly installments from 28th April, 2017 to 28th January, 2018. Interest is payable on monthly basis at three month LIBOR plus 3% p.a.
- (n) Foreign currency term loan from a bank amounting to Rs. 430 lakhs (31st March, 2016 : Rs. 398 lakhs, 1st April, 2015 : Rs. Nil) is repayable in twelve monthly installments from 1st April, 2017 to 31st March, 2018. Interest is payable on monthly basis at one month LIBOR plus 2.59% p.a.
- (o) Foreign currency term loan from a bank amounting to Rs. 455 lakhs (31st March, 2016 : Rs. 454 lakhs, 1st April, 2015 : Rs. 464 lakhs) is repayable in twelve monthly installments from 1st April, 2017 to 31st March, 2018. Interest is payable on monthly basis at Minimum Lending Rate minus 2.5% p.a.
- (p) Foreign currency term loan from a bank amounting to Rs. Nil (31st March, 2016 : Rs. 935 lakhs, 1st April, 2015 : Rs. 83 lakhs) is repayable in twelve monthly installments from 1st April, 2017 to 31st March, 2018. Interest is payable on monthly basis at one month LIBOR plus 2.5% p.a.

#### Unsecured loan - terms of repayment

- (a) Rupee loans from a body corporate amounting to Rs. 414 lakhs (31st March, 2016 : Rs. 315 lakhs, 1st April, 2015 : Rs. 232 lakhs) is repayable in 60 quarterly instalments (comprising of various loans with different quarterly payment schedules) between 1st April, 2017 to 31st March, 2018. Interest is payable on quarterly basis at 11.81% p.a.

21. Other current liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Advance from customers *	6,100	3,809	4,154
Statutory dues payable #	11,046	11,436	8,793
Advance received against sale of land [ refer note 39(d) ]	1,239	-	-
<b>Total</b>	<b>18,385</b>	<b>15,245</b>	<b>12,947</b>
* Advance from customers includes the amount received towards sale of goods and are non-interest bearing			
# Statutory dues primarily includes payable in respect of excise duty, VAT, service tax, tax deducted at source etc.			

22. Provisions	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>Provision for employee benefits</b>			
Gratuity (Refer note 35)	254	163	159
Leave encashment	175	140	144
Long service award (Refer note 35)	17	16	20
<b>Total</b>	<b>446</b>	<b>319</b>	<b>323</b>
<b>Others</b>			
Provision for income tax (net of taxes paid)	284	654	655
Provision for wealth tax	-	-	20
Provision for Retirement compensation (Refer note 35)	49	97	66
	<b>779</b>	<b>1,070</b>	<b>1,064</b>

23. Government Grants	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Grants relating to property, plant and equipment (refer note 18)	110	110	110
	<b>110</b>	<b>110</b>	<b>110</b>



## Notes to the consolidated financial statements for the year ended 31st March, 2017

(All amounts in Rs. Lakhs, unless otherwise stated)

24. Revenue from Operations	Year ended 31st March, 2017	Year ended 31st March, 2016
Sale of goods (including excise duty)	4,12,159	4,38,696
Sale/ rendering of services	2,739	2,750
Other operating revenue:		
Product scrap sales	8,957	7,543
Sale of captive power	395	276
Export incentives	1,260	1,255
<b>Total</b>	<b>4,25,510</b>	<b>4,50,520</b>
(i) Sales are net of price adjustments settled during the year by the Group and discounts, trade incentives, VAT, Sales Tax etc.		
(ii) Sale of goods includes excise duty collected from customers of Rs. 37,316 lakhs (31st March, 2016: Rs. 39,296 lakhs).		

25. Other Income	Year ended 31st March, 2017	Year ended 31st March, 2016
Miscellaneous scrap sales	427	522
Income from Current Investments	-	16
Foreign exchange differences (net)	1,298	-
Liabilities no longer required written back	1,328	1,015
Allowance for doubtful debts and advances no longer required written back	355	350
Claims Received	154	118
Net gain on sale of property, plant and equipment #	3,188	-
Gain on sale of non-current investments carried at cost ##	519	-
Rent Received	435	551
Discount and Reimbursements related to Group	-	30
Other non operating income ###	3,514	427
Interest income from financial assets at amortised cost :		
On bank deposits	9	12
On other deposits	88	87
On customers on amount overdue	22	10
On tax refunds	256	82
On advances	281	-
On others	117	31
	<b>11,991</b>	<b>3,251</b>
Year ended 31st March, 2017 includes:		
# Rs. 3,310 lakhs on account of profit on sale of land		
## Rs. 519 lakhs towards sale of its entire stake in Dove Airlines Private Limited, a Joint Venture Company		
### Rs. 3,221 lakhs towards recognition of accumulated Cenvat Credit against Service Tax paid on various input services at the Iron Ore Mines, pertaining to Steel segment.		

26. Cost of materials consumed	Year ended 31st March, 2017	Year ended 31st March, 2016
Opening Stock	22,997	38,746
Add: Purchases	170,383	156,766
	<b>193,380</b>	<b>195,512</b>
Less: Closing stock	26,655	22,997
<b>Cost of materials consumed *</b>	<b>166,725</b>	<b>172,515</b>
* Cost of materials consumed includes packing materials amounting to Rs 3,202 lakhs (31st March, 2016 : Rs. 3,705 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, 2017</b>	<b>Year ended 31st March, 2016</b>
<b>(A) Finished Goods</b>		
Opening Stock (refer note below)	67,565	75,443
Less : Closing Stock (refer note below)	59,263	67,565
	<b>8,302</b>	<b>7,878</b>
<b>(B) Work-in-progress</b>		
Opening Stock	33,238	46,186
Less : Closing Stock	35,729	33,238
	<b>(2,491)</b>	<b>12,948</b>
<b>(C) Stock-in-trade</b>		
Opening Stock	37	56
Less : Closing Stock	22	37
	<b>15</b>	<b>19</b>
<b>(D) Scrap/by-product</b>		
Opening Stock	1,183	406
Less : Closing Stock	4,274	1,183
	<b>(3,091)</b>	<b>(777)</b>
<b>Net (Increase) / decrease in inventories [(A) + (B) + (C) + (D)]</b>	<b>2,735</b>	<b>20,068</b>
For (increase)/decrease in inventories, opening and closing inventories of finished goods as disclosed above, for subsidiaries incorporated outside of India are excluding provision for slow moving items which, as per requirements of the statute in the respective countries, are accounted for in "Other expenses". The cumulative provision as at 31st March, 2017 is Rs. 1,439 lakhs (31st March, 2016 : Rs. 880 lakhs).		

<b>28. Employee Benefits Expense</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Salaries, wages and bonus	32,718	32,914
Contribution to provident and other funds	1,805	1,853
Gratuity expense (refer note 35)	338	302
Staff welfare expenses	2,536	2,262
<b>Total</b>	<b>37,397</b>	<b>37,331</b>

<b>29. Finance costs</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Interest expense on financial liabilities	53,644	51,343
Unwinding of discount and effect of changes in discount rate on provisions (refer note 17)	142	134
Other borrowing costs	2,638	3,186
<b>Total @</b>	<b>56,424</b>	<b>54,663</b>
@ Net of Capitalisation	Nil	45

<b>30. Depreciation and amortisation expense</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Depreciation of property, plant and equipment and investment property (refer note 3 and note 4)	29,646	30,801
Amortization of intangible assets (refer note 5)	462	107
	<b>30,108</b>	<b>30,908</b>
Less : recoupment from Government grants (refer note 18)	110	110
	<b>29,998</b>	<b>30,798</b>

<b>31. Other Expenses</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
Consumption of stores and spares	20,691	22,634
Material Handling Charges	13,481	19,166
Royalty	3,424	7,040
Processing Charges	5,854	5,901
Excise Duty on increase/(decrease) in inventories	252	(1,256)
Power and Fuel	35,392	34,413
Freight and forwarding charges	16,753	19,505
Rent and hire charges	1,063	1,194
Leasehold prepayments amortisation	28	28
Rates and Taxes	802	873
Insurance	1,218	1,439
Operations and maintenance :		
Plant and machinery	13,692	16,130
Buildings	1,569	1,680
Corporate social responsibility (CSR) expenditure [refer note (ii) below]	210	558
Travelling and conveyance	1,245	1,351
Consultants and professional fees	1,595	1,639
Directors' sitting fees	56	36
Remuneration to auditor [refer note (i) below]	337	291
Bad Debts / advances written off	497	80
Allowance for doubtful debts and advances	557	338
Foreign exchange differences (net)	-	4,050
Fair value loss on derivative contracts (net)	3,762	698
Tangible Assets/Capital Work-in-progress written off	33	20
Loss on sale of property, plant and equipment (net)	-	50
Provision for slow moving items and diminution in realisable value	559	227
Miscellaneous expenses	7,379	6,091
	<b>1,30,449</b>	<b>1,44,176</b>
<b>(i) Remuneration to auditors comprises of :</b>		
<b>As auditor:</b>		
As auditor - for statutory audit and limited reviews	211	161
Tax audit fee	18	10
For other services	96	113
Reimbursement of expenses	12	7
<b>Total *</b>	<b>337</b>	<b>291</b>
* Remuneration to auditors for the year ended 31st March, 2017 includes Rs. 38 lakhs paid to predecessor statutory auditors of the Company.		
<b>(ii) Details of CSR expenditure</b>		
a) Gross amount required to be spent by the group during the year	NA	NA
b) Amount spent during the year		
i. Construction / acquisition of any asset	-	-
ii. On purposes other than (i) above	210	558
<b>Total</b>	<b>210</b>	<b>558</b>
(iii) Research and development costs that are not eligible for capitalisation have been expensed during the year amounting to Rs. 347 lakhs (31st March, 2016: Rs 331 lakhs), and they are recognised in miscellaneous expenses.		

<b>32. Earnings / (loss) per equity share (EPS)</b>	<b>Year ended 31st March, 2017</b>	<b>Year ended 31st March, 2016</b>
The following reflects the income and share data used in the basic and diluted EPS computations :		
<b>Net loss before OCI attributable to equity holders for basic and diluted EPS</b>	(35,891)	(42,972)
Weighted average number of equity share for basic and diluted EPS	30,47,41,780	30,47,41,780
Basic and diluted earnings / (loss) per share (Rs.)	(11.78)	(14.10)
Nominal value per share (Re.)	1	1

**33. Significant accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, 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 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) Useful economic lives of property, plant and equipment and impairment of non-financial assets**

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.

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.

**(ii) 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 significant 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 involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

**(iii) Provisions for site restoration**

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 in 20 years' time upon the expiration of the lease and calculates the provision using the DCF method based on discount rate of 10.95%.

**(iv) Defined benefit plan**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation 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 operated in India, 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.

**(v) 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.

Deferred tax assets on unabsorbed depreciation/business loss have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax assets.

**34. Commitments and contingencies****(a) Leases****Operating lease commitments — Group as lessee**

The Group has two non-cancellable operating lease agreements both having a tenure of fifteen years, in connection with establishment and operation of plants, by the lessor, for production of gaseous oxygen to cater to the Group's Steel Plant at Jamshedpur. One of such agreements became operative in 2001-02 (Lease A) and the other one has become operative in 2007-08 (Lease B). Both these lease agreements have been extended till 2026-27. The Group pays minimum lease rent fixed, as well as, variable operating and maintenance charges for both the leases.

In respect of lease A, 30% of lease rent, fixed and variable operation and maintenance charges are escalated every quarter in the same proportion as increase in Wholesale Price Index published by the Reserve Bank of India in its bulletin (base period 1st August, 1999).

In respect of lease B, 70% of lease rents and operation and maintenance charges are escalated every quarter in the same proportion as increase in Wholesale Price Index published by the Reserve Bank of India in its bulletin (base period 20th April, 2007)

Future minimum rentals payable under all non-cancellable operating leases are, as follows:

Lease Rent	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within one year	1,776	1,404	1,495
After one year but not more than five years	5,104	3,880	4,248
More than five years	10,962	11,952	5,591

Operation and Maintenance Charges	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Within one year	391	296	296
After one year but not more than five years	1,223	1,069	1,111
More than five years	1,587	2,001	2,255

The above amounts are exclusive of taxes and duties and escalation charges. 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, 2017	Year ended 31st March, 2016
Lease Rent	2,187	1,636
Operation and Maintenance Charges	399	343
Escalation Charges and Taxes	339	110
<b>Total</b>	<b>2,925</b>	<b>2,089</b>

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. Terms of the lease include operating term for renewal, increase in rent in future periods and term of cancellation. Related lease rentals aggregating Rs. 600 lakhs (31st March, 2016 : Rs. 680 lakhs) have been debited to the statement of profit and loss.

**Operating lease — Group as lessor**

The Group 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. 349 lakhs [United States Dollar 5 lakhs] [31st March, 2016 : Rs. 455 lakhs (United States Dollar 7 lakhs)] has been recognized in the statement of profit and loss for the year.

<b>(b) Commitments</b>	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(i) Capital Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,057	4,374	5,942
<b>(ii) Other Commitments</b>			
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the next eight /six years. If the Company is unable to meet these obligations, its liability would be Rs. 3,482 lakhs (31st March, 2016 : Rs. 3,482 lakhs and April 1, 2015 Rs 3,482 lakhs), excluding interest thereon, which will reduce in proportion to actual exports. The Company is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any provision in its financial statements.	2,35,102	3,34,950	1,80,076
Outstanding Letter of Credit for materials yet to be received	391	2,738	1,024
<b>(iii) Financial Guarantees</b>			
The Group has given financial guarantees aggregating Rs. 13,935 lakhs (31st March, 2016 : Rs. 17,802 lakhs , April 1, 2015 : Rs. 4,831 lakhs) details of which are as below:			
(a) in favour of the nominated authority, New Delhi against the allocation of Brinda & Sasai coal block	13,371	13,371	-
(b) in favour of various parties against various contracts.	564	4,431	4,831

(c) Contingent liabilities	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(i) 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	1,951	1,951	1,940
Demand for Sales Tax and Entry Tax	8,409	7,144	6,063
Demand for Excise Duty and Service Tax	8,606	7,388	7,230
Demand for Customs Duty	1,360	1,339	575
Outstanding Labour Disputes	77	67	59
Electricity duty rebate matters which is subjudice	552	552	552
Demand for Fuel Surcharge matter is pending with appropriate authority	6,579	6,579	1,637
Electricity demand on account of Low Power Factor pending with appropriate authority	4,904	4,904	-
Demand for Mining matter is pending with appropriate authority	7,534	7,460	7,033
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	27,146	-	-
Demand for financial assurance amount in Escrow account	226	-	-
Disputed claims by a party not acknowledged by the Company	1,286	-	-
* 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 Group, the management believes that the Group has a good chance of success in above mentioned matters and hence no provision there against is considered necessary.			
(ii) Custom duty against fulfillment of export obligation excluding interest thereon [Also refer note 34(b)(ii)]	3,482	3,482	3,482

### 35. Post employment defined contribution plans and post employment defined benefit plans

#### (a) Post employment defined contribution plans

	Year ended 31st March, 2017	Year ended 31st March, 2016
Amount recognised in the statement of profit and loss		
(i) Provident fund paid to the authorities *	121	164
(ii) Pension fund paid to the authorities	787	847
(iii) Superannuation fund - Contribution payable / paid to a Trust	384	358
	<b>1,292</b>	<b>1,369</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., 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

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 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 and loss	Year ended 31st March, 2017				Year ended 31st March, 2016			
		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	158	24	9	76	141	37	9	9
2	Interest cost	356	18	1	10	381	12	1	2
3	Expected return on plan assets	(218)	-	-	-	(269)	-	-	-
4	<b>Total</b>	<b>296</b>	<b>42</b>	<b>10</b>	<b>86</b>	<b>253</b>	<b>49</b>	<b>10</b>	<b>11</b>
	<b>Expenses recognised in Other Comprehensive Income</b>								
5	Actuarial ( gains )/losses	175	10	-	(75)	107	24	-	3
6	<b>Total expense</b>	<b>471</b>	<b>52</b>	<b>10</b>	<b>11</b>	<b>360</b>	<b>73</b>	<b>10</b>	<b>14</b>

B Net asset / ( liability ) recognised in the balance sheet for Gratuity (funded)		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1	Present value of defined benefit obligation	5,156	5,014	5,134
2	Fair value of plan assets	2,599	2,892	3,358
3	<b>Net asset / ( liability )</b>	<b>(2,557)</b>	<b>(2,122)</b>	<b>(1,776)</b>

C	Change in the present value of the defined benefit obligation during the year	Year ended 31st March, 2017				Year ended 31st March, 2016			
		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>5,014</b>	<b>223</b>	<b>88</b>	<b>688</b>	<b>5,134</b>	<b>142</b>	<b>84</b>	<b>738</b>
2	Current service cost / plan amendments	158	24	9	76	141	37	9	9
3	Interest cost	356	18	1	10	381	12	1	2
4	Benefits paid	(546)	(4)	(5)	(17)	(749)	(2)	(6)	(47)
5	Actuarial ( gains ) / losses								
	Arising from changes in experience	625	(70)	-	(48)	107	24	-	3
	Arising from changes in financial assumptions	(450)	80	-	(27)	-	-	-	-
	<b>Total</b>	<b>175</b>	<b>10</b>	<b>-</b>	<b>(75)</b>	<b>107</b>	<b>24</b>	<b>-</b>	<b>3</b>
6	Exchange differences on foreign plans	-	(2)	-	(4)	-	10	-	(17)
7	<b>Present value of defined benefit obligation at the end of the year</b>	<b>5,156</b>	<b>269*</b>	<b>93</b>	<b>679</b>	<b>5,014</b>	<b>223</b>	<b>88</b>	<b>688</b>

\* Excludes liability for gratuity amounting to Rs. 176 lakhs (31st March, 2016 : Rs. Nil, 1st April, 2015 : Nil) of Usha Martin Singapore Pte Limited, a subsidiary of the Company. The unfunded gratuity plan has been introduced in the current year by the subsidiary and hence, the liability has been provided on actual basis.

D Change in the fair value of plan assets during the year		Year ended 31st March, 2017	Year ended 31st March, 2016
		Gratuity	
1	Plan assets at the beginning of the year	2,892	3,358
2	Expected return on plan assets	218	269
3	Contribution by employer	35	14
4	Actual benefits paid	(546)	(749)
5	<b>Plan assets at the end of the year</b>	<b>2,599</b>	<b>2,892</b>

E In 2017-18, the Company expects to contribute Rs 75 lakhs (2016-17: Rs 23 lakhs, 2015-16- Rs 2 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, 2017	As at 31st March, 2016	As at 1st April, 2015
		<b>Gratuity (funded)</b>		
	Investments with insurer	99%	99%	99%
	Cash and Cash Equivalent	1%	1%	1%
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

G	Actuarial assumptions	As at 31st March, 2017				As at 31st March, 2016			
		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	7.5% / 7.40%	8.00%	7.50%	2.18%	8% / 7.84%	8.00%	7.50%	1.50%
2	Expected rate of return on plan assets	7.5% / 7.40%	NA	NA	NA	8.00%	NA	NA	Not Applicable
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%	3% - 49%	1%	1%	1%	7% - 51%

**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, 2017			As at 31st March, 2016		
	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Retirement Compensation (Unfunded)
Not later than 1 year	516	3	49	387	1	98
Later than 1 year and not later than 5 years	1,675	27	356	1,752	18	427
Later than 5 year and not later than 10 years	2,078	6	614	1,956	87	478
More than 10 years	6,734	167	1,205	7,365	714	1,062
Total expected payments	11,004	204	2,223	11,461	821	2,064
The weighted average duration of the defined benefit obligation as at 31st March, 2017 is 17 years (31st March, 2016 : 18 years)						

<b>J Sensitivity analysis</b>								
The basis of various assumptions used in actuarial valuations and their quantitative sensitivity analysis is as shown below:								
Increase /(Decrease) in defined benefit obligation	Year ended 31st March, 2017				Year ended 31st March, 2016			
	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%	(245)	(16)	(74)	(38)	(252)	(14)	(75)	(33)
Decrease by 0.5%	246	20	79	41	253	16	80	36
<b>Expected rate of increase in compensation level of covered employees</b>								
Increase by 0.5%	219	19	79	34	192	16	80	29
Decrease by 0.5%	(222)	(16)	(75)	(32)	(191)	(14)	(76)	(27)
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.

**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 issued by the Accounting Standards Board of the Institute of Chartered Accountants of India, 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 PUCM 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 513 lakhs (31st March, 2016 : Rs 484 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.

<b>Principal Actuarial Assumptions</b>		
Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:		
	As at 31st March, 2017	As at 31st March, 2016
Discount Rate	7.50%	8.00%
Expected rate of increase in compensation level of covered employees	5.00%	6.00%
In service mortality	IALM (2006-08)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate
EPFO Return	8.65%	8.80%

<b>36. Related party disclosures</b>	
(i) Related Parties	
(a) Joint Venture Companies	Pengg Usha Martin Wires Private Limited (PUMWPL)
	CCL Usha Martin Stressing Systems Limited (CCLUMSSL)
	Dove Airlines Private Limited (DAPL) (ceased to be JV from 4th August, 2016)
	Tesac Usha Wire Rope Company Limited (TUWCL)
(b) Key Management Personnel	Mr. Basant Kumar Jhavar, Chairman Emeritus
	Mr. Prashant Jhavar, Chairman (till 25th April, 2017)
	Mr. Rajeev Jhavar, Managing Director
	Mr. P.K.Jain, Joint Managing Director (Wire & Wire Rope Business)
	Mr. A. K. Somani, Chief Financial Officer and Company Secretary (up to 30th June 2016)
	Mr. Rohit Nanda, Chief Financial Officer (From 1st July, 2016)
	Ms. Shampa Ghosh Ray, Company Secretary (From 8th August 2016)
	Mr. Brij K Jhavar, Director
	Mr. Jitender Balakrishnan, Director
	Mr. G.N.Bajpai, Director (Chairman w.e.f. 25th April, 2017)
	Mr. Salil Singhal, Director
	Mr. P.S.Bhattacharyya, Director
	Mr. V. Ramakrishna Iyer, Director
	Mr. M. Rohatgi, Director (From 9th December, 2016)
	Ms. A. Ramakrishnan, Director (From 9th December, 2016)
	Ms. Ramni Nirula, Director (upto 4th April, 2016)
(c) Enterprise over which key managerial personnel are able to exercise significant influence	Ambe International Pte. Limited (AIPL)
(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
	Pengg Austria AG (Holding Company of PUMWPL)

36. Related party disclosures									
(ii) Particulars of Transactions during year ended 31st March, 2017									
Name and Relationship		Transactions during the period							
		Sale of Products and Services	Purchase of Goods	Interest Expenses/ (Income) (Net)	Directors' / Key Management Personnels' Remuneration	Directors' Sitting fees	Reimbursement/ ( Recoveries) of Expenses (Net)	Loans/ Advances (taken)/ given (net)	Contribution to Employees Provident fund Trust
Key Management Personnel and Relatives									
Mr. Rajeev Jhawar	31st March, 2017	-	-	-	178	-	-	-	-
	31st March, 2016	-	-	-	161	-	-	-	-
Mr. Brij K Jhawar	31st March, 2017	-	-	-	-	7	-	-	-
	31st March, 2016	-	-	-	-	3	-	-	-
Mr. P. K. Jain	31st March, 2017	-	-	-	189	-	-	-	-
	31st March, 2016	-	-	-	202	-	-	-	-
Mr. A. K. Somani	31st March, 2017	-	-	-	54	-	-	-	-
	31st March, 2016	-	-	-	159	-	-	-	-
Mr. Rohit Nanda	31st March, 2017	-	-	-	83	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
Ms. Shampa Ghosh Ray	31st March, 2017	-	-	-	14	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
Mr. Basant Kumar Jhawar	31st March, 2017	-	-	-	-	3	-	-	-
	31st March, 2016	-	-	-	-	2	-	-	-
Mr. Prashant Jhawar	31st March, 2017	-	-	-	-	3	-	-	-
	31st March, 2016	-	-	-	-	3	-	-	-
Mr. Jitender Balakrishnan	31st March, 2017	-	-	-	-	12	-	-	-
	31st March, 2016	-	-	-	-	7	-	-	-
Mr. G.N.Bajpai	31st March, 2017	-	-	-	-	12	-	-	-
	31st March, 2016	-	-	-	-	7	-	-	-
Mr. Salil Singhal	31st March, 2017	-	-	-	-	7	-	-	-
	31st March, 2016	-	-	-	-	5	-	-	-
Mr.P.S.Bhattacharyya	31st March, 2017	-	-	-	-	7	-	-	-
	31st March, 2016	-	-	-	-	4	-	-	-
Mr. V. Ramakrishna Iyer	31st March, 2017	-	-	-	-	3	-	-	-
	31st March, 2016	-	-	-	-	1	-	-	-
Mr. M. Rohatgi	31st March, 2017	-	-	-	-	1	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
Ms. A. Ramakrishnan	31st March, 2017	-	-	-	-	1	-	-	-
	31st March, 2016	-	-	-	-	-	-	-	-
Ms. Ramni Nirula	31st March, 2017	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	4	-	-	-
Total	31st March, 2017	-	-	-	518	56	-	-	-
	31st March, 2016	-	-	-	522	36	-	-	-
Enterprise over which Key Managerial Personnel are able to exercise significant influence									
AIPL	31st March, 2017	-	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	(25)	-	-
Others									
Usha Martin Employees provident Fund Trust	31st March, 2017	-	-	-	-	-	-	-	513
	31st March, 2016	-	-	-	-	-	-	-	484
Pengg Austria AG	31st March, 2017	233	130	19	-	-	-	586	-
	31st March, 2016	-	-	27	-	-	-	242	-
Total	31st March, 2017	233	130	19	-	-	-	586	513
	31st March, 2016	-	-	27	-	-	-	242	484
Grand Total	31st March, 2017	233	130	19	518	56	-	586	513
	31st March, 2016	-	-	27	522	36	(25)	242	484

**36. Related party disclosures**

(iii) Balance outstanding at the year end 31st March, 2017

Name and Relationship		Balance outstanding at the year end						
		Corporate / Other Guarantees Given	Trade Receivables	Trade Payables/ Other Current Liabilities	Loans taken (Short-term)	Loans and Advances (Long-term / Short-term)	Investments in Equity and Preference Shares	Company's contribution to Related Party Trust
Key Management Personnel and Relatives								
Mr. Rajeev Jhawar	31st March, 2017	1,81,750	-	2	-	-	-	-
	31st March, 2016	1,36,050	-	*	-	-	-	-
	1st April 2015	55,000	-	*	-	-	-	-
Mr. Brij K Jhawar	31st March, 2017	-	-	*	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	-	-	-	-	-
Mr. Prashant Jhawar	31st March, 2017	-	-	*	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	-	-	-	-	-
Mr. G.N.Bajpai	31st March, 2017	-	-	*	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	-	-	-	-	-
Mr. Jitender Balakrishnan	31st March, 2017	-	-	*	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	-	-	-	-	-
Mr. P. K. Jain	31st March, 2017	-	-	8	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	15	-	-	-	-
Mr. A. K. Somani	31st March, 2017	-	-	-	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	18	-	-	-	-
Mr. Rohit Nanda	31st March, 2017	-	-	11	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	-	-	-	-	-
Ms. Shampa Ghosh Ray	31st March, 2017	-	-	1	-	-	-	-
	31st March, 2016	-	-	-	-	-	-	-
	1st April 2015	-	-	-	-	-	-	-
Total	31st March, 2017	1,81,750	-	22	-	-	-	-
	31st March, 2016	1,36,050	-	-	-	-	-	-
	1st April 2015	55,000	-	33	-	-	-	-
Others								
Usha Martin Employees provident Fund Trust	31st March, 2017	-	-	-	-	-	-	53
	31st March, 2016	-	-	-	-	-	-	41
	1st April 2015	-	-	-	-	-	-	103
Pengg Austria AG	31st March, 2017	-	58	120	-	1	1,620	
	31st March, 2016	-	-	-	651	1	2,280	
	1st April 2015	-	-	-	815	1	2,280	
Total	31st March, 2017	-	58	120	-	1	1,620	53
	31st March, 2016	-	-	-	651	1	2,280	41
	1st April 2015	-	-	-	815	1	2,280	103
Grand Total	31st March, 2017	1,81,750	58	142	-	1	1,620	53
	31st March, 2016	1,36,050	-	-	651	1	2,280	41
	1st April 2015	55,000	-	33	815	1	2,280	103

\* Amount is below the rounding off norm adopted by the Group.

**Terms and conditions of transactions with related parties**

For the year ended 31st March, 2017, 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.

Remuneration paid to directors does not include provision made for leave encashment and gratuity as the same are determined for the Group as a whole.

**37. Segment information**

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

- The Steel segment, which manufactures and sells steel wire rods, rolled products, billets, pig iron and allied products
- The Wire and Wire Ropes segment which manufactures and sells steel wires, strands, wire ropes, cord, bright bar, related accessories, etc.
- All other segments includes manufacturing and selling of wire drawing and allied machines and investment in Jelly Filled Telecommunication Cables.

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statement of the Group. Also, the Group's financing (including finance costs and finance income) and income taxes are managed at 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 31st March, 2017, 31st March, 2016 and April 1, 2015.

<b>I Business Segment Analysis</b>					
<b>Year ended 31st March, 2017</b>					
<b>Particulars</b>	<b>Business segments</b>			<b>Adjustments and eliminations</b>	<b>Total</b>
	<b>Steel</b>	<b>Wire and Wire Ropes</b>	<b>All other segments</b>		
<b>Segment revenue</b>					
<b>External revenue</b>	<b>221,658</b>	<b>186,475</b>	<b>17,377</b>	-	<b>425,510</b>
	236,627	199,268	14,625	-	450,520
<b>Inter-segment revenue</b>	<b>80,437</b>	<b>680</b>	<b>549</b>	<b>(81,666)</b>	-
	73,512	793	531	(74,836)	-
<b>Total revenue</b>	<b>302,095</b>	<b>187,155</b>	<b>17,926</b>	<b>(81,666)</b>	<b>425,510</b>
	310,139	200,061	15,156	(74,836)	450,520
<b>Results</b>					
<b>Segment results</b>	<b>7,929</b>	<b>14,038</b>	<b>1,416</b>	-	<b>23,383</b>
	(5,911)	15,039	757	-	9,885
Less : Finance cost					56,424
					54,663
Less : Other unallocable expenditure (net of unallocable income)					2,449
					3,335
<b>Net profit / (loss) before tax</b>					<b>(35,293)</b>
					(48,307)
<b>Other information</b>					
<b>Segment assets</b>	<b>566,898</b>	<b>189,641</b>	<b>9,157</b>	-	<b>765,696</b>
	575,236	200,467	9,785	-	785,488
	615,434	212,180	13,923	-	841,537
Investments [Note 6(i) and 6(ii)]					3,674
					3,726
					4,018
Advance income tax assets (net)(Note 8)					3,457
					4,385
					4,375
Deferred tax assets (Note 7)					704
					1,425
					1,412
<b>Total Assets</b>					<b>773,531</b>
					795,024
					851,342

Year ended 31st March, 2017					
Particulars	Business segments			Adjustments and eliminations	Total
	Steel	Wire and Wire Ropes	All other segments		
<b>Segment liabilities</b>	<b>180,126</b>	<b>38,371</b>	<b>19,146</b>	-	<b>237,642</b>
	162,752	34,998	8,223	-	205,973
	178,082	39,936	5,304	-	223,322
Long-term borrowings including current maturities [Note 15(i) and Note 20(iii)]					341,055
					343,393
					305,021
Short-term borrowings [Note 20(i)]					95,285
					103,765
					134,436
Current tax liabilities (Note 22)					284
					654
					655
Deferred tax liabilities (Note 19)					1,379
					2,465
					8,450
<b>Total Liabilities</b>					<b>675,645</b>
					656,251
					671,884

**Note:**

(a) Figures in normal type relate to 31st March, 2016

(b) Figures in italic type relate to 1st April, 2015

**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, 2017	Year ended 31st March, 2016
India	340,585	352,548
Outside India	84,925	97,972
<b>Total revenue as per statement of profit and loss</b>	<b>425,510</b>	<b>450,520</b>

No single customer has accounted for more than 10% of the Group's revenue for the year ended 31st March, 2017 and 31st March, 2016.

**Details of Non-current assets (property, plant and equipment, intangible and goodwill on consolidations) based on geographical area is as below:**

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
India	470,565	495,291	509,046
Outside India	44,661	50,512	50,840
<b>Total</b>	<b>515,226</b>	<b>545,804</b>	<b>559,886</b>

**Segment capital expenditure**

	As at 31st March, 2017	As at 31st March, 2016
India	4,554	9,570
Outside India	181	881
<b>Total</b>	<b>4,735</b>	<b>10,451</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	As at 31st March, 2017				As at 31st March, 2016				As at 1st April, 2015			
	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	Fair value through profit or loss	Amortised cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>												
Trade receivables	-	68,264	68,264	68,264	-	61,540	61,540	61,540	-	65,136	65,136	65,136
Cash and cash equivalents	-	4,289	4,289	4,289	-	4,822	4,822	4,822	-	6,808	6,808	6,808
Other bank balances	-	806	806	806	-	726	726	726	-	494	494	494
Loan and Advances	-	1,042	1,042	1,042	-	313	313	313	-	688	688	688
Derivatives	-	-	-	-	45	-	45	45	259	-	259	259
Other financial assets	-	2,329	2,329	2,329	-	2,436	2,436	2,436	-	2,498	2,498	2,498
<b>Total financial assets</b>	<b>-</b>	<b>76,730</b>	<b>76,730</b>	<b>76,730</b>	<b>45</b>	<b>69,837</b>	<b>69,882</b>	<b>69,882</b>	<b>259</b>	<b>75,624</b>	<b>75,883</b>	<b>75,883</b>
<b>Financial liabilities</b>												
Borrowings (including current maturities)	-	4,36,340	4,36,340	4,36,340	-	4,47,158	4,47,158	4,47,158	-	4,39,457	4,39,457	4,39,457
Trade payables	-	1,83,898	1,83,898	1,83,898	-	1,54,804	1,54,804	1,54,804	-	1,53,044	1,53,044	1,53,044
Derivatives	3,812	-	3,812	3,812	1,367	-	1,367	1,367	109	-	109	109
Other financial liabilities	-	19,564	19,564	19,564	-	23,442	23,442	23,442	-	46,536	46,536	46,536
<b>Total financial liabilities</b>	<b>3,812</b>	<b>6,39,802</b>	<b>6,43,614</b>	<b>6,43,614</b>	<b>1,367</b>	<b>6,25,404</b>	<b>6,26,771</b>	<b>6,26,771</b>	<b>109</b>	<b>6,39,037</b>	<b>6,39,146</b>	<b>6,39,146</b>

In addition to the above the Group had investments in its jointly controlled entities and other companies amounting to Rs. 3,669 lakhs and Rs. 5 lakhs respectively as at 31st March, 2017 (31st March, 2016: Rs.3,721 lakhs and Rs. 5 lakhs, 1 April 2015: Rs.4,013 lakhs, and Rs. 5 lakhs) which is being carried at costs and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

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 or loss. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial investments 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 31st March, 2017	Level 1	Level 2	Level 3	Total
<b>Investment Property (Refer note 4)</b>				
(measured at Cost for which fair value is disclosed)				
Commercial Building	-	1,996	-	<b>1,996</b>
<b>Financial assets</b>				
Derivative financial assets	-	-	-	<b>-</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	3,812	-	<b>3,812</b>
<b>Financial assets and liabilities measured at fair value at 31st March, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investment Property (Refer note 4)</b>				
(measured at Cost for which fair value is disclosed)				
Commercial Building	-	1,869	-	<b>1,869</b>
<b>Financial assets</b>				
Derivative financial assets	-	45	-	<b>45</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	1,367	-	<b>1,367</b>
<b>Financial assets and liabilities measured at fair value at 1 April 2015</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investment Property (Refer note 4)</b>				
(measured at Cost for which fair value is disclosed)				
Commercial Building	-	2,013	-	<b>2,013</b>
<b>Financial assets</b>				
Derivative financial assets	-	259	-	<b>259</b>
<b>Financial liabilities</b>				
Derivative financial liabilities	-	109	-	<b>109</b>

**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.

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 maximize 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. Currently, the Group does not have any such financial instruments.

There are no transfer between level 1 and 2 during the year. The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

**38B. 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 encompass 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 March 31, 2017, March 31, 2016 and April 1, 2015.

The maximum exposure to the credit risk at the reporting date is the carrying value of all financial assets amounting to Rs. 76,730 lakhs (31st March, 2016 : Rs. 69,882 lakhs, 1st April, 2015 : Rs. 75,883 lakhs) as disclosed in note 38A.

Of the year end trade receivables, the following were past due but not impaired as at 31st March, 2017, 31st March, 2016 and 1st April, 2015:

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Neither impaired nor past due	56,018	43,532	47,638
<b>Past due but not impaired</b>			
Due less than one month	3,763	7,460	9,862
Due between one - three months	3,698	5,942	5,423
Due between three - twelve months	3,745	3,616	1,942
Due greater than twelve months	1,040	990	271
<b>TOTAL</b>	<b>68,264</b>	<b>61,540</b>	<b>65,136</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:

As at 31st March, 2017	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)	151,264	68,484	184,414	32,178	436,340
Trade payable	183,885	13	-	-	183,898
Other financial liabilities	19,359	205	-	-	19,564
Derivative financial liabilities	3,812	-	-	-	3,812
<b>Total</b>	<b>358,320</b>	<b>68,702</b>	<b>184,414</b>	<b>32,178</b>	<b>643,614</b>

As at 31st March, 2016	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)	147,411	94,702	165,107	39,938	447,158
Trade payable	154,791	13	-	-	154,804
Other financial liabilities	23,266	176	-	-	23,442
Derivative financial liabilities	1,367	-	-	-	1,367
<b>Total</b>	<b>326,835</b>	<b>94,891</b>	<b>165,107</b>	<b>39,938</b>	<b>626,771</b>
As at 1 April 2015	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)	168,954	121,403	131,985	17,115	439,457
Trade payable	153,034	10	-	-	153,044
Other financial liabilities	36,026	10,510	-	-	46,536
Derivative financial liabilities	109	-	-	-	109
<b>Total</b>	<b>358,123</b>	<b>131,923</b>	<b>131,985</b>	<b>17,115</b>	<b>639,146</b>

**(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 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 reposting 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 as at 31st March, 2017 and 31st March, 2016 would have affected profit or 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 Payables (Net)	Effect on Profit / (Loss) before Tax
	%	(Rs. In Lakhs)	(Rs. In Lakhs)
31st March, 2017	10%	575	57
	-10%	-	(57)
31st March, 2016	10%	25,347	2,535
	-10%	-	(2,535)

**(c.2) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Long term borrowings raised at floating interest rates expose the Group to interest rate risk arising from the possible movement of variable elements of the overall interest rate. Interest rate swaps are utilized to manage the interest rate exposure of the debt based on Group's policy.

If the interest rates applicable to floating rate instruments is increased/decreased by 1%, the profit before tax for the year ended 31st March, 2017 would decrease/increase by Rs. 2,708 lakhs (31st March, 2016 : Rs. 3,365 lakhs) on annualised basis. This assumes that the amount and mix of fixed and floating rate debt (net of interest rate swap) 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 steel products. Market forces generally determine prices for the steel 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 its steel products.

The Group primarily purchases its raw materials (except iron ore extracted from captive mine) in the open market from third parties. The Group is therefore subject to fluctuations in prices of coking coal, thermal coal, iron ore, ferro alloys, zinc, scrap 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, 2017.

The Group aims to sell the products at prevailing market prices. Similarly the Group procures key raw materials like iron ore and coal based on prevailing market rates as the selling prices of steel prices and the prices of input raw materials move in the same direction.

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 iron ore and coking coal. 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 would be negative.

Impact on Profit / (Loss) for a 5% change		
Particulars	Increase	Decrease
Coking coal	4,814	4,814
Iron Ore	427	427

### 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.

### 38 D. Capital management

The Group's 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. No major changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2017

The following table summarises the Capital of the Group -

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Cash and cash equivalents [refer note 11 (ii)]	4,289	4,822	6,808
Other Bank Balances [refer note 11 (iii)]	806	726	494
Non - Current Bank Deposits	-	-	-
Current Investments	-	-	-
Current Borrowings [refer note 20 (i)]	95,285	103,765	134,436
Current maturities of non-current borrowings [refer note 20 (iii)]	55,978	43,645	34,517
<b>Total Borrowings (b)</b>	<b>436,340</b>	<b>447,158</b>	<b>439,457</b>
<b>Net Debt (c = b-a)</b>	<b>431,245</b>	<b>441,610</b>	<b>432,155</b>
Total Equity	94,492	135,342	176,309
<b>Total Capital (equity + Net debt) (d)</b>	<b>525,737</b>	<b>576,952</b>	<b>608,464</b>
<b>Gearing Ratio (c/d)</b>	<b>0.82</b>	<b>0.77</b>	<b>0.71</b>

- 39 (a) The Company had been 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 stands cancelled with effect from 24th September, 2014 in case of Lohari Coal Block, which was yet to commence mining operations and with effect from 1st April, 2015 in the case of Kathautia Coal Block, which had been carrying out mining operations.

Therefore, 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 transferring and vesting all the rights, title and interest of the Company 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 non-current 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, 2017	As at 31st March, 2016	As at 1st April, 2015
Assets held for Sale [Refer note (e) below]	3,419	4,505	4,471
Advances against Land-Coal Mines under Short-term Loans and Advances (refer note 12)	10,532	13,980	14,179
Advances against Land-Coal Mines under Long-term Loans and Advances (refer note 9)	2,851	-	-
<b>Total</b>	<b>16,802</b>	<b>18,485</b>	<b>18,650</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 the year, the Company has received a favourable order from the Hon'ble Jharkhand High Court in case of the advance payment made for land acquisition for the aforementioned mines. Also, the Company has filed a writ petition with the Hon'ble Delhi High Court for recovery of residual amount.

Further, the Company is also in negotiations with the party to whom the aforesaid Coal Blocks were subsequently allotted for realization of compensation/ investments in the mines, which is ongoing.

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 (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.1,386 lakhs (31st March, 2016: Rs Nil, 1st April, 2015: Rs Nil) has been disclosed as "Assets held for sale".
- 39 (c)** The Company had closed down the construction steel division at Agra for subsequent sale of its land, building and plant and equipment. The written down value of such assets amounting to Rs.1,035 lakhs (31st March, 2016: Rs 1,040 lakhs, 1st April, 2015: Rs 1,040 lakhs) has been disclosed as "Assets held for sale".
- 39 (d)** During the year, the Company has received advance amounting to Rs 1,239 lakhs against sale of land and building at Ranchi and Jamshedpur. Consequently, the written down value of such assets amounting to Rs 750 lakhs has been disclosed as "Assets held for sale".
- 39 (e)** Assets held for sale includes 122 plots (31st March, 2016 : 147 plots) of Freehold Land amounting to Rs. 282 lakhs (31st March, 2016 : Rs. 412 lakhs) located at Coal Mine sites in respect of which conveyance deeds are yet to be executed in favour of the Company.

#### 40. Interest in other entities

##### (a) Subsidiaries

The Group consists of a parent company, Usha Martin Limited, incorporated in India and a number of subsidiaries held directly and indirectly by the Group which operate and are incorporated around the world. Following are the details of shareholdings in the subsidiaries.

Subsidiaries	Principal place of business	% of ownership interest as on 31st March, 2017	% of ownership interest as on 31st March, 2016	% of ownership interest as on 31st March, 2015
<b>Domestic:</b>				
UM Cables Limited	India	100%	100%	100%
Usha Martin Power and Resources Limited	India	100%	100%	100%
Bharat Minex Private Limited	India	100%	100%	100%
Gustav Wolf Speciality Cords Limited (GWSCL)	India	100%	100%	100%
<b>Overseas:</b>				
Usha Martin International Limited	United Kingdom	92%	92%	92%
Usha Martin UK Limited @	United Kingdom	100%	100%	100%
European Management and Marine Corporation Limited @	United Kingdom	100%	100%	100%
Brunton Shaw UK Limited @	United Kingdom	100%	100%	100%
De Ruiter Staalkabel B.V. @	Netherlands	100%	100%	100%
Usha Martin Europe B.V. @	Netherlands	100%	100%	100%
Usha Martin Italia S.R.L. @	Italy	100%	100%	100%
Brunton Wolf Wire Ropes FZCo.	United Arab Emirates, Dubai	60%	60%	60%
Usha Martin Americas Inc.	United States of America	100%	100%	100%
Usha Siam Steel Industries Public Group Limited	Thailand	97.98%	97.98%	97.98%
Usha Martin Singapore Pte. Limited	Singapore	100%	100%	100%
Usha Martin Australia Pty Limited @	Australia	100%	100%	100%
Usha Martin Vietnam Group Limited @	Vietnam	100%	100%	100%
PT Usha Martin Indonesia @	Indonesia	100%	100%	100%
Usha Martin China Group Limited @	China	100%	100%	100%

@ Represents step-down subsidiary.

**(b) Non - Controlling interests (NCI)**

The Non-controlling interests of the Group relate to Brunton Wolf Wire Ropes FZCo. (BWWR), Usha Martin International Limited (UMIL) and Usha Siam Steel Industries Public Group Limited (USSIL).

Non - Controlling interests (NCI)	Principal place of business	% of ownership interest as on 31st March, 2017	% of ownership interest as on 31st March, 2016	% of ownership interest as on 31st March, 2015
Brunton Wolf Wire Ropes FZCo.	United Arab Emirates, Dubai	40%	40%	40%
Usha Martin International Limited	United Kingdom	8%	8%	8%
Usha Siam Steel Industries Public Group Limited	Thailand	2.02%	2.02%	2.02%

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, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current assets	979	1,294	1,505
Current assets	8,338	8,991	9,645
Non-current liabilities	265	223	143
Current liabilities	2,341	3,256	4,562
Equity attributable to owners of the Group	5,373	5,459	5,165
Non-controlling interests	1,338	1,347	1,280

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	11,493	12,072
Expenses	11,239	11,449
Profit/(loss) after tax	254	623
Profit/(loss) attributable to the equity shareholders of the company	178	623
Profit/(loss) attributable to the non-controlling interest	76	-
Other comprehensive income during the year	(10)	24
Other comprehensive income attributable to the equity shareholders of the company	(6)	24
Other comprehensive income attributable to the non-controlling interest	(4)	-
Total comprehensive income during the year	244	647
Total comprehensive income attributable to the equity shareholders of the company	172	647
Total comprehensive income attributable to the non-controlling interest	72	-
Dividends paid/payable to non-controlling interests, including dividend tax	275	398

**(c) Interest in joint ventures**

Set out below are the joint ventures of the group as at 31st March, 2017 which, in the opinion of the management are not material to the Group. 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 ownership interest as on 31st March, 2017	% of ownership interest as on 31st March, 2016	% of ownership interest as on 31st March, 2015
Pengg Usha Martin Wires Private Limited	India	40%	40%	40%
CCL Usha Martin Stressing Systems Limited	India	49.99%	49.99%	49.99%
Tesac Usha Wire Rope Company Limited	Thailand	50%	50%	50%
Dove Airlines Limited (ceased to be JV w.e.f. 4th August, 2016)	India	-	50%	50%

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 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Non-current assets	4,970	5,223	4,263
Current assets	5,474	4,817	4,055
Non-current liabilities	1,679	1,661	994
Current liabilities	3,774	4,384	2,411
Equity attributable to owners of the Group	4,990	3,995	4,914

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue	10,396	8,787
Expenses	9,170	7,447
Profit/(loss) after tax	996	423
Other comprehensive income during the year	14	4
Total comprehensive income during the year	1,010	427
Dividends paid/payable, including dividend tax	-	246

#### 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, 2017	As at 31st March, 2016	As at 1st April, 2015
i) Principal amount due to micro and small enterprise	1,168	684	394
ii) Interest due on above	274	124	-
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	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	Nil
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	150	124	Nil
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	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.			

42. During the year ended 31st March, 2017, realisation of the Group's products were impacted due to sluggish market conditions. At the same time, the raw material prices were volatile. It adversely effected the cash flows and profitability and the Group incurred cash losses during the current year and its current liabilities exceeded its current assets by Rs. 1,39,862 Lakhs (31st March, 2016: Rs. 1,13,477 Lakhs, 1st April, 2015: Rs. 95,925 Lakhs) as at the balance sheet date. Management is confident of improvement in the industry scenario and believes that the Group's financial performance will improve with increase in demand and selling prices of its finished goods. Further, the disbursements against unutilised funding limits from the banks together with the sale of non-core assets, the compensation towards coal block deallocated in earlier year and the savings in costs expected from the business transformation exercise to be undertaken by the Group, would enable the Group to service its obligation for next twelve months towards the banks.

43. The Hon'ble Supreme Court of India has, vide order dated November 11, 2016 upheld the rights of the state governments to impose entry tax. However on the question regarding the validity of each State Legislation imposing entry tax, the Bench decided to let the issue be determined by the smaller benches. The Hon'ble Supreme Court has pronounced remanding of the matter to the Hon'ble High Courts, in open Court, on March 23, 2017, the written copy of which is yet to be made public. Management will evaluate the impact of the said order on the Group, once the same is made public.

#### 44. Loan covenants

Bank loans contain certain debt covenants relating to Net Debt to EBITDA, Interest Cover ratio, debt service coverage ratio, fixed assets coverage ratio etc. The Company's applications to lenders in respect of certain covenants not being met are being considered by lenders. The management believes that the Company's borrowings will continue to be on the same repayment terms and conditions as was agreed at the time of disbursement. Accordingly, year-end borrowings have been classified as current and non-current in accordance with the terms agreed at the time of disbursement.

45. The Board of Directors of the Group has appointed a consultant to evaluate the possibility of sale of its Wire and Wire Ropes business. The consultant's report is awaited.



## 46. 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 or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
<b>Parent</b>								
Usha Martin Limited	46.56	45,573	(99.27)	(35,495)	(3.25)	(161)	(87.57)	(35,656)
	58.53	81,228	(97.93)	(41,949)	5.30	(106)	(102.98)	(42,055)
	68.70	123,284	-	-	-	-	-	-
<b>Subsidiaries</b>								
<b>Indian</b>								
UM Cables Limited	6.06	5,930	2.73	975	(0.28)	(14)	2.36	961
	3.58	4,969	0.89	383	0.23	(5)	0.93	378
	3.07	5,506	-	-	-	-	-	-
Usha Martin Power and Resources Limited	-	3	-	*	-	-	-	*
	-	3	-	*	-	-	-	*
	-	3	-	-	-	-	-	-
Bharat Minex Private Limited	0.02	23	(0.02)	(6)	-	-	(0.01)	(6)
	0.02	29	(0.07)	(31)	-	-	(0.08)	(31)
	0.03	59	-	-	-	-	-	-
Gustav Wolf Speciality Cords Limited	0.23	225	0.03	12	-	-	0.03	12
	0.15	214	0.02	10	-	-	0.02	10
	0.11	203	-	-	-	-	-	-
<b>Foreign</b>								
Usha Martin International Limited \$	28.08	27,490	(5.41)	(1,936)	-	-	(4.75)	(1,936)
	23.33	32,381	2.99	1,282	-	-	3.14	1,282
	16.89	30,304	-	-	-	-	-	-
Usha Martin Singapore Pte Limited \$	7.61	7,446	(5.61)	(2,004)	-	-	(4.92)	(2,004)
	6.99	9,701	(2.53)	(1,084)	-	-	(2.65)	(1,084)
	6.01	10,788	-	-	-	-	-	-
Usha Siam Steel Industries Public Company Limited \$	13.81	13,514	0.29	102	1.51	75	0.44	177
	9.71	13,481	(1.06)	(456)	-	-	(1.12)	(456)
	7.99	14,332	-	-	-	-	-	-
Usha Martin Americas Inc	4.02	3,940	(3.09)	(1,105)	-	-	(2.71)	(1,105)
	3.89	5,402	0.39	167	-	-	0.41	167
	2.85	5,117	-	-	-	-	-	-
Brunton Wolf Wire Ropes FZCo	6.86	6,711	0.71	254	(0.21)	(10)	0.60	244
	4.90	6,806	1.57	672	1.21	(24)	1.59	647
	3.59	6,445	-	-	-	-	-	-
<b>Non-controlling interests in all subsidiaries</b>	<b>(3.47)</b>	<b>(3,394)</b>	<b>0.38</b>	<b>135</b>	-	-	<b>0.33</b>	<b>135</b>
	(2.47)	(3,431)	0.32	137	-	-	0.34	137
	(1.75)	(3,149)	-	-	-	-	-	-
<b>Joint Ventures (Investment as per the equity method)</b>								
<b>Indian</b>								
Pengg Usha Martin Wires Private Limited	2.04	1,996	1.00	356	-	-	0.88	356
	1.12	1,552	0.34	147	-	-	0.36	147
	1.08	1,943	-	-	-	-	-	-

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 or loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Dove Airlines Limited	-	-	-	-	-	-	-	-
	0.23	325	(0.23)	(98)	-	-	(0.24)	(98)
	0.22	393	-	-	-	-	-	-
CCL Usha Martin Stressing Systems Limited	0.04	39	-	2	-	-	-	2
	0.03	37	-	2	-	-	-	2
	0.02	35	-	-	-	-	-	-
<b>Foreign</b>								
Tesac Usha Wire Rope Company Limited	1.71	1,675	(0.45)	(162)	-	-	(0.40)	(162)
	1.32	1,833	(0.50)	(215)	-	-	(0.53)	(215)
	1.17	2,092	-	-	-	-	-	-
Elimination / Adjustment due to consolidation	(13.57)	(13,285)	8.71	3,116	(97.78)	(4,848)	(4.25)	(1,732)
	(11.35)	(15,757)	(4.21)	(1,801)	(106.75)	2,133	0.81	332
	(9.97)	(17,897)	-	-	-	-	-	-
<b>Total</b>	<b>100</b>	<b>97,886</b>	<b>(100)</b>	<b>(35,756)</b>	<b>(100)</b>	<b>(4,958)</b>	<b>(100)</b>	<b>(40,714)</b>
	100	138,773	(100)	(42,835)	(100)	1,998	(100)	(40,837)
	100	179,458	-	-	-	-	-	-
* Amount is below the rounding off norm adopted by the Group.								
\$ Financial information is inclusive of its subsidiaries								
Figures in normal type relate to previous year 2015-16.								
Figures in italic type relate to 2014-15.								

**47. First time adoption of Ind AS**

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 2A and note 2B have been applied in preparing the financial statements for the year ended 31st March, 2017, the comparative information presented in these financial statements for the year ended 31st March, 2016 and in the preparation of the opening Ind AS balance sheet at 1st April, 2015 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP' or 'Indian GAAP'). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

**Exemptions and exceptions availed****a) Ind AS optional exemptions****a.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**a.2 Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Group has elected to apply this exemption for such contracts/arrangements.

**a.3 Long Term Foreign Currency Monetary Items**

Ind AS 101 allows a first-time adopter to continue the policy adopted for the accounting for exchange differences arising on translation of the long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per previous GAAP. The Group has opted for this exemption and continued its previous GAAP policy for accounting of exchange differences on long-term foreign currency monetary items recognized in the previous GAAP financial statements for the year ended 31st March, 2016. Accordingly, foreign currency differences on such items attributable to the acquisition of property, plant and equipment are adjusted against their cost and depreciated prospectively over the remaining useful lives.

**a.4 Investments in subsidiaries**

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary as the deemed cost. Accordingly, the Group has opted to measure its investment in subsidiary at deemed cost i.e., previous GAAP carrying amount.

**b) Ind AS mandatory exceptions****b.1 Estimates**

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

**b.2 De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements of Ind AS 109 retrospectively from a date the entity chooses, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**b.3 Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets bases on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

**c) Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of total equity as reported previously (referred to as 'Previous GAAP') and as per Ind AS**

Particulars	Notes	As at 31st March, 2016	As at 1st April, 2015
<b>Total equity (shareholder's funds) as per Previous GAAP</b>		<b>1,36,520</b>	<b>1,75,899</b>
<b>Ind AS adjustments :</b>			
Fair value / amortised cost of financial asseets and liabilities in accordance with Ind AS 109	d.1 & d.2	1,206	575
Accrual for constructive obligations in accordance with Ind AS 37	d.6	(2,470)	(1,232)
Unwinding of interest on recomputation of provision for site restoration at present value in accordance with Ind AS 37	d.8	(889)	(755)
Capitalisation of spares in accordance with Ind AS-16	d.7	374	(243)
Others	d.9	621	670
Deferred tax adjustments in accordance with Ind AS -12	d.4	(20)	1,395
<b>Total adjustments</b>		<b>(1,178)</b>	<b>410</b>
<b>Total equity as per Ind AS</b>		<b>1,35,342</b>	<b>1,76,309</b>

**Reconciliation of net profit as reported previously (referred to as 'Previous GAAP') and the total comprehensive income as per Ind AS**

Particulars	Notes	For the year ended 31st March, 2016
<b>Net Profit/(Loss) under Previous Indian GAAP</b>		<b>(41,498)</b>
<b>Ind AS adjustments :</b>		
Reclassification of actuarial gains/(losses), arising in respect of employees benefit schemes, to Other Comprehensive Income (OCI) as per Ind AS 19	d.3	134
Fair value/Amortised cost of Financial Assets/Liabilities in accordance with Ind AS - 109	d.1 & d.2	631
Accrual for constructive obligations in accordance with Ind AS 37	d.6	(1,239)
Unwinding of interest due to recomputation of provision for site restoration at present value	d.8	(134)
Capitalisation of spares in accordance with Ind AS - 16	d.7	617
Others	d.9	327
Deferred tax adjustments in accordance with Ind AS -12	d.4	(1,673)
<b>Net Profit/(Loss) as per Ind AS</b>		<b>(42,835)</b>
Other comprehensive income (net of tax)	d.5	1,998
<b>Total Comprehensive income/(loss) for the period</b>		<b>(40,837)</b>

**Impact of Ind AS adoption on the statements of cash flows for the year ended 31st March, 2016**

The adjustments as explained below, are of non-cash nature and accordingly, there are no material differences in cash flows from operating, investing and financing activities as per the Previous GAAP and as per Ind AS.

**d) Notes to reconciliation of total equity and total comprehensive income :****d.1 Amortisation of borrowing costs**

In accordance with Ind AS 109 "Financial Instruments" transaction cost on borrowings are required to be considered as effective finance costs and recognised in the statement of profit and loss using effective interest rate.

**d.2 Derivative Instruments - Foreign exchange forward contracts**

In accordance with Ind AS 109, foreign exchange forward contracts are mark-to-market as at Balance Sheet date and unrealised net gain or loss is recognised in profit and loss statement.

**d.3 Employee benefits**

In accordance with In AS 19 "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under previous GAAP.

**d.4 Deferred tax**

In accordance with Ind AS 12, "Income Taxes" the Group on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognised deferred tax on timing differences, i.e. profit and loss approach. The tax impacts as above primarily represents deferred tax consequences arising out of Ind AS re measurement changes.

**d.5 Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

**d.6 Constructive obligation**

In accordance with Ind AS 37, the Group has created provision for constructive obligations where :

- a) by an established pattern of past practice, published policies or a sufficiently specific current statement, the Group has indicated to other parties that it will accept certain responsibilities, and
- b) as a result, the Group has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

**d.7 Capitalisation of spare parts**

In accordance with Ind AS 16, the Group has capitalised some spare parts which have fulfilled the following conditions :

- a) are held for use in production or supply of goods and services, and
- b) are expected to be used during more than one period.

**d.8 Provision for restoration cost**

According to Ind AS 37, the Group recognises provisions for the restoration and rehabilitation for each of its mine site. The provision recognised represents management's best estimate of the present value of the future costs required. Significant estimates and assumptions are made in determining the amount of restoration and rehabilitation provisions. Future restoration costs, discounted to net present value, are capitalised and are depreciated over the life of the related asset. The corresponding restoration liability is recognised as soon as the obligation to incur such costs arises. The effect of the time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time.

**d.9 Other adjustments**

Others comprises mainly impact of depreciation on segregation of land and buildings, reversal of MTM losses, accruals of MTM gains, etc., and tax impact thereon.

48. The figures of previous years were audited by a firm of Chartered Accountants other than M/s. S.R. Batliboi & Co. LLP.

The accompanying notes are an integral part of the 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 Raj Agrawal, Partner

Membership No. 82028

Place : Kolkata

Date : 30th May, 2017

**Rajeev Jhawar**

Managing Director

DIN: 00086164

**Pravin Kumar Jain**

Joint Managing Director

[Wire & Wire Rope Business]

DIN: 02583519

**Rohit Nanda**

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 31st March, 2017

[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 Limited Company
v)	Address of the Registered office and contact details	2A, Shakespeare Sarani, Kolkata – 700071; Phone : (033) 39800300; Fax : (033) 39800415
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, 12/1/5, Manoharpukur Road, Kolkata - 700026 Phone : (033) 4072 4051/52/53/54; Fax : (033) 4072 4050; Email : mcssta@rediffmail.com

#### II. Principal business activities of the Company

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	Bars	3313	30.76
2	Wires, Wire Ropes, Strands including Locked Coil Wire Ropes	3310	27.68
3	Wire Rods	3302	28.96

\* 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, Tasman House, Mariner Court, Clydebank South Avenue Business Park Glasgow, G81 2NR, UK	Company incorporated outside India	Subsidiary	92%	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)
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 Ruiter Staalkabel BV Slidrecht , Ringersstraat 7 Slidrecht, P.O Box no. 663360 AB, Slidrecht, 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	5,812,267	-	5,812,267	1.91	5,812,267	-	5,812,267	1.91	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	86,611,935	-	86,611,935	28.42	86,611,935	-	86,611,935	28.42	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>92,424,202</b>	<b>-</b>	<b>92,424,202</b>	<b>30.33</b>	<b>92,424,202</b>	<b>-</b>	<b>92,424,202</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.	33,336,135	-	33,336,135	10.94	33,336,135	-	33,336,135	10.94	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>35,829,118</b>	<b>-</b>	<b>35,829,118</b>	<b>11.76</b>	<b>35,829,118</b>	<b>-</b>	<b>35,829,118</b>	<b>11.76</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>128,253,320</b>	<b>-</b>	<b>128,253,320</b>	<b>42.09</b>	<b>128,253,320</b>	<b>-</b>	<b>128,253,320</b>	<b>42.09</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	12,401,811	8,165	12,409,976	4.07	92,105	8,165	100,270	0.03	(4.04)
b) Banks / FI	16,300	7,880	24,180	0.01	100,535	7,880	108,415	0.03	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-

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	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	8,406,416	-	8,406,416	2.76	8,406,416	-	8,406,416	2.76	-
g) FIIs/ Foreign Portfolio Investors	22,716,805	1,495	22,718,300	7.46	17,660,348	1,495	17,661,843	5.80	(1.66)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>43,541,332</b>	<b>17,540</b>	<b>43,558,872</b>	<b>14.29</b>	<b>26,259,404</b>	<b>17,540</b>	<b>26,276,944</b>	<b>8.61</b>	<b>(5.68)</b>
<b>2.Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	26,713,424	30,655	26,744,079	8.78	39,947,234	30,655	39,977,889	13.12	4.34
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	35,942,482	2,324,968	38,267,450	12.56	24,243,580	2,279,858	26,523,438	8.70	(3.85)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	32,084,509	-	32,084,509	10.53	51,626,639	-	51,626,639	16.94	6.41
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>94,740,415</b>	<b>2,355,623</b>	<b>97,096,038</b>	<b>31.86</b>	<b>115,817,453</b>	<b>2,310,513</b>	<b>118,127,966</b>	<b>38.76</b>	<b>6.90</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>138,281,747</b>	<b>2,373,163</b>	<b>140,654,910</b>	<b>46.15</b>	<b>142,076,857</b>	<b>2,328,053</b>	<b>144,404,910</b>	<b>47.38</b>	<b>1.23</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs @</b>	<b>35,833,550</b>	<b>-</b>	<b>35,833,550</b>	<b>11.76</b>	<b>32,083,550</b>	<b>-</b>	<b>32,083,550</b>	<b>10.53</b>	<b>(1.23)</b>
<b>Grand Total (A+B+C)</b>	<b>302,368,617</b>	<b>2,373,163</b>	<b>304,741,780</b>	<b>100</b>	<b>302,413,727</b>	<b>2,328,053</b>	<b>304,741,780</b>	<b>100</b>	

@ Promoter and Promoter Group are holding 4,748,716 GDRs (representing 23,743,580 Equity Shares) outstanding at the beginning and end of the year.

## ii) Shareholding of Promoters

Sl 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 Jhwar	518,500	0.17	-	518,500	0.17	-	-
3	Anupama Jhwar	36,950	0.01	-	36,950	0.01	-	-
4	Anupama Jhwar – Trustee of Anupriya Welfare Trust	550,359	0.18	-	550,359	0.18	-	-
5	Apurv Jhwar	395,245	0.13	-	395,245	0.13	-	-
6	Basant Kumar Jhwar	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 Jhwar	945,865	0.31	-	945,865	0.31	-	-
9	Jhwar 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	Madhushree Goenka – Trustee of Nidhi Family Trust	10,000	0.00	-	-	-	-	-
13	Nidhi Rajgarhia	321,139	0.11	-	331,139	0.11	-	-
14	Peterhouse Investments India Limited	20,767,330	6.82	-	20,767,330	6.82	6.44	-
15	Peterhouse Investment Ltd ##	18,971,455	6.23	-	18,971,455	6.23	-	-
16	Prajeev Investments Limited	357,000	0.12	-	357,000	0.12	-	-
17	Prashant Jhawar	2,060,788	0.68	-	2,060,788	0.68	-	-
18	Rajeev Jhawar	1,561,741	0.51	-	1,561,741	0.51	-	-
19	Shanti Devi Jhawar	279,243	0.09	-	279,243	0.09	-	-
20	Shreya Jhawar	213,500	0.07	-	213,500	0.07	-	-
21	Stuti Jhawar	558,330	0.18	-	558,330	0.18	-	-
22	Susmita Jhawar	438,195	0.14	-	438,195	0.14	-	-
23	Uma Devi Jhawar	246,415	0.08	-	246,415	0.08	-	-
24	UMIL Share & Stock Broking Services Ltd	38,888,369	12.76	12.47	38,888,369	12.76	12.47	-
25	Usha Martin Ventures Ltd	20,627,588	6.77	-	20,627,588	6.77	6.56	-
	<b>Total</b>	<b>128,253,320</b>	<b>42.09</b>	<b>13.00</b>	<b>128,253,320</b>	<b>42.09</b>	<b>26.00</b>	<b>-</b>

# Kenwyn Overseas Limited is holding 1,963,025 GDRs (representing 9,815,125 Equity Shares) outstanding at the beginning and end of the year.

## Peterhouse Investment Limited is holding 2,785,691 GDRs (representing 13,928,455 Equity Shares) outstanding at the beginning and 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	Madhushree Goenka – Trustee of Nidhi Family Trust – 10,000 equity shares	0.00	-	-
	Nidhi Rajgarhia - 321,139 equity shares	0.11		
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Madhushree Goenka-Trustee of Nidhi Family Trust – 10,000 Equity Shares – Market Sale on 24th October, 2016	(0.00)	Madhushree Goenka – Trustee of Nidhi Family Trust – NIL equity shares	-
	Nidhi Rajgarhia – 10,000 equity shares – Market Purchase on 24th October, 2016	0.00	Nidhi Rajgarhia – 331,139 equity shares	0.11
<b>At the end of the year</b>	Madhushree Goenka- Trustee of Nidhi Family Trust – NIL equity shares	-	-	-
	Nidhi Rajgarhia – 331,139 equity shares	0.11		

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	Top Ten Shareholders **	No. of shares	% of total shares of the Company
1	ICICI Prudential Mutual Fund Under Its Various Schemes	12,397,329	4.07	Mitesh N Mehta	10,659,999	3.50
2	Resonance Opportunities Fund	11,463,625	3.76	Bridge India Fund	8,840,100	2.90
3	Bridge India Fund	8,840,100	2.90	The Indiaman Fund (Mauritius) Limited	6,258,733	2.05
4	Akash Bhanshali	4,686,800	1.54	Akash Bhanshali	4,686,800	1.54
5	Life Insurance Corporation Of India	4,333,005	1.42	JMS Mining Services Private Limited	4,532,612	1.49
6	General Insurance Corporation Of India	3,916,560	1.29	Life Insurance Corporation Of India	4,333,005	1.42
7	Vallabh Roopchand Bhanshali	3,206,400	1.05	General Insurance Corporation Of India	3,916,560	1.29
8	Payal Bhanshali	2,800,000	0.92	Vallabh Roopchand Bhanshali	3,206,400	1.05
9	Pratiksha Satishchandra Doshi	2,354,633	0.77	Payal Bhanshali	2,800,000	0.92
10	L.R. Ferro Alloys Pvt. Ltd.	2,345,000	0.77	Deepa Bagla Financial Consultants Pvt. Limited	2,229,572	0.73

\*\* Considered on the basis of PAN.

v) Shareholding of Directors and Key Managerial Personnel (KMP):

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	2,060,788	0.68	2,060,788	0.68
3	Mr. Brij Kishore Jhavar	945,865	0.31	945,865	0.31
4	Mr. Rajeev Jhavar	1,561,741	0.51	1,561,741	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 Ramakrishnan	-	-	-	-
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	370,573.50	1,693.90	-	372,267.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,727.00	-	-	2,727.00
<b>Total (i+ii+iii)</b>	<b>373,300.50</b>	<b>1,693.90</b>	<b>-</b>	<b>374,994.40</b>
Change in Indebtedness during the financial year				
• Addition	49,777.50	465.35	-	50,242.85
• Reduction	49,885.00	315.00	-	50,200.00
Net Change	(107.50)	150.35	-	42.85
Indebtedness at the end of the financial year				
i) Principal Amount	370,413.00	1,844.25	-	372,257.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,780.00	-	-	2,780.00
<b>Total (i+ii+iii)</b>	<b>373,193.00</b>	<b>1,844.25</b>	<b>-</b>	<b>375,037.25</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	166.20	280.20
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	26.89	11.88	38.77
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others (includes PF, Gratuity, GPA, etc.)	15.63	11.64	27.27
	<b>Total (A)</b>	<b>156.52</b>	<b>189.72</b>	<b>346.24</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 (computed with reference to the 'effective capital' of the Company and as provided under Part II of Section II of Schedule V) for the period commencing from 19th May, 2016 till 18th May, 2018.	In view of absence of profits, the aforesaid remuneration was paid as minimum remuneration. The Central Government has already approved payment of minimum remuneration of Rs.192.90 Lakhs p.a. (excluding 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	11.50	7.00	12.00	6.50	1.50	1.50	40.00
2	Commission	-	-	-	-	-	-	-
3	Others	-	-	-	-	-	-	-
4	Total(1)	11.50	7.00	12.00	6.50	1.50	1.50	40.00

#### 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	2.50	3.00	7.50	2.50	15.50
2	Commission	-	-	-	-	-
3	Others	-	-	-	-	-
4	<b>Total(2)</b>	<b>2.50</b>	<b>3.00</b>	<b>7.50</b>	<b>2.50</b>	<b>15.50</b>
	<b>Total(B)=(1+2)</b>					<b>55.50</b>

Total Managerial Remuneration	401.74
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. A K Somani, Chief Financial Officer & Company Secretary [upto 30th June, 2016]	Mr. Rohit Nanda, Chief Financial Officer [from 1st July, 2016]	Mrs. Shampa Ghosh Ray, Company Secretary [from 8th August, 2016]	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	51.65	93.43	12.49	157.57
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.98	0.87	0.67	4.52
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	-others, specify	-	-	-	-
5	Others (includes PF, Gratuity, GPA, etc.)	9.54	2.64	1.13	13.31
	<b>Total (A)</b>	<b>64.17</b>	<b>96.94</b>	<b>14.29</b>	<b>175.40</b>
	Ceiling as per the Act	Not Applicable	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)
A. COMPANY					
Penalty	No penalty/ punishment was imposed on the Company during the year.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No penalty/ punishment was imposed on the Directors during the year.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No penalty/ punishment was imposed on the officers of the Company during the year.				
Punishment					
Compounding					

## NOTES

[illegible]

## CORPORATE SOCIAL RESPONSIBILITY

Total Village Management (TVM), For Integrated & Sustainable Development of Rural Jharkhand

(Supported by CSR of Usha Martin Limited)



### OWNING THE CHANGE.

#### USHA MARTIN, KGVK AND THE RURAL COMMUNITY MAKE SIGNIFICANT STRIDES TOWARDS A SELF-SUSTAINED ECONOMY

Every journey of transformation has its challenges. The people of Jharkhand know this better than most. But with the able support of KGVK and Usha Martin, they have transformed every challenge into an opportunity.

The last one year has been especially significant for all parties involved. The need was to consolidate on the gains made in previous years, and also to raise the momentum of change that was being witnessed across all the eight pillars of Total Village Management interventions. The amount of effort put in was monumental, and the results are encouraging.

More and more people in the region today have access to livelihood means, and better healthcare. The education prospects of young children have been boosted by an intensive teacher-training programme. Resources are being managed better, and alternative energy is not just an alternative any more.

The numbers in the following pages only reveal what we already knew: Lives are being transformed every moment, and there's no stopping the will of a community that's committed to creating a better future.





### NATURAL RESOURCE MANAGEMENT INTERVENTION

Depletion of natural resources, especially in a region that's blessed with plenty, is a major concern. The objective of NRM is to facilitate improvement in livelihoods of the rural poor through sustainable management of resources. KGVK aims at working in an integrated method to converge natural resource management problems and their solutions, through the concept of '5Js'—Jal (water), Jameen (land), Jangal (forest), Jaanwar (animal including livestock) and Jan (people).

SN	Structures	Numbers
<b>Water Conservation</b>		
1	Pond New / Renovation	61
2	Dova (New /Renovation )	33
3	Irrigation Well	49
4	Check Dam (Earthen)	8
5	Irrigation channel	100-700 meter
<b>Soil &amp; Moisture Conservation</b>		
1	Field /Farm Bunding (Ha )	110 hectare
2	Water Absorbtion Trench (Ha)	15 hectare
3	Boulder Check	1
4	Contour Trench	4



### EDUCATION

#### GURUKUL SCHOOL – LOW COST –HIGH EDUCATION

Primary education is the first stage of compulsory education. Understanding the need of primary education in local community, KGVK Started Gurukul Schools in 2009 in Ormanjhi, Namkum Block of Ranchi. At present in our Pre-Primary & Primary Sections around 310 Students (mostly rural and tribal children) are being taught through play way method. The Gurukul Schools are the learning lab for practicing the Total Education Management (TEM) integrated education model promoted by KGVK. The TEM approach provides a child a very holistic curriculum, well structured training & learning materials, labs with high speed broadband, LED TV and laptops, and a continuous learning environment.

No of Gurukul Schools	2
No of Villages covered	27
No of Blocks	5
Classes	Nursery to VII
Gurukul School Strength	310 Students



### RENEWABLE ENERGY TRANSFORMATION

KGVK proposes to deploy sustainable renewable energy solutions at a community level. The idea is to use locally available resources in the community to meet their energy demands.

Name of Activity	Meetings	Activity on ground	Total beneficiaries
Solar Micro Grid Power Plant	25 Villages of Angara, Namkum and Ormanjhi Patratu Cluster	9 villages electrified with 9 SMGPP	310 Nos. HH benefited which directly affected 515 rural folks
Service		8 Nos. Solar Micro grid Power Plant, 5 Nos. of Solar Street lights and 6 Nos. Lanterns	320 family re-access the electricity which directly affected 1600 rural folks
Training and workshop	KGVK office	5 Nos. in house training with 10 different villages	500 villagers were trained/made aware on solar energy products and its use.



## HEALTH

KGVK is uniquely and strategically placed to provide preventive, promotive and curative health care services, for the deprived and marginalized section of the society. It has worked across the following thematic areas as implementation - Grass Root Leadership in Public Health through TVM approach, Safe Motherhood, Child health and Newborn Care, Adolescent health, Family Planning, Nutrition, vaccination, HIV-AIDS Prevention and Safe Drinking Water & Sanitation.

Health intervention	Total Nos.
Counseling of Pregnant mothers	1406
Counseling of Lactating mothers	3334
VHND session – Mother & Child	4701
Training on Diarrhoea and Malaria	347
No. of Health Camp	30
Health camp- Patient	559
Training on exclusive breastfeeding	297
Hb camp cum orientation on Anemia	691
KGVK Shalini Rural Hospital (24 X 7 -70 bedded)	02
No of patients treated in Shalini hospital	16121

## LIVELIHOOD INTERVENTION

KGVK Livelihood and Financial Linkage interventions are a set of initiatives that are aimed at enabling the villagers to develop sustainable avenues for income-generation to help augment their means of livelihood. The focus is squarely on introducing the villagers to best practices, encouraging them to work together towards achieving set objectives and ensuring that the income thus generated finds its way into equitable distribution.

### FARM BASED:

Intervention	HHs Involved	Total Area in Acre
Promoting Paddy cultivation through SRI Method	16993	3005.48
Promoting Kharif Vegetable Cultivation	11119	1224.77
Promoting Winter Vegetable Cultivation (2nd Crop) (Tomato, Onion & Pea)	9104	1197.6
Promoting Pulse Cultivation (Arhar)	8606	754.95

### OFF FARM BASED:

Activities	HH's Involved	Number of Animals/ birds
Pig Rearing	174	269
Duck Rearing	3155	31301
Mushroom Cultivation (Oyster)	889	-
Lac cultivation	785	-



## CAPACITY BUILDING

Under TVM, Training and capacity building plays a major role in building skills and capacities of farmers, SHG Members, rural youths etc. Training and capacity building of community in Livelihood & Income generation activities, Agriculture and animal husbandry, Natural resource management, Institution building and financial inclusion and Vocational Education are the prime focus.

Sl. No.	Training & Capacity Building	No. Of Participants
1.	Training on Paddy Cultivation through SRI	152
2.	Training on Lac cultivation	168
3.	Training on TVM, SSS & 5S	460
4.	Training on Computer Literacy & Spoken English	32
5.	Training on SHG Strengthening	48
6.	Animal Health Worker (Para-vet)	64
7.	Training on Sanitation Awareness	31
8.	Training on Pest Management	33
9.	Training on Rabi Crops	44
10.	Training on Watershed Management	262
11.	Training on Prevention of Malaria & Diarrhoea	349
12.	Rural Immersion Program	24
	<b>Total</b>	<b>1667</b>





## NOTES

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## Usha Martin Limited

CIN: L31400WB1986PLC091621

Registered Office : 2A, Shakespeare Sarani, Kolkata – 700 071, India

Phone : 033- 39800300, Fax : 033-39800415

Website: www.ushamartin.com, Email: investor@ushamartin.co.in

### NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the THIRTY-FIRST ANNUAL GENERAL MEETING of the members and shareholders of USHA MARTIN LIMITED will be held at "Vidya Mandir", 1, Moira Street, Kolkata-700 017 on Thursday the 21st September, 2017 at 11.30 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, 2017 together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Basant Kumar Jhawar (DIN:00086237), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, pass the following as Ordinary Resolution:  
"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the approval of Members at the Company's Thirtieth Annual General Meeting, the Company hereby ratifies the appointment of S.R. Batliboi & Co. LLP Chartered Accountants, (Firm Registration No. 301003E/E300005) as Auditors of the Company to continue to hold office for the Financial Year 2017-18, at such remuneration to be mutually agreed between the Board of Directors of the Company and the Auditors."

#### As Special Business:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

#### 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. Aarthi Ramakrishnan (DIN:07672826), who was appointed as an Additional Director of the Company with effect from 9th December, 2016 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 9th December, 2016."

#### 5. 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. Mukesh Rohatgi (DIN:00136067), who was appointed as an Additional Director of the Company with effect from 9th December, 2016 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 9th December, 2016."

#### 6. 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. 1,75,000 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, 2018, be and is hereby ratified and confirmed."

#### 7. As Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) and re-enactment thereof, for the time being in force), the existing Articles of Association of the Company be and are hereby replaced with the new Articles of Association placed before the members at this meeting, duly initialed for the sake of identification, and the new Articles of Association be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

"RESOLVED FURTHER THAT the Board of Directors of the Company or any other Committee thereof be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board  
Shampa Ghosh Ray  
Company Secretary  
ACS 16737

Place : Kolkata

Date: 30th May, 2017

#### 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. 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. 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. A proxy form is sent herewith.
- 2) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out details relating to Items of Special Business is annexed hereto.
- 3) The Registers of Members and the Share Transfer Books of the Company shall remain closed from 14th September, 2017 till 21st September, 2017 (both days inclusive).
- 4a) 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, 2009 have been transferred to the Fund. The unclaimed/unpaid dividend declared for the Financial Year ended 31st March, 2010 shall be deposited in the Fund on or after 2nd September, 2017.
- 4b) 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.
- 5a) Pursuant to the provisions of Section 124 of the Act and of 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 for seven years, 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 is in the process to transfer such shares to the demat account of IEPF Authority.

- 5b) The members/ claimants whose shares, 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, 12/1/5, Manoharpukur Road, Kolkata-700 026 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 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 account to your Depository Participant.
- 8) 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.
- 9) The Securities and Exchange Board of India (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. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer Agent of the Company.
- 10) Electronic copy of the Annual Report for 2016–17 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 2016-17 are being sent by the permitted mode.
- 11) Electronic copy of the Notice of the 31st 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 31st 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 31st Annual General Meeting and the Annual Report for 2016–17 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](mailto: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 31st 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.
- 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, 2017** 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, 2017** and ends at **5.00 P.M. on 20th September, 2017**. During this period, Members of the Company, holding Shares either in physical form or in dematerialised form, as on the **cut-off date ("record date") i.e. 14th September, 2017**, 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.

**A. In case a Member receives an email from NSDL:**

- (i) Open email and open PDF file viz; "UML e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-Voting. Please note that the password is an initial password.  
Note: Shareholders already registered with NSDL for e-voting will not received the PDF file "UML e-Voting.pdf"
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
- (iii) Click on **Shareholder – Login**.
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click **Login**.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-Voting opens. Click on remote e-Voting: Active Voting Cycles.
- (vii) Select **"EVEN"** of "Usha Martin Limited".
- (viii) Now you are ready for remote e-Voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on **"Submit"** and also **"Confirm"** when prompted.
- (x) Upon confirmation, the message **"Vote cast successfully"** will be displayed.
- (xi) Once you have voted on a Resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutiniser through email to [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**B. In case a Member receives physical copy of the Notice of AGM :**

- (i) Initial password is provided at the bottom of the Attendance Slip for the AGM :  
**EVEN (Remote e-Voting Event Number) USER ID  
PASSWORD/PIN**
- (ii) Please follow all steps from Serial No.15A (ii) to (xii) above, to cast

vote.

If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote. You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting user manual for Members available at the "Downloads" section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free No.: 1800-222-9902. In case of any grievance of voting by electronic means, you may please contact NSDL officials at (022) 2499 4360/4738 or send an email to [e-voting@nsdl.co.in](mailto:e-voting@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, 2017**, 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 and 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, after scrutinising the votes cast at the Meeting and through remote e-voting, 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.
- 21) On receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the Annual General Meeting.
- 22) 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 2016-17.
- 23) Pursuant to the requirements of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, information about the Directors proposed to be re-appointed are given below:

Name of the Director	Mr. Basant Kumar Jhawar
Director Identification Number	00086237
Date of Joining the Board	19th May, 1998

Profile of Director / Brief resume of the directors (including nature of his expertise)	Mr. Basant Kumar Jhawar, aged about 82 years is a commerce graduate and founder of Usha Martin Group. He has founded several successful industrial enterprises in India and abroad. Till May, 2010, he served as Chairman of the Company. Presently he is designated as Chairman-Emeritus of the Company. Mr. Jhawar is actively involved and spearheading activities in the fields of community development, economic and social upliftment and empowerment of people and various other CSR initiatives on behalf of Usha Martin Group including through Krishi Gram Vikash Kendra, an NGO in operation for over 39 years in the state of Jharkhand.	
Disclosure of relationships between directors <i>inter – se</i>	Mr. B. K. Jhawar is father of Mr. Prashant Jhawar, Non-Executive Director of the Company.	
No. of shares held in the Company as on 31st March, 2017	82,310	
Directorship (Indian Private/ Public Companies) and Committee Membership (Audit/ Stakeholders Relationship) in other companies.	Directorship in other Companies	Committee Position held
	Orient Paper & Industries Limited	-
	KGVK Agro Limited	-
Remuneration	KGVK Social Enterprises Limited	-
	Presently Mr. Jhawar is not drawing any remuneration, except the sitting fees for attending Meeting of the Board and its' Committees in which he is a Member.	

#### STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 Item No. 4

Mrs. Aarthi Ramakrishnan (DIN:07672826) as an Additional Director, shall hold office till the date of the ensuing AGM and is eligible for being appointed as an Independent Director. Further the Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mrs. Ramakrishnan as a Director of the Company. The Company has also received a declaration from her confirming that she 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"). She is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as Director of the Company.

A brief profile of Mrs. Ramakrishnan is provided herein under:

Name of the Director	Mrs. Aarthi Ramakrishnan
Director Identification Number	07672826
Date of Joining the Board	9th December, 2016
Profile of Director / Brief resume of the directors (including nature of his expertise)	Mrs. Aarthi Ramakrishnan holds a degree in law from National Law School of India University, Bangalore and MBA from Indian Institute of Management, Calcutta. Mrs. Ramakrishnan has rich experience in legal & regulatory matters, investment banking and capital markets and has held senior positions in investment banking at DSP Merrill Lynch, HSBC Securities, Credit Suisse Securities. Most recently she was the Managing Director and Head – Investment Banking of Mizuho Securities. She is now associated with the affording housing finance space.
Disclosure of relationships between directors <i>inter – se</i>	Mrs. Ramakrishnan is not related to any of the Directors of the Company.

No. of shares held in the Company as on 31st March, 2017	Nil	
Directorship (Indian Private/Public Companies) and Committee Membership (Audit/ Stakeholders Relationship) in other companies.	Directorship in other Companies	Committee Position held
	None	

In the opinion of the Board, Mrs. Ramakrishnan fulfils the conditions of her appointment as an Independent Director as specified in the Act and LODR 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 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. Ramakrishnan and her relatives, are in any way, concerned or interested in the said Resolution. The passing of this Resolution does not and will not relate to or effect any other Company.

#### Item No. 5

Mr. Mukesh Rohatgi (DIN:00136067) as an Additional Director, shall hold office till the date of the ensuing AGM and is eligible for being appointed as an Independent Director. Further the Company has received a notice pursuant to Section 160 of the Act, together with the requisite amount of deposit from a Member signifying his intention to propose the appointment of Mr. Rohatgi as a Director of the Company. The Company has also received a declaration from him confirming that he meets the criteria of independence as prescribed under the Act and LODR. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

A brief profile of Mr. Rohatgi is provided herein under:

Name of the Director	Mr. Mukesh Rohatgi
Director Identification Number	00136067
Date of Joining the Board	9th December, 2016
Profile of Director / Brief resume of the directors (including nature of his expertise)	Mr. Mukesh Rohatgi is a B.Tech (Chemical Engineering) from Indian Institute of Technology, Delhi and MBA from Faculty of Management Studies from University of Delhi. Mr. Rohatgi has over three decades of experience in project engineering and oil & gas industry and has been associated with leading corporate houses like Essar Group, Hindustan Prefab Limited, Bharat Forge Limited. He was Chairman and Managing Director of Engineers India Limited and prior to joining Engineers India Limited, he was Director (Refineries) of Bharat Petroleum Corporation Limited. He is presently associated with Korus Engineering Services Private Limited.
Disclosure of relationships between directors inter – se	Mr. Rohatgi is not related to any of the Directors of the Company.
No. of shares held in the Company as on 31st March, 2017	Nil

Directorship (Indian Private/ Public Companies) and Committee Membership (Audit/ Stakeholders Relationship) in other companies.	Directorship in other Companies	Committee Position held
	MKR Consulting Private Limited	-
	Sensebird Solutions Private Limited	-

In the opinion of the Board, Mr. Rohatgi fulfils the conditions for appointment as an Independent Director as specified in the Act and LODR 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 Resolution as set out in Item No. 5 of this Notice is accordingly recommended by the Board for your approval.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Rohatgi and his relatives, are in any way, concerned or interested in the said Resolution. The passing of this Resolution does not and will not relate to or effect any other Company.

#### Item No. 6

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.1,75,000/- 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 ended 31st March, 2018.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as the remuneration payable to the 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. 6 of the Notice for ratifying proposed remuneration payable to the Cost Auditors for the Financial Year ended 31st March, 2018.

The Board recommends the Ordinary Resolution as set out at Item No. 6 of this Notice for approval of members.

No Director or Key Managerial Personnel or any of their relatives have any concern or interest in this Resolution. The passing of this Resolution does not and will not relate to or affect any other Company.

#### Item No. 7

The Company's existing Articles of Association ("AOA") is based on the Companies Act, 1956. In view of the implementation of the Companies Act, 2013 ("the Act"), it was found desirable to remodel the Company's entire AOA to conform to the provisions of the new Act.

Given this position, it is considered expedient to wholly replace the Company's existing AOA by a new set of AOA.

The draft AOA shall remain available for inspection by shareholders from Monday to Friday between 3:00 PM to 5:00 PM. A copy thereof will also be hosted on the Company's website.

No Directors or Key Managerial Personnel or any of their relatives have any concern or interest in the Resolution. The passing of the Resolution does not and will not relate to or affect any other Company.

The Board of Directors recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

**By Order of the Board**  
**Shampa Ghosh Ray**  
**Company Secretary**  
**ACS 16737**

**Place : Kolkata**  
**Date : 30th May, 2017**



**Usha Martin Limited**  
CIN: L31400WB1986PLC091621  
Regd. Office : 2A, Shakespeare Sarani, Kolkata 700 071 India  
Ph.: 033-39800300, Fax : 033-39800415  
e-mail: investor@ushamartin.co.in. Website: www.ushamartin.com

**ATTENDANCE SLIP****31<sup>st</sup> Annual General Meeting on Thursday, 21<sup>st</sup> September, 2017 at 11.30 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 31<sup>st</sup> ANNUAL GENERAL MEETING of the Company to be held on Thursday, 21<sup>st</sup> day of September, 2017 at 11:30 A. M. at "Vidya Mandir", 1, Moira Street, 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 (Remote e-Voting Event Number)	User ID	Password / PIN

Note : This forms an integral part of the Notice dated 30<sup>th</sup> May, 2017 for the 31<sup>st</sup> Annual General Meeting scheduled to be held on 21<sup>st</sup> September, 2017, which is being sent to you along with the Annual Report for the Financial Year 2016-17 of the Company. Please read the instructions printed under Note No. 15 to the Notice of 31<sup>st</sup> Annual General Meeting for exercising the vote. The e-Voting period starts from 9:00 A.M. on 18<sup>th</sup> September, 2017 and ends at 5:00 P.M. on 20<sup>th</sup> September, 2017. 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.: 033-39800300, Fax : 033-39800415  
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]

**31<sup>st</sup> Annual General Meeting on Thursday, 21<sup>st</sup> September, 2017 at 11.30 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

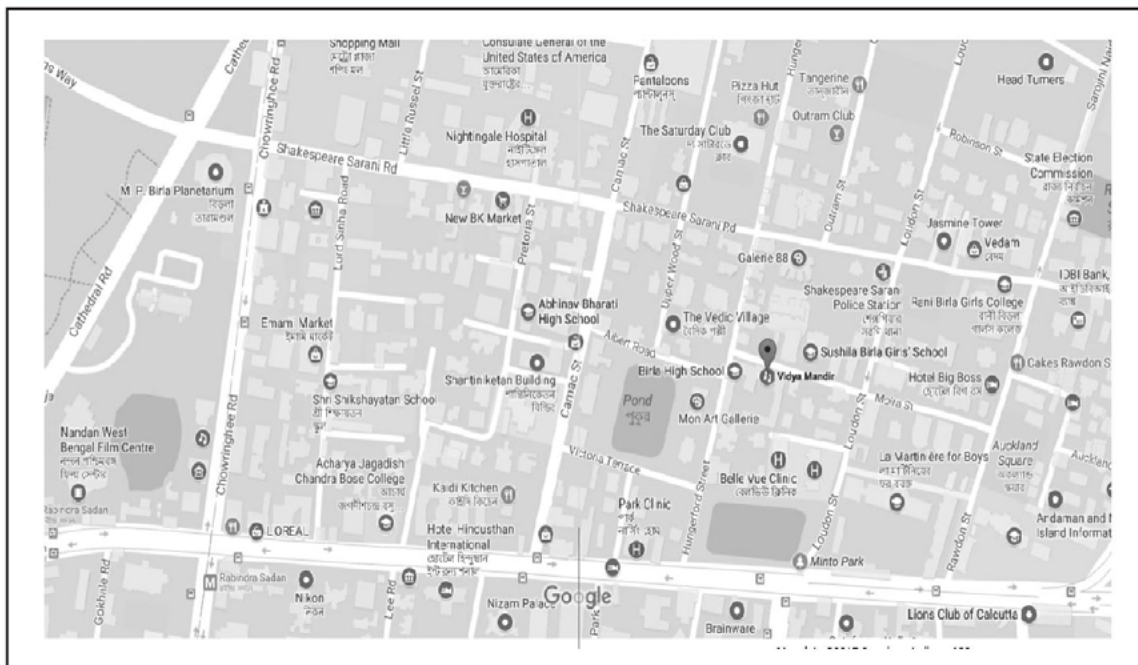
Shares of Usha Martin Limited, hereby appoint :

1. Name : .....  
Address : .....  
Email : ..... Signature : ..... or failing him / her
2. Name : .....  
Address : .....  
Email : ..... Signature : ..... or failing him / her
3. 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 31<sup>st</sup> Annual General Meeting of the Company to be held on Thursday, 21<sup>st</sup> day of September, 2017 at 11:30 A.M. at "Vidya Mandir", 1, Moira Street, Kolkata 700 017 and at any adjournment thereof in respect of such resolutions as are indicated below:



**Route Map of AGM Venue**  
**‘Vidya Mandir’, 1, Moira Street, 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 31 <sup>st</sup> March, 2017 together with the Directors' and Auditors' Reports thereon.
2	Appointment of a Director in place of Mr. Basant Kumar Jhawar (DIN: 00086237), who retires by rotation and being eligible, offers himself for re-appointment.
3	Appointment of Auditors & fixing their remuneration.
4	Appointment of Mrs. Aarthi Ramakrishnan (DIN : 07672826) as an Independent Director of the Company
5	Appointment of Mr. Mukesh Rohatgi (DIN : 00136067) as an Independent Director of the Company
6	Ratification of remuneration payable to the Cost Auditors for Financial Year ending 31 <sup>st</sup> March, 2018
7	Approval of new Articles of Association of the Company and that such Articles of Association be adopted in substitution, and to the entire exclusion, of the Regulations contained in the existing Articles of Association of the Company.

Signed this ..... day of ..... 2017

Signature of Shareholder

Signature of Proxy holder(s)

Affix Re. 1  
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 Resolutions, Statement & Notes, please refer to the Notice dated 30<sup>th</sup> May, 2017 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.



**Financial Summary**

(Rs/Cr except mentioned)

<b>Standalone</b>	<b>31-03-08</b>	<b>31-03-09</b>	<b>31-03-10</b>	<b>31-03-11</b>	<b>31-03-12</b>	<b>31-03-13</b>	<b>31-03-14</b>	<b>31-03-15</b>	<b>31-03-16</b>	<b>31-03-17</b>
Gross Turnover	1852.77	2307.21	1960.03	2742.24	3080.76	3346.98	3584.93	4113.59	3830.48	3605.93
Net Turnover	1655.90	2127.23	1850.39	2526.70	2836.89	3044.53	3287.12	3746.05	3447.47	3246.54
PBIDT	357.01	422.43	359.49	496.02	408.80	572.33	692.82	646.38	335.57	462.64
Profit Before Tax	200.71	214.04	139.21	145.30	(43.81)	10.32	(36.86)	(244.01)	(480.05)	(354.95)
Profit After Tax	144.83	146.56	92.21	99.52	(32.77)	7.05	(25.68)	(292.41)	(404.43)	(354.95)
EPS - Diluted - (Rs.) #	5.76	5.86	3.53	3.23	(1.08)	0.23	(0.84)	(9.60)	(13.27)	(11.65)
Rate of Dividend - (%)	100%	100%	100%	100%	-	15%	-	-	-	-
Net Fixed Assets	1449.08	2331.07	2857.54	3130.00	3671.38	4460.83	5256.95	4932.57	4780.46	4567.42
Investment	165.80	186.35	186.95	186.95	186.95	182.78	174.78	167.74	153.91	150.65
Net Current Assets	372.47	681.46	185.21	463.78	665.19	597.09	72.85	25.80	(376.50)	(539.77)
Including Cash & Bank Balance	46.36	76.47	10.30	113.01	253.18	123.11	154.95	39.33	3.99	4.64
Debt *	943.20	2061.23	1560.91	2008.80	2788.14	3487.80	3785.07	3824.05	3735.86	3722.57
Net Worth	897.38	1015.55	1499.69	1557.06	1531.54	1544.92	1522.71	1226.44	822.01	455.73
Debt Equity Ratio (X)	1.05	2.03	1.04	1.29	1.82	2.26	2.49	3.12	4.54	8.17

(Rs/Cr except mentioned)

<b>Consolidated</b>	<b>31-03-08</b>	<b>31-03-09</b>	<b>31-03-10</b>	<b>31-03-11</b>	<b>31-03-12</b>	<b>31-03-13</b>	<b>31-03-14</b>	<b>31-03-15</b>	<b>31-03-16</b>	<b>31-03-17</b>
Gross Turnover	2527.66	3146.79	2630.33	3266.42	3614.74	3935.27	4388.32	4943.99	4542.91	4255.10
Net Turnover	2308.77	2949.85	2514.41	3044.59	3360.82	3621.83	4073.83	4561.10	4147.92	3881.94
PBDIT	444.94	531.36	495.01	595.03	497.76	705.03	799.43	753.48	389.34	509.33
Profit Before Tax	246.84	280.59	240.04	204.07	11.40	103.50	26.67	(287.04)	(480.70)	(354.89)
Profit After Tax	175.38	185.33	168.62	137.03	3.61	78.84	10.70	(253.12)	(414.98)	(357.56)
EPS - Diluted - (Rs.) #	6.97	7.41	6.46	4.50	0.12	2.59	0.35	(8.31)	(13.62)	(11.78)
Net Fixed Assets	1740.97	2623.22	3177.69	3440.37	3988.73	4935.26	5873.13	5608.82	5461.25	5097.04
Investments	0.38	0.38	0.38	0.38	0.38	0.38	0.48	0.48	0.05	0.05
Net Current Assets	528.91	924.84	420.67	740.32	1006.57	926.52	435.28	390.06	28.95	(215.75)
Including Cash & Bank Balance	72.12	108.80	47.62	147.82	362.24	183.70	195.47	73.78	56.26	50.95
Debt *	1137.47	2266.37	1716.58	2155.47	2931.62	3688.50	4071.18	4131.79	4080.13	3994.39
Net Worth	967.39	1135.50	1687.52	1784.34	1830.28	1935.28	2002.84	1758.99	1365.20	944.91
Debt Equity Ratio (X)	1.18	2.00	1.02	1.21	1.60	1.91	2.03	2.35	2.99	4.23

# Face value of share Re.1/-

\* Including capex L/Cs and excluding Buyer's credit from banks &amp; Rupee bills discounting

**USHA MARTIN LIMITED**

2A, Shakespeare Sarani, Kolkata – 700 071, India

CIN : L31400WB1986PLC091621

Phone : 033 – 39800300; Fax : 033 – 39800415

Email : [investor@ushamartin.co.in](mailto:investor@ushamartin.co.in), Website : [www.ushamartin.com](http://www.ushamartin.com)